

DIGEST OF BILLS

2025 - First Extraordinary Session

SENATE AND HOUSE BILLS ENACTED
BY THE
SEVENTY-FIFTH GENERAL ASSEMBLY
OF THE
STATE OF COLORADO

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Includes 11 bills passed by
the General Assembly - August 26, 2025

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The first date appearing after each digest entry is the date on which the Act was approved by the Governor. The second date is the effective date of the Act.

Bills are in categorical order. This digest is intended to direct the user to the text of specific bills and does not purport to be exhaustive of the contents of the bills.

Compiled by the
Office of Legislative Legal Services

Table of Enacted House Bills

Note: The effective date for a bill enacted without a safety clause and without an effective date indicated in the bill is November 25, 2025, the day following the expiration of the ninety-day period after final adjournment of the General Assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3), of the state Constitution unless a referendum petition is filed against the act within such time period. If a referendum petition is filed, the act, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the Governor.

BILL NO.	PRIME SPONSOR	BILL TOPIC	GOVERNOR'S ACTION	EFFECTIVE DATE	SESSION LAWS CHAPTER	PAGE
1001	Sirota, Hinrichsen & Cutter	Qualified Bus Income Deduction Add-Back	Approved 8/28/2025	8/28/2025	5	8
1002	Zokaie & Marshall, Ball	Corporate Income Tax Foreign Jurisdictions	Approved 8/28/2025	8/28/2025	6	8
1003	Mabrey & Boesenecker, Weissman & Gonzales J.	Insurance Premium Tax Rate for Home Offices	Approved 8/28/2025	8/28/2025	7	5
1004	Stewart R. & Camacho, Marchman & Snyder	Sale of Tax Credits	Approved 8/28/2025	8/28/2025	8	8
1005	Woodrow & McCormick, Kipp & Winter F.	Eliminate State Sales Tax Vendor Fee	Approved 8/28/2025	8/28/2025	9	9

BILL NO.	PRIME SPONSOR	BILL TOPIC	GOVERNOR'S ACTION	EFFECTIVE DATE	SESSION LAWS CHAPTER	PAGE
1006	Brown & Gilchrist, Jodeh & Mullica	Improve Affordability Private Health Insurance	Approved 8/28/2025	Portions 8/28/2025, 8/29/2025, and contingent on passage of HB25B- 1004	10	5

Table of Enacted Senate Bills

Note: The effective date for a bill enacted without a safety clause and without an effective date indicated in the bill is November 25, 2025, the day following the expiration of the ninety-day period after final adjournment of the General Assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state Constitution unless a referendum petition is filed against the act within such time period. If a referendum petition is filed, the act, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the Governor.

BILL NO.	PRIME SPONSOR	BILL TOPIC	GOVERNOR'S ACTION	EFFECTIVE DATE	SESSION LAWS CHAPTER	PAGE
001	Amabile & Coleman, McCluskie & Sirota	Processes to Reduce Spending During Shortfall	Approved 8/28/2025	8/28/2025	11	3
002	Bridges & Daugherty, Bacon & Willford	State-Only Funding for Certain Entities	Approved 8/26/2025	8/26/2025	1	4
003	Michaelson Jenet & Wallace, Garcia & Stewart K.	Healthy School Meals For All	Approved 8/26/2025	Portions 8/26/2025; Portions contingent on ballot issue described in 22-82.9-213	2	2
004	Rodriguez, Titone & Bacon	Increase Transparency for Algorithmic Systems	Approved 8/28/2025	11/25/2025	3	1
005	Roberts & Catlin, Lukens & Martinez	Reallocate DNR Wolf Funding to Health Ins Enter	Approved 8/28/2025	8/28/2025	4	7

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CONSUMER AND COMMERCIAL TRANSACTIONS

S.B. 25B-004 Artificial intelligence - duty to avoid algorithmic discrimination - delayed effective date. In 2024, the general assembly enacted Senate Bill 24-205, which created consumer protections in interactions with artificial intelligence systems. The act extends the effective date of the requirements of Senate Bill 24-205 to June 30, 2026.

APPROVED by Governor August 28, 2025

EFFECTIVE November 25, 2025

NOTE: This act was passed without a safety clause and takes effect 90 days after sine die.

EDUCATION - PUBLIC SCHOOLS

S.B. 25B-003 School meals - healthy school meals for all - ballot issue - healthy school meals for all program cash fund. The act amends the ballot title language for the ballot issue concerning increasing taxes annually by \$95 million to support the healthy school meals for all program (program) that the secretary of state will submit to the voters at the November 2025 statewide election. The amended ballot title language allows the additional tax revenue authorized by the ballot issue to be spent on supporting access to not just the program but to healthy food for Colorado kids and families.

The act also modifies the healthy school meals for all program cash fund (fund), as the fund would exist upon voters approving the ballot issue concerning increasing taxes annually by \$95 million to support the program that the secretary of state will submit to the voters at the November 2025 statewide election. The act expands the permissible uses of money in the fund. Specifically, the act allows money in the fund to be used for, among other things, supporting the implementation of the supplemental nutritional assistance program, so long as the program is fully funded first. The act also modifies when money can be expended from the fund so that, beyond providing reimbursements to participating school food authorities and covering the costs of administering the program, money can only be expended from the fund beginning July 1, 2026.

APPROVED by Governor August 26, 2025 **PORTIONS EFFECTIVE** August 26, 2025

NOTE: Portions of this act take effect only if, at the November 2025 statewide election, the ballot issue described in section 22-82.9-213, Colorado Revised Statutes, is approved by the people, in which case portions of this act take effect on the date of the official declaration of the vote thereon by the governor.

GOVERNMENT - STATE

S.B. 25B-001 General fund expenditure reductions - governor's authority - interim revenue estimate trigger - presentation of spending reduction plans to joint budget committee. The governor is permitted to, by executive order, suspend or discontinue the functions or services of state government (discretionary spending reductions) when there are not sufficient revenues available to carry on the functions of the state government. The act relocates the provisions of law allowing the governor to make discretionary spending reductions and requires the governor to promptly notify the joint budget committee (JBC) of the executive order. As soon as practicable after receiving the notification, the JBC shall hold a meeting to discuss the governor's plans for discretionary spending reductions. At the meeting, the governor or the office of state planning and budgeting (OSPB), or both, shall present the executive order to the JBC and the JBC may provide advice regarding discretionary spending reductions.

Under law existing before the passage of the act, the governor is required to formulate and implement a plan to reduce general fund expenditures when the governor's regular quarterly revenue estimate indicates that appropriations from the general fund then in effect either will result in using more than one-half of the required amount of general fund reserve (reserve) or will result in the balance of the reserve dropping to below \$1 billion (required spending reductions).

The act adds that required spending reductions can be triggered by an interim revenue estimate that is prepared by the governor, designated as an update to the most recent prior regular quarterly revenue estimate, transmitted to the general assembly, and presented to the JBC. In addition to a revenue estimate indicating that the balance of the reserve will drop to below \$1 billion, the act requires spending reductions when a revenue estimate indicates that the state needs to use an amount of the reserve equal to the lesser of 3% of general fund appropriations for the fiscal year or one-half of the required reserve.

Under existing law, the governor promptly notifies the general assembly of a required spending reduction plan. The act requires the JBC to hold a meeting as soon as practicable after receiving the notification. At the meeting, the governor or OSPB, or both, shall present the plan to the JBC and the JBC may provide advice regarding the plan.

APPROVED by Governor August 28, 2025

EFFECTIVE August 28, 2025

HEALTH CARE POLICY AND FINANCING

S.B. 25B-002 Reimbursement using state funds for entities that provide certain medicaid services - exception. On and after July 1, 2025, the act requires the department of health care policy and financing (HCPF) to use only state funds to reimburse entities that provide covered services and that are prohibited from receiving reimbursement from the federal centers for medicare and medicaid services (CMS); except that an entity is not eligible to receive state-only funds from HCPF if the entity is eligible for reimbursement from CMS at the time the services are provided.

APPROVED by Governor August 26, 2025

EFFECTIVE August 26, 2025

INSURANCE

H.B. 25B-1003 Regulation of insurance companies - taxation of insurance premiums - premium tax rate for a home office or regional home office - repeal. The act, beginning in the 2026 calendar year, repeals the reduced insurance premium tax rate tax expenditure for a home office or regional home office.

APPROVED by Governor August 28, 2025

EFFECTIVE August 28, 2025

H.B. 25B-1006 Health insurance affordability enterprise - reallocation of reserves - transfer from refinance discretionary account - additional funding for 2026 plan year - tax credit sale proceeds - contingent on federal action - public input on plan recommendations - review and report on rules - performance audit - appropriation. The act makes the following changes to the funding allocated to the health insurance affordability enterprise (enterprise) for programs administered or funded by the enterprise:

- If the federal enhanced premium tax credit is not extended on or before December 31, 2025, authorizes the state treasurer to sell insurance premium and corporate tax credits to generate up to \$100 million to be credited to the health insurance affordability cash fund (HIA cash fund) for use in the 2026 plan year and allocates the tax credit sale proceeds as follows:
 - Up to \$50 million to the reinsurance program;
 - Up to \$50 million to carriers to increase the affordability of health plans on the individual market for individuals who purchase individual health benefit plans on the Colorado health benefit exchange and receive the premium tax credit authorized under federal law (state-based insurance subsidies); and
 - Up to \$5 million for other programs administered or funded by the enterprise;
- Of the revenues collected by the enterprise before the effective date of the act that had been allocated for state-based insurance subsidies, allows the enterprise to reallocate any unexpended amount to other programs the enterprise administers or funds; and
- Transfers \$10 million from the refinance discretionary account in the ARPA refinance state money cash fund to the HIA cash fund.

Additionally, the act requires the health insurance affordability board to:

- Prepare an annual report detailing certain financial information about the enterprise;
- Make recommendations to the commissioner of insurance (commissioner) regarding coverage and plan design of state-subsidized plans to maximize plan enrollment; and
- Prior to making any recommendations to the commissioner, seek and discuss at a public meeting input and recommendations from individuals directly affected by programs funded by the enterprise.

The division of insurance is directed to conduct a review of its regulation concerning the health insurance affordability fee assessment and collection process and to include its review in the departmental regulatory agenda submitted to the general assembly by November 1, 2026, pursuant to the "SMART Act". Further, the state auditor is required to complete a performance audit of the enterprise by December 31, 2027, and to submit its audit report to the legislative audit committee and the health and human services committees of the senate and the house of representatives.

The act appropriates \$3,173,500 from the tax credit sale proceeds cash fund to the department of treasury for the administration of the tax credit sales.

APPROVED by Governor August 28, 2025 **PORTIONS EFFECTIVE** August 28, 2025
PORTIONS EFFECTIVE August 29, 2025

NOTE: Certain sections of the act are contingent on whether or not House Bill 25B-1004 becomes law. House Bill 25B-1004 was signed by the governor August 28, 2025.

NATURAL RESOURCES

S.B. 25B-005 Division of parks and wildlife - gray wolf reintroduction funding - transfer to health insurance affordability enterprise - reduction in appropriation.

The act reduces by \$264,268 an appropriation for the 2025-26 state fiscal year from the general fund to the department of natural resources division of parks and wildlife (division) for the reintroduction of gray wolves. The act requires the state treasurer to transfer a corresponding amount from the general fund to the Colorado health insurance affordability enterprise cash fund on September 1, 2025.

The act also prohibits the division from using the money appropriated from the general fund in state fiscal year 2025-26 (appropriated money) for the acquisition and reintroduction of gray wolves. The division may use the appropriated money to assist owners of livestock in preventing and resolving conflicts between gray wolves and livestock and to pay fair compensation to owners of livestock for any losses of livestock caused by gray wolves.

APPROVED by Governor August 28, 2025

EFFECTIVE August 28, 2025

TAXATION

H.B. 25B-1001 State income tax addition for amount equal to federal qualified business income deduction - permanent extension. The act continues indefinitely the existing requirement, which otherwise would have ended for income tax years commencing on or after January 1, 2026, that an amount equal to the federal qualified business income deduction allowed under section 199A of the federal "Internal Revenue Code of 1986" be added back by certain taxpayers to their federal taxable income for the purpose of determining their state taxable income.

APPROVED by Governor August 28, 2025

EFFECTIVE August 28, 2025

H.B. 25B-1002 Foreign-derived deduction eligible income - determination of foreign incorporation - income tax addition. The act adds Hong Kong, Republic of Ireland, Liechtenstein, Netherlands, and Singapore to the list of foreign jurisdictions in which a C corporation is presumptively incorporated for the purpose of avoiding state corporate income tax and allows the executive director of the department of revenue to use discretion to determine that a C corporation is not incorporated in a foreign jurisdiction for the purpose of such tax avoidance without, as had been the case, requiring the C corporation to rebut that presumption by proving to the satisfaction of the executive director that the C corporation is incorporated in the listed foreign jurisdiction for reasons that meet the economic substance doctrine described in the federal internal revenue code.

For income tax years commencing on or after January 1, 2026, for the purposes of determining the amount of corporate income tax that a C corporation owes to the state, the act adds to a C corporation's federal taxable income an amount equal to a federal deduction claimed for the income tax year for foreign-derived deduction eligible income.

The act modifies the state income tax subtraction for dividends from foreign subsidiaries that must be added to a C corporation's federal taxable income under the federal internal revenue code, which had not allowed subtraction of such dividends received from a C corporation incorporated in a foreign jurisdiction for the purpose of tax avoidance, so that all dividends from foreign subsidiaries that must be added to a C corporation's federal taxable income under the federal internal revenue code may be subtracted from the C corporation's federal taxable income for the purpose of determining the C corporation's Colorado taxable income.

APPROVED by Governor August 28, 2025

EFFECTIVE August 28, 2025

H.B. 25B-1004 Insurance premium tax credits - corporate tax credits - sale - redemption - appropriation. The act authorizes the department of the treasury (department) to sell insurance premium tax credits to insurance companies that incur state premium tax liability (premium tax credit) and to C corporations that incur state

income tax liability (corporate tax credit). The premium tax credit and the corporate tax credit (tax credits) may be offered for sale to insurance companies and C corporations by the department, subject to procedures adopted by the department. The department may contract or consult with an independent third party to manage the sale process, and if it does so, the independent third party must adopt the sale procedures.

A qualified taxpayer who purchases a tax credit may claim the tax credit against its premium tax or income tax liability (tax liability), as applicable. The department, in consultation with the office of state planning and budgeting, prior to the sale of a tax credit, may determine the calendar years in which the qualified taxpayer may claim the qualified taxpayer's tax credit against the qualified taxpayer's tax liability. The amount of the tax credit claimed cannot exceed the taxpayer's tax liability for a given year and a tax credit is not refundable. The unused amount carries forward and may be claimed in subsequent years; except that a tax credit cannot be claimed for a tax liability incurred in a taxable year that begins after December 31, 2033. Insurance companies with a qualified home office or regional home office in the state have first priority to purchase premium tax credits.

In fiscal year 2025-26, the department is authorized to issue tax credit certificates to qualified taxpayers equal to the lesser of a total face value of up to \$125 million or total sales proceeds of up to \$100 million, plus any reasonable and necessary administrative, monitoring, and closing costs of the department (closing costs). The minimum proposed tax credit purchase amount must be the greater of either the amount that an independent third party determines to be consistent with market conditions or 80% of the requested dollar amount of tax credits.

The act creates the tax credit proceeds cash fund (fund). The proceeds from the issuance of tax credits must be deposited in the fund. Subject to annual appropriation, the department may expend money from the fund for any closing costs associated with implementing and administering the act. Subject to annual appropriation, the department of revenue may expend money from the fund for direct and indirect costs associated with implementing and administering the act. Each month, the state treasurer is required to credit the money generated by the issuance of tax credits to the fund. The department is required to transfer the money in the fund to the general fund, less any amounts used for expenses authorized by the act.

For the 2025-26 state fiscal year, the act appropriates \$3,173,500 to the department. The appropriation is from the fund and must be used for tax credit administration.

APPROVED by Governor August 28, 2025

EFFECTIVE August 28, 2025

H.B. 25B-1005 Sales tax - state sales tax vendor fee - elimination - appropriation.

Pursuant to law in effect prior to the passage of the act, a retailer is required to periodically remit to the department of revenue (department) the sales tax revenue that it collects, and some retailers are allowed to retain a sales tax vendor fee to cover

the retailer's expenses incurred in collecting and remitting state sales tax.

Beginning January 1, 2026, the act eliminates the sales tax vendor fee that retailers are authorized to retain in connection with collecting and remitting state sales tax. The act also makes conforming amendments to prevent additional sales tax revenue from being included in the calculation of state sales tax increment revenue for purposes of the "Colorado Regional Tourism Act" and to maintain the amount of sales and use tax revenue that the state treasurer annually credits to the housing development grant fund.

For the 2025-26 state fiscal year, the act appropriates \$156,219 to the department from the general fund for the implementation of the act and reappropriates \$36,383 of that appropriation to the department of personnel to provide document management services to the department.

APPROVED by Governor August 28, 2025

EFFECTIVE August 28, 2025