

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 24-0560.01 Christopher McMichael x4775

HOUSE BILL 24-1234

HOUSE SPONSORSHIP

Mauro and Catlin, deGruy Kennedy, Froelich, Hamrick, Jodeh, Lindsay, Lukens, McCluskie

SENATE SPONSORSHIP

Roberts and Hansen,

House Committees

Transportation, Housing & Local Government
Appropriations

Senate Committees

Business, Labor, & Technology
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE CONTINUATION OF HIGH COST SUPPORT MECHANISM**
102 **FUNDING FOR RURAL TELECOMMUNICATIONS PROVIDERS, AND,**
103 **IN CONNECTION THEREWITH, IMPLEMENTING THE**
104 **RECOMMENDATIONS IN THE 2023 SUNSET REPORT BY THE**
105 **DEPARTMENT OF REGULATORY AGENCIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Sunset Process - House Transportation, Housing, and Local Government Committee. The bill implements the recommendations of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
Amended 2nd Reading
April 12, 2024

HOUSE
3rd Reading Unamended
March 5, 2024

HOUSE
2nd Reading Unamended
March 4, 2024

the department of regulatory agencies in its sunset review and report on the high cost support mechanism by continuing the high cost support mechanism indefinitely and continuing funding for rural telecommunications providers from the high cost support mechanism indefinitely.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**
3 (25)(a)(XVII) as follows:

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (25) (a) The following agencies, functions, or both,
7 are scheduled for repeal on September 1, 2024:

8 (XVII) ~~The functions of the public utilities commission with~~
9 ~~regard to the administration of the high cost support mechanism created~~
10 ~~in section 40-15-208;~~

11 **SECTION 2.** In Colorado Revised Statutes, 40-15-208, **amend**
12 (2)(a)(IV) and (4); and **repeal** (6) as follows:

13 **40-15-208. High cost support mechanism - Colorado high cost**
14 **administration fund - creation - purpose - operation - rules - report.**

15 (2) (a) (IV) The commission shall allocate to the high cost support
16 mechanism account dedicated to broadband deployment, on a quarterly
17 basis and by the end of the month following the previous quarter, the
18 following percentages of the total quarterly amount of high cost support
19 mechanism money collected, minus administrative costs and distributions
20 required under subsection (4) of this section:

21 (A) ~~For each quarter in 2019, sixty percent;~~

22 (B) ~~For each quarter in 2020, seventy percent;~~

23 (C) ~~For each quarter in 2021, eighty percent;~~

1 (D) For each quarter in 2022, ninety percent; and

2 (E) For each quarter in 2023 AND FOR EACH QUARTER IN EACH
3 SUBSEQUENT YEAR, one hundred percent.

4 (4) Notwithstanding any other provision to the contrary in sections
5 40-15-207 and 40-15-502 or this section, rural telecommunications
6 providers receiving support from the high cost support mechanism as of
7 January 1, 2017, will continue to receive support, on a quarterly basis and
8 by the end of the month following the previous quarter, at the same level
9 of reimbursement established by averaging the payments received for
10 calendar years 2015 and 2016, ~~for the period of~~ BEGINNING ON January 1,
11 2019, ~~through September 1, 2024~~ AND CONTINUING EACH QUARTER IN
12 EACH SUBSEQUENT YEAR. The commission shall administer the high cost
13 support mechanism to ensure compliance with this section.

14 (6) ~~This section is repealed, effective September 1, 2024. Before~~
15 ~~the repeal, the department of regulatory agencies shall, in accordance with~~
16 ~~section 24-34-104, review the powers, duties, and functions of the~~
17 ~~commission regarding the administration of the high cost support~~
18 ~~mechanism.~~

19 **SECTION 3.** In Colorado Revised Statutes, **amend 40-2-112 (1)**
20 **as follows:**

21 **40-2-112. Computation of fees.** (1) (a) On or before June 1 of
22 each year, the executive director of the department of revenue shall
23 ascertain the aggregate amount of gross operating revenues of TELEPHONE
24 CORPORATIONS AND all OTHER public utilities filing returns as provided
25 in section 40-2-111. BASED ON APPROPRIATIONS MADE BY THE GENERAL
26 ASSEMBLY, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
27 REGULATORY AGENCIES SHALL SPECIFY, FOR THE TELECOMMUNICATIONS

1 UTILITY FUND, CREATED IN SECTION 40-2-114 (1)(b)(I), AND THE PUBLIC
2 UTILITIES COMMISSION FIXED UTILITY FUND, CREATED IN SECTION
3 40-2-114 (1)(b)(II), THE REVENUE NEEDED TO PROVIDE FOR THE DIRECT
4 AND INDIRECT COSTS OF THE SUPERVISION AND REGULATION OF
5 TELEPHONE CORPORATIONS AND ALL OTHER PUBLIC UTILITIES UNDER THE
6 JURISDICTION OF THE DEPARTMENT OF REGULATORY AGENCIES,
7 EXCLUDING THE AMOUNT OF MONEY PROVIDED AS ADMINISTRATIVE
8 SUPPORT FROM THE VARIOUS TELECOMMUNICATIONS PROGRAMS
9 ADMINISTERED BY THE COMMISSION, INCLUDING THE HIGH COST SUPPORT
10 MECHANISM, ESTABLISHED IN SECTION 40-15-208, THE 911 SURCHARGE,
11 ESTABLISHED IN SECTION 29-11-102.3, THE 988 SURCHARGE, ESTABLISHED
12 IN SECTION 40-17.5-102, AND THE TELECOMMUNICATIONS RELAY SERVICE
13 SURCHARGE, ESTABLISHED IN SECTION 40-17-103.

14 (b) (I) FOR EACH TELEPHONE CORPORATION, THE EXECUTIVE
15 DIRECTOR OF THE DEPARTMENT OF REGULATORY AGENCIES SHALL
16 COMPUTE THE PERCENTAGE WHICH THE AMOUNT OF REVENUE NEEDED FOR
17 THE DIRECT AND INDIRECT COSTS OF THE SUPERVISION AND REGULATION
18 OF TELEPHONE CORPORATIONS IS OF THE AGGREGATE AMOUNT OF GROSS
19 OPERATING REVENUES OF THE TELEPHONE CORPORATION DERIVED FROM
20 INTRASTATE UTILITY BUSINESS TRANSACTED DURING THE PRECEDING
21 CALENDAR YEAR, AND THAT PERCENTAGE SHALL BE THE BASIS UPON
22 WHICH FEES DUE FROM TELEPHONE CORPORATIONS FOR THE ENSUING YEAR
23 SHALL BE FIXED.

24 (II) FOR EACH PUBLIC UTILITY OTHER THAN A TELEPHONE
25 CORPORATION, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
26 REGULATORY AGENCIES SHALL THEN COMPUTE THE PERCENTAGE WHICH THE FULL
27 AMOUNT DETERMINED BY THE GENERAL ASSEMBLY FOR ADMINISTRATIVE EXPENSES

1 of the public utilities commission for the supervision and regulation of
2 such public utilities OF REVENUE NEEDED FOR THE DIRECT AND INDIRECT
3 COSTS OF THE SUPERVISION AND REGULATION OF PUBLIC UTILITIES OTHER
4 THAN TELEPHONE CORPORATIONS is of the aggregate amount of gross
5 operating revenues of such public utilities derived from intrastate utility
6 business transacted during the preceding calendar year, and ~~the~~ THAT
7 percentage so computed shall be the basis upon which fees DUE FROM THE
8 PUBLIC UTILITIES for the ensuing year shall be fixed.

9 **SECTION 4. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly; except
12 that, if a referendum petition is filed pursuant to section 1 (3) of article V
13 of the state constitution against this act or an item, section, or part of this
14 act within such period, then the act, item, section, or part will not take
15 effect unless approved by the people at the general election to be held in
16 November 2024 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.