

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 24-0658.03 Jason Gelender x4330

HOUSE BILL 24-1295

HOUSE SPONSORSHIP

Titone and Herod,

SENATE SPONSORSHIP

Fenberg and Coleman,

House Committees

Business Affairs & Labor
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING COMMUNITY REVITALIZATION INCENTIVES FOR THE**
102 **SUPPORT OF CREATIVE INDUSTRIES, AND, IN CONNECTION**
103 **THEREWITH, EXTENDING THE COMMUNITY GRANT**
104 **REVITALIZATION PROGRAM, CREATING AN INCOME TAX CREDIT**
105 **FOR EXPENSES INCURRED IN COMPLETING INFRASTRUCTURE**
106 **THAT SUPPORTS CREATIVE INDUSTRIES AND CREATIVE INDUSTRY**
107 **WORKERS, AND MAKING AN APPROPRIATION.**

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>.)

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.

HOUSE
Amended 2nd Reading
April 25, 2024

Section 1 of the bill modifies the community revitalization grant program (grant program) by:

- Including projects that are eligible for funding under the space to create program administered by the creative industries division (division) within the office of economic development (office) as projects intended to be supported by the grant program;
- Extending deadlines for the adoption of policies, procedures, and guidelines for the grant program and for grant program reporting; and
- Extending the scheduled repeal of the grant program from January 1, 2025, to the date on which all money transferred or otherwise credited to the community revitalization fund pursuant to this section is expended.

Section 2 creates a new community revitalization income tax credit (credit), for income tax years commencing on or after January 1, 2026, but before January 1, 2033, in an amount equal to 25% of the amount of eligible expenditures made by a qualified applicant in completing an eligible project; except that the office may reduce the credit percentage for reservations for credits made in any income tax year, and the maximum amount of the credit for a single project is \$3 million. In addition, the maximum amount of credits that may be reserved during any calendar year is \$16 million. An eligible project is a capital improvement project within a creative district, a historic district, or a neighborhood commercial center or a main street that involves the construction, rehabilitation, conversion, remodeling, or other improvement of one or more buildings, structures, or facilities for uses that support creative industries and creative industry workers and that is approved as an eligible project by the office.

The bill details a process for claiming the credit that requires:

- The submission by a qualified applicant to the office of an eligible project plan that includes an estimate of eligible expenditures;
- Preliminary and final review and approval of the plan by the office;
- Reservation of a credit for the qualified applicant by the office;
- Commencement of the eligible project incurrence by the qualified applicant of a specified minimum portion of the eligible expenditures within a specified period;
- Completion of the eligible project;
- Issuance of a tax credit certificate by the office;
- Filing of the tax credit certificate by the qualified applicant with the department of revenue with the qualified

- applicant's tax return or informational return; and
● Recapture of the credit if the eligible project is not used for a use that makes it an eligible project during a specified compliance period.

The office is required to annually report to the general assembly regarding the credit and may, after soliciting advice from the department of revenue, create and modify policies and procedures as necessary to implement the credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-48.5-317, **amend**
3 (2)(a)(V), (2)(a)(VI), (4) introductory portion, (8)(a), and (9); **repeal**
4 (2)(b); and **add** (2)(a)(VII) as follows:

5 **24-48.5-317. Community revitalization grants - fund -**
6 **reporting - compliance with federal requirements - legislative**
7 **declaration - definitions - repeal.** (2) (a) The community revitalization
8 grant program is hereby established in the division. The purpose of the
9 grant program is to provide state assistance in the form of grant awards
10 to finance various projects across the state that are intended to create or
11 revitalize mixed-use commercial centers. The grant program is intended
12 to support creative projects in these commercial centers that would
13 combine revitalized or newly constructed commercial spaces with public
14 or community spaces including but not limited to such projects as:

15 (V) The renovation or refurbishment of vacant or blighted
16 property for creative industries, economic development, or historic
17 preservation purposes; and

18 (VI) Child care centers; AND

19 (VII) PROJECTS THAT ARE ELIGIBLE FOR FUNDING UNDER THE
20 SPACE TO CREATE COLORADO PROGRAM ADMINISTERED BY THE DIVISION.

21 (b) ~~All grants awarded under this section must be encumbered not~~

1 ~~later than December 31, 2022.~~

2 (4) On or before ~~September 1, 2021~~, DECEMBER 1, 2024, the
3 director of the division, in consultation with the director of the division
4 of local government, or their designees, shall adopt policies, procedures,
5 and guidelines for the grant program that include without limitation:

6 (8) (a) On or before ~~November 1, 2022~~ NOVEMBER 1, 2024, and
7 on or before ~~November 1, 2023~~ NOVEMBER 1, 2026, the division shall
8 publish a report summarizing the use of all of the money that was
9 awarded as grants under the grant program in the preceding fiscal year.
10 At a minimum, the report shall specify the amount of grant money
11 distributed to each grant recipient and a description of each grant
12 recipient's use of the grant money. The report must be posted on the
13 website of the office of economic development created in section
14 24-48.5-101.

15 (9) This section is WILL BE repealed effective ~~January 1, 2025~~ IF
16 ALL MONEY TRANSFERRED OR OTHERWISE CREDITED TO THE COMMUNITY
17 REVITALIZATION FUND PURSUANT TO THIS SECTION IS EXPENDED. THE
18 DIRECTOR OF THE DIVISION SHALL NOTIFY THE REVISOR OF STATUTES IN
19 WRITING OF THE DATE WHEN THE CONDITION SPECIFIED IN THIS
20 SUBSECTION (9) HAS OCCURRED BY E-MAILING THE NOTICE TO
21 REVISOROFSTATUTES.GA@COLEG.GOV. THIS SECTION IS REPEALED,
22 EFFECTIVE UPON THE DATE IDENTIFIED IN THE NOTICE THAT ALL MONEY
23 TRANSFERRED OR OTHERWISE CREDITED TO THE COMMUNITY
24 REVITALIZATION FUND PURSUANT TO THIS SECTION IS EXPENDED, OR, IF
25 THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE
26 TO THE REVISOR OF STATUTES.

27 **SECTION 2.** In Colorado Revised Statutes, 24-75-402, **amend**

1 (5)(ccc) and (5)(ddd); and **add** (5)(eee) as follows:

2 **24-75-402. Cash funds - limit on uncommitted reserves -**
3 **reduction in the amount of fees - exclusions - definitions.**

4 (5) Notwithstanding any provision of this section to the contrary, the
5 following cash funds are excluded from the limitations specified in this
6 section:

7 (ccc) The wildfire resiliency code board cash fund created in
8 section 24-33.5-1236 (8); **and**

9 (ddd) The closed landfill remediation grant program fund created
10 in section 30-20-124 (8); **AND**

11 (eee) **THE COMMUNITY REVITALIZATION TAX CREDIT PROGRAM**
12 **CASH FUND CREATED IN SECTION 39-22-560 (13).**

13 **SECTION 3.** In Colorado Revised Statutes, **add** 39-22-560 as
14 follows:

15 **39-22-560. Community revitalization tax credit - community**
16 **revitalization tax credit program cash fund - tax preference**
17 **performance statement - legislative declaration - definitions - repeal.**

18 (1) **Tax preference performance statement.** IN ACCORDANCE WITH
19 SECTION 39-21-304(1), WHICH REQUIRES EACH BILL THAT CREATES A NEW
20 TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE
21 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE
22 GENERAL ASSEMBLY FINDS AND DECLARES THAT:

23 (a) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT
24 ALLOWED BY THIS SECTION ARE:

25 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS;

26 AND

27 (II) TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR

1 INDIVIDUALS;

2 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT
3 ALLOWED BY THIS SECTION IS TO REVITALIZE COMMUNITIES BY PROVIDING
4 FINANCIAL SUPPORT AND A FINANCIAL INCENTIVE FOR CAPITAL
5 IMPROVEMENT PROJECTS IN CREATIVE DISTRICTS THAT SUPPORT CREATIVE
6 INDUSTRIES AND CREATIVE INDUSTRY WORKERS BY PROVIDING
7 AFFORDABLE HOUSING AND LIVE-WORK SPACES FOR SUCH WORKERS AND
8 OTHER MIXED-USE AND CREATIVE-USE SPACES FOR BOTH SUCH WORKERS
9 AND THE GENERAL PUBLIC THAT ENJOYS AND BENEFITS FROM THEIR WORK.

10 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
11 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT IN ACHIEVING THE
12 PURPOSES SPECIFIED IN SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION
13 BASED ON THE INFORMATION REQUIRED TO BE MAINTAINED BY AND
14 REPORTED BY THE OFFICE PURSUANT TO SUBSECTION (11) OF THIS
15 SECTION.

16 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
17 OTHERWISE REQUIRES:

18 (a) "APPLICATION" MEANS AN APPLICATION IN THE FORM AND
19 MANNER APPROVED BY THE OFFICE FOR THE CREDIT ALLOWED IN THIS
20 SECTION THAT INCLUDES THE PROJECT PLAN AND ESTIMATED ELIGIBLE
21 EXPENDITURES.

22 (b) "CREATIVE DISTRICT" HAS THE SAME MEANING AS SET FORTH
23 IN SECTION 24-48.5-314 (2)(b).

24 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

25 (d) "ELIGIBLE EXPENDITURES" MEANS REASONABLE AND
26 NECESSARY EXPENDITURES, IN ACCORDANCE WITH GUIDELINES
27 DEVELOPED BY THE OFFICE, ACTUALLY PAID BY A TAXPAYER IN

1 COMPLETING AN ELIGIBLE PROJECT.

2 (e) "ELIGIBLE PROJECT" MEANS A CAPITAL IMPROVEMENT PROJECT
3 UNDERTAKEN IN THE STATE WITHIN A CREATIVE DISTRICT, A HISTORIC
4 DISTRICT, OR A NEIGHBORHOOD COMMERCIAL CENTER OR ON A MAIN
5 STREET THAT INVOLVES THE CONSTRUCTION, REHABILITATION,
6 CONVERSION, REMODELING, OR OTHER IMPROVEMENT OF ONE OR MORE
7 BUILDINGS, STRUCTURES, OR FACILITIES FOR USES THAT SUPPORT
8 CREATIVE INDUSTRIES AND CREATIVE INDUSTRY WORKERS, INCLUDING
9 AFFORDABLE HOUSING AND LIVE-WORK SPACES FOR SUCH WORKERS AND
10 OTHER MIXED-USE, CREATIVE-USE, PERFORMANCE, AND EXHIBITION
11 SPACES FOR SUCH WORKERS AND FOR THE GENERAL PUBLIC AND THAT IS
12 APPROVED BY THE OFFICE IN ACCORDANCE WITH THE POLICIES,
13 PROCEDURES, AND GUIDELINES FOR THE IMPLEMENTATION AND
14 ADMINISTRATION OF THE TAX CREDIT ALLOWED BY THIS SECTION ADOPTED
15 BY THE OFFICE PURSUANT TO SUBSECTION (12) OF THIS SECTION.

16 (f) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT.

17 (g) (I) "QUALIFIED APPLICANT" MEANS A PERSON THAT:

18 (A) HAS A CONTRACTUAL OR REAL PROPERTY INTEREST IN AN
19 EXISTING OR PLANNED BUILDING, STRUCTURE, OR FACILITY THAT IS TO BE
20 CONSTRUCTED, REHABILITATED, CONVERTED, REMODELED, OR OTHERWISE
21 IMPROVED THROUGH THE COMPLETION OF AN ELIGIBLE PROJECT; AND

22 (B) MAKES ELIGIBLE EXPENDITURES;

23 (II) A QUALIFIED APPLICANT MAY BE A PERSON SUBJECT TO TAX
24 PURSUANT TO THIS ARTICLE 22 OR A PERSON OR POLITICAL SUBDIVISION OF
25 THE STATE THAT IS EXEMPT FROM SUCH TAXATION PURSUANT TO SECTION
26 39-22-112 (1).

27 (3) **Credit allowed.** (a) FOR INCOME TAX YEARS COMMENCING ON

1 OR AFTER JANUARY 1, 2026, BUT PRIOR TO JANUARY 1, 2033, A QUALIFIED
2 APPLICANT IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED
3 BY THIS ARTICLE 22 FOR PLACING AN ELIGIBLE PROJECT IN SERVICE IN AN
4 AMOUNT SPECIFIED ON THE CREDIT CERTIFICATE ISSUED BY THE OFFICE
5 PURSUANT TO SUBSECTION (7) OF THIS SECTION.

6 (b) IN ORDER TO CLAIM THE CREDIT ALLOWED PURSUANT TO THIS
7 SECTION, THE QUALIFIED APPLICANT MUST SUBMIT AN APPLICATION AS
8 SPECIFIED IN SUBSECTION (4) OF THIS SECTION, PLACE THE ELIGIBLE
9 PROJECT IN SERVICE PRIOR TO JANUARY 1, 2033, OBTAIN A TAX CREDIT
10 CERTIFICATE FROM THE OFFICE AS SPECIFIED IN SUBSECTION (7) OF THIS
11 SECTION, AND, ONCE ISSUED BY THE OFFICE, FILE THE TAX CREDIT
12 CERTIFICATE WITH THE QUALIFIED APPLICANT'S INCOME TAX RETURN AS
13 SPECIFIED IN SUBSECTION (8) OF THIS SECTION.

14 (4) **Application submission and review.** (a) AN APPLICANT MAY
15 SUBMIT AN APPLICATION TO THE OFFICE ON OR AFTER JANUARY 1, 2025,
16 BUT NO LATER THAN OCTOBER 3, 2029.

17 (b) THE OFFICE SHALL REVIEW ALL SUBMITTED APPLICATIONS TO:

18 (I) DETERMINE WHETHER THE APPLICANT IS A QUALIFIED
19 APPLICANT;

20 (II) DETERMINE WHETHER THE APPLICATION IS COMPLETE AND
21 INCLUDES A PROPERTY ADDRESS, LEGAL DESCRIPTION, OR OTHER SPECIFIC
22 LOCATION IDENTIFIER;

23 (III) MAKE A PRELIMINARY DETERMINATION WHETHER THE
24 PROJECT PLAN IS A PLAN FOR AN ELIGIBLE PROJECT BASED ON THE POLICIES
25 AND PROCEDURES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION
26 (12) OF THIS SECTION;

27 (IV) DETERMINE WHETHER THE ELIGIBLE PROJECT IS ENTITLED TO

1 A TAX CREDIT RESERVATION AS SPECIFIED IN SUBSECTION (6) OF THIS
2 SECTION;

3 (V) ONCE THE ELIGIBLE PROJECT IS PLACED IN SERVICE, MAKE A
4 FINAL DETERMINATION WHETHER THE PROJECT IS AN ELIGIBLE PROJECT
5 BASED ON THE POLICIES AND PROCEDURES DEVELOPED BY THE OFFICE
6 PURSUANT TO SUBSECTION (12) OF THIS SECTION; AND

7 (VI) IF THE PROJECT IS AN ELIGIBLE PROJECT, REVIEW THE
8 CERTIFIED ELIGIBLE EXPENDITURES AND, IF APPROVED, ISSUE A CREDIT
9 CERTIFICATE TO THE QUALIFIED APPLICANT, AS SPECIFIED IN SUBSECTION
10 (7) OF THIS SECTION.

11 (c) THE OFFICE SHALL MAKE THE DETERMINATIONS SPECIFIED IN
12 SUBSECTIONS (4)(b)(I) TO (4)(b)(V) OF THIS SECTION WITHIN NINETY DAYS
13 OF THE DATE THE OFFICE RECEIVES THE APPLICATION.

14 (d) (I) IF THE OFFICE DETERMINES THAT AN APPLICATION IS
15 INCOMPLETE OR THAT IT IS UNABLE TO MAKE THE DETERMINATIONS
16 SPECIFIED IN SUBSECTIONS (4)(b)(I) TO (4)(b)(V) OF THIS SECTION, THE
17 OFFICE SHALL NOTIFY THE APPLICANT IN WRITING OF THE OFFICE'S
18 DECISION AND SHALL REMOVE THE APPLICATION FROM THE REVIEW
19 PROCESS.

20 (II) IF AN APPLICANT RESUBMITS AN APPLICATION, THE OFFICE MAY
21 CHARGE A NEW APPLICATION FEE IN AN AMOUNT SPECIFIED IN SUBSECTION
22 (5) OF THIS SECTION.

23 (5) **Application and issuance fees.** (a) (I) FOR AN APPLICATION
24 FOR WHICH THE AMOUNT OF THE TAX CREDIT REQUESTED BY AN
25 APPLICANT PURSUANT TO THIS SECTION IS TWO HUNDRED FIFTY THOUSAND
26 DOLLARS OR MORE, THE OFFICE MAY IMPOSE A REASONABLE APPLICATION
27 FEE ON AN APPLICANT THAT DOES NOT EXCEED FIVE HUNDRED DOLLARS.

1 (II) FOR AN APPLICATION FOR WHICH THE AMOUNT OF THE TAX
2 CREDIT REQUESTED BY AN APPLICANT PURSUANT TO THIS SECTION IS LESS
3 THAN TWO HUNDRED FIFTY THOUSAND DOLLARS, THE OFFICE MAY IMPOSE
4 A REASONABLE APPLICATION FEE ON AN APPLICANT THAT DOES NOT
5 EXCEED TWO HUNDRED DOLLARS.

6 (b) THE OFFICE MAY IMPOSE ON A QUALIFIED APPLICANT A
7 REASONABLE ISSUANCE FEE OF UP TO THREE PERCENT OF THE AMOUNT OF
8 THE TAX CREDIT SPECIFIED ON THE TAX CREDIT CERTIFICATE ISSUED BY
9 THE OFFICE AS SPECIFIED IN SUBSECTION (7) OF THIS SECTION, WHICH MUST
10 BE PAID BEFORE THE TAX CREDIT CERTIFICATE IS ISSUED TO THE QUALIFIED
11 APPLICANT.

12 (c) ANY FEE REVENUE COLLECTED PURSUANT TO THIS SUBSECTION
13 (5) MUST BE CREDITED TO THE COMMUNITY REVITALIZATION TAX CREDIT
14 PROGRAM CASH FUND CREATED IN SUBSECTION (13) OF THIS SECTION AND
15 APPLIED TO THE ADMINISTRATION OF THE TAX CREDIT CREATED BY THIS
16 SECTION.

17 **(6) Tax credit reservation.** (a) BASED ON THE FACTORS SPECIFIED
18 IN SUBSECTION (6)(d) OF THIS SECTION, THE OFFICE MAY DETERMINE THAT
19 A QUALIFIED APPLICANT IS ENTITLED TO A TAX CREDIT RESERVATION IN
20 ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THE OFFICE SHALL
21 ISSUE TAX CREDIT RESERVATIONS SUBJECT TO THE LIMITATIONS SET FORTH
22 IN THIS SUBSECTION (6) AND IN ACCORDANCE WITH THE POLICIES AND
23 PROCEDURES ESTABLISHED PURSUANT TO SUBSECTION (12) OF THIS
24 SECTION. THE OFFICE SHALL NOT ISSUE TAX CREDIT RESERVATIONS AFTER
25 JANUARY 1, 2030.

26 (b) IF THE OFFICE RESERVES A TAX CREDIT FOR THE BENEFIT OF A
27 QUALIFIED APPLICANT, THE OFFICE SHALL NOTIFY THE QUALIFIED

1 APPLICANT IN WRITING OF THE RESERVATION AND THE AMOUNT RESERVED.
2 THE RESERVATION OF A TAX CREDIT BY THE OFFICE FOR A QUALIFIED
3 APPLICANT DOES NOT ENTITLE THE QUALIFIED APPLICANT TO ISSUANCE OF
4 A CREDIT CERTIFICATE UNTIL THE QUALIFIED APPLICANT COMPLIES WITH
5 ALL THE OTHER REQUIREMENTS SPECIFIED IN THIS SECTION FOR THE
6 ISSUANCE OF THE TAX CREDIT. WHEN THE OFFICE APPROVES A TAX CREDIT
7 RESERVATION, THE OFFICE MAY ALSO IMPOSE ADDITIONAL REQUIREMENTS,
8 WHICH A QUALIFIED APPLICANT SHALL SATISFY AS PART OF COMPLETING
9 THE ELIGIBLE PROJECT, BEFORE A TAX CREDIT CERTIFICATE IS ISSUED TO
10 THE QUALIFIED APPLICANT.

11 (c) (I) SUBJECT TO THE LIMITATIONS IN THIS SUBSECTION (6)(c), IF
12 APPROVED, THE OFFICE MAY ISSUE A TAX CREDIT RESERVATION TO A
13 QUALIFIED APPLICANT FOR A SINGLE ELIGIBLE PROJECT IN AN AMOUNT
14 EQUAL TO THE LESSER OF TWENTY-FIVE PERCENT OF THE QUALIFIED
15 APPLICANT'S ESTIMATED ELIGIBLE EXPENDITURES OR THREE MILLION
16 DOLLARS.

17 (II) EXCEPT AS PROVIDED IN SUBSECTIONS (6)(c)(III) AND
18 (6)(c)(IV) OF THIS SECTION, THE AGGREGATE AMOUNT OF ALL TAX CREDIT
19 RESERVATIONS THAT THE OFFICE MAY ISSUE PURSUANT TO THIS SECTION
20 MUST NOT EXCEED TEN MILLION DOLLARS IN ANY CALENDAR YEAR PLUS
21 THE AMOUNT OF ANY PREVIOUSLY ISSUED TAX CREDIT RESERVATIONS
22 THAT WERE RESCINDED PURSUANT TO SUBSECTION (7)(a)(II) OF THIS
23 SECTION FROM PREVIOUS CALENDAR YEARS.

24 (III) IF THE OFFICE'S ISSUANCE OF A TAX CREDIT RESERVATION IN
25 A CALENDAR YEAR WOULD CAUSE THE OFFICE TO EXCEED THE AGGREGATE
26 LIMIT SPECIFIED IN SUBSECTION (6)(c)(II) OF THIS SECTION FOR THAT
27 CALENDAR YEAR, THEN THE AGGREGATE AMOUNT OF ALL TAX CREDIT

1 RESERVATIONS THAT THE OFFICE MAY ISSUE IN THE FOLLOWING CALENDAR
2 YEAR IS DECREASED BY THE AMOUNT OF THE TAX CREDIT RESERVATIONS
3 ISSUED IN THE PREVIOUS CALENDAR YEAR THAT EXCEEDED THE
4 LIMITATION SET FORTH IN SUBSECTION (6)(c)(II) OF THIS SECTION.

5 (IV) IF THE OFFICE'S ISSUANCE OF TAX CREDIT RESERVATIONS BY
6 THE END OF A CALENDAR YEAR IS LESS THAN THE AGGREGATE LIMIT
7 SPECIFIED IN SUBSECTION (6)(c)(II) OF THIS SECTION FOR THAT CALENDAR
8 YEAR, THEN THE AGGREGATE AMOUNT OF TAX CREDIT RESERVATIONS
9 THAT THE OFFICE MAY ISSUE IN THE NEXT CALENDAR YEAR IS INCREASED
10 BY THE UNRESERVED AMOUNT FROM THE PREVIOUS CALENDAR YEAR.

11 (d) IN MAKING THE FINAL DETERMINATION OF WHICH PROJECT
12 PLANS TO ISSUE TAX RESERVATIONS FOR PURSUANT TO THIS SUBSECTION
13 (6), THE OFFICE MAY PRIORITIZE ELIGIBLE PROJECT PLANS IN ACCORDANCE
14 WITH:

15 (I) THE NUMBER OF NEW AFFORDABLE HOUSING UNITS TO BE
16 CREATED BY THE ELIGIBLE PROJECT;

17 (II) THE NUMBER OF LIVE-WORK SPACES TO BE CREATED BY THE
18 ELIGIBLE PROJECT;

19 (III) THE GEOGRAPHIC DIVERSITY OF THE APPLICATIONS AND
20 PROJECT PLANS THAT QUALIFIED APPLICANTS HAVE SUBMITTED TO THE
21 OFFICE;

22 (IV) THE QUALITY AND ACCESSIBILITY OF MAKERSPACE TO BE
23 PROVIDED FOR CREATIVE INDUSTRY WORKERS BY THE ELIGIBLE PROJECT;

24 (V) DEMONSTRATION OF COMMUNITY ENGAGEMENT IN
25 IDENTIFYING HOW THE PROJECT WILL SATISFY UNMET NEEDS AND DRIVE
26 THE LOCAL CREATIVE ECONOMY;

27 (VI) DEMONSTRATION OF STRONG EVIDENCE THAT THE ELIGIBLE

1 PROJECT HAS OR CAN ATTRACT DIVERSE SOURCES OF FUNDING AND BROAD
2 LOCAL GOVERNMENT SUPPORT;

3 (VII) DEMONSTRATION OF HOW THE PROJECT SERVES RURAL,
4 UNDER-RESOURCED, OR UNDERSERVED COMMUNITIES;

5 (VIII) WHETHER THE PROJECT PLAN IS RECEIVING PROPERTY TAX
6 ABATEMENTS, CREDITS, REBATES, GRANTS, OR OTHER INCENTIVES FROM
7 A LOCAL TAXING JURISDICTION;

8 (IX) WHETHER THE PROJECT WILL OCCUR WITHOUT THE ISSUANCE
9 OF A TAX CREDIT PURSUANT TO THIS SECTION;

10 (X) WHETHER THE QUALIFIED APPLICANT WILL RECEIVE A
11 FEDERAL INCENTIVE FOR THE PROJECT;

12 (XI) THE PROXIMITY OF THE PROJECT TO PUBLIC TRANSPORTATION;
13 AND

14 (XII) THE EXPECTED QUALIFICATION OF THE BUILDING,
15 STRUCTURE, OR FACILITY THAT IS THE SUBJECT OF THE ELIGIBLE PROJECT
16 FOR A CERTIFIABLE SUSTAINABLE PROGRAM BOTH BEFORE AND AFTER THE
17 COMPLETION OF THE PROJECT.

18 (7) **Deadline for incurring specified amount of estimated**
19 **eligible expenditures - proof of compliance - audit of eligible**
20 **expenditure certification - issuance of tax credit certificate.** (a) (I) A
21 QUALIFIED APPLICANT RECEIVING A RESERVATION OF TAX CREDITS
22 PURSUANT TO SUBSECTION (6) OF THIS SECTION SHALL INCUR TWENTY
23 PERCENT OR MORE OF THE ESTIMATED ELIGIBLE EXPENDITURES
24 CONTAINED IN THE APPLICATION AND PROJECT PLAN NOT LATER THAN
25 EIGHTEEN MONTHS AFTER THE DATE OF ISSUANCE OF THE WRITTEN NOTICE
26 FROM THE OFFICE TO THE QUALIFIED APPLICANT GRANTING THE
27 RESERVATION OF A TAX CREDIT.

1 (II) A QUALIFIED APPLICANT FOR WHOM THE OFFICE HAS RESERVED
2 A TAX CREDIT SHALL SUBMIT EVIDENCE OF COMPLIANCE WITH THE
3 PROVISIONS OF SUBSECTION (7)(a)(I) OF THIS SECTION. IF THE OFFICE
4 DETERMINES THAT A QUALIFIED APPLICANT HAS FAILED TO COMPLY WITH
5 THE REQUIREMENTS OF SUBSECTION (7)(a)(I) OF THIS SECTION, THE OFFICE
6 SHALL PROMPTLY NOTIFY THE QUALIFIED APPLICANT AND MAY RESCIND
7 THE ISSUANCE OF THE WRITTEN NOTICE IT PREVIOUSLY GAVE THE
8 QUALIFIED APPLICANT GRANTING THE RESERVATION OF A TAX CREDIT. IF
9 THE OFFICE SO RESCINDS AN ISSUANCE OF THE WRITTEN NOTICE, THE
10 QUALIFIED APPLICANT MAY SUBMIT A NEW APPLICATION, PROJECT PLAN,
11 AND ESTIMATE OF ELIGIBLE EXPENDITURES FOR WHICH THE OFFICE MAY
12 CHARGE A NEW APPLICATION FEE IN ACCORDANCE WITH SUBSECTION (5)
13 OF THIS SECTION, AND THE TOTAL AMOUNT OF TAX CREDITS MADE
14 AVAILABLE FOR RESERVATION IN THE CALENDAR YEAR DURING WHICH THE
15 OFFICE RESCINDS THE ISSUANCE OF WRITTEN NOTICE MUST INCREASE BY
16 THE AMOUNT OF THE TAX CREDIT RESERVED IN THE WRITTEN NOTICE.

17 (b) AFTER A QUALIFIED APPLICANT COMPLETES A PROJECT, THE
18 QUALIFIED APPLICANT SHALL NOTIFY THE OFFICE THAT THE PROJECT HAS
19 BEEN PLACED IN SERVICE AND SHALL CERTIFY THE ELIGIBLE
20 EXPENDITURES, AFTER WHICH THE OFFICE SHALL MAKE A FINAL
21 DETERMINATION WHETHER THE PROJECT IS AN ELIGIBLE PROJECT AS
22 REQUIRED IN SUBSECTION (4)(b)(V) OF THIS SECTION. THE APPLICANT
23 SHALL INCLUDE A REVIEW OF THE CERTIFICATION BY A LICENSED
24 CERTIFIED PUBLIC ACCOUNTANT THAT IS NOT AFFILIATED WITH THE
25 QUALIFIED APPLICANT THAT ALIGNS WITH OFFICE POLICIES FOR
26 CERTIFICATION OF ELIGIBLE EXPENDITURES. THE APPLICANT SHALL ALSO
27 CERTIFY AND PROVIDE DOCUMENTS DEMONSTRATING THAT THE

1 APPLICANT SATISFIED ANY ADDITIONAL REQUIREMENTS IMPOSED BY THE
2 OFFICE PURSUANT TO SUBSECTION (6) OF THIS SECTION. WITHIN NINETY
3 DAYS AFTER RECEIPT OF SUCH DOCUMENTATION FROM THE QUALIFIED
4 APPLICANT, THE OFFICE SHALL REVIEW THE QUALIFIED APPLICANT'S
5 DOCUMENTATION OF CERTIFIED ELIGIBLE EXPENDITURES, DETERMINE
6 WHETHER THE DOCUMENTATION SATISFIES THE PROJECT PLAN AND OTHER
7 REQUIREMENTS, AND, IF THE OFFICE DETERMINES THAT THE
8 DOCUMENTATION SATISFIES THE PROJECT PLAN AND OTHER
9 REQUIREMENTS, THE OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE IN
10 THE AMOUNT SPECIFIED IN THE TAX CREDIT RESERVATION ISSUED TO THE
11 QUALIFIED APPLICANT PURSUANT TO SUBSECTION (6) OF THIS SECTION;
12 EXCEPT THAT A CREDIT CERTIFICATE MAY NOT BE ISSUED FOR ANY INCOME
13 TAX YEAR COMMENCING BEFORE JANUARY 1, 2026.

14 (c) IF THERE ARE ANY UNRESERVED AMOUNTS OF TAX CREDITS
15 AVAILABLE UNDER SUBSECTION (6) OF THIS SECTION, AND IF THE AMOUNT
16 OF CERTIFIED ELIGIBLE EXPENDITURES INCURRED BY THE QUALIFIED
17 APPLICANT WOULD HAVE RESULTED IN THE QUALIFIED APPLICANT BEING
18 ISSUED A TAX CREDIT CERTIFICATE THAT EXCEEDS THE AMOUNT OF THE
19 TAX CREDIT RESERVATION ISSUED TO THE QUALIFIED APPLICANT, THE
20 QUALIFIED APPLICANT MAY APPLY TO THE OFFICE FOR THE ISSUANCE OF AN
21 ADDITIONAL TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO THE
22 DIFFERENCE BETWEEN THE TAX CREDIT RESERVATION AND WHAT WOULD
23 HAVE BEEN ISSUED AS A RESULT OF THE CERTIFIED ELIGIBLE
24 EXPENDITURES BY SUBMITTING AN APPLICATION IN A FORM AND MANNER
25 DETERMINED BY THE OFFICE; EXCEPT THAT THE AGGREGATE OF THE TWO
26 TAX CREDIT CERTIFICATES FOR THE ELIGIBLE PROJECT MAY NOT EXCEED
27 THREE MILLION DOLLARS. THE OFFICE SHALL REVIEW THE APPLICATION AS

1 SPECIFIED IN SUBSECTION (4) OF THIS SECTION AND, IF APPROVED, SHALL
2 ISSUE A SEPARATE TAX CREDIT CERTIFICATE AWARDING THE QUALIFIED
3 APPLICANT THE ADDITIONAL CREDIT.

4 (8) **Filing tax credit certificate with income tax return.** (a) IN
5 ORDER TO CLAIM THE CREDIT AUTHORIZED BY THIS SECTION, A QUALIFIED
6 APPLICANT SHALL FILE THE TAX CREDIT CERTIFICATE ISSUED BY THE
7 OFFICE PURSUANT TO SUBSECTION (7) OF THIS SECTION WITH THE
8 QUALIFIED APPLICANT'S STATE INCOME TAX RETURN. IF THE QUALIFIED
9 APPLICANT IS EXEMPT FROM TAX PURSUANT TO SECTION 39-22-112 (1),
10 THE QUALIFIED APPLICANT SHALL FILE A RETURN PURSUANT TO SECTION
11 39-22-601 (7)(b). THE AMOUNT OF THE TAX CREDIT THAT A QUALIFIED
12 APPLICANT MAY CLAIM PURSUANT TO THIS SECTION IS THE AMOUNT
13 STATED ON THE TAX CREDIT CERTIFICATE.

14 (b) A TAX CREDIT CERTIFICATE ISSUED TO A PARTNERSHIP, A
15 LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP, OR MULTIPLE
16 OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE PARTNERS,
17 MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY THAT IS A
18 PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA BASIS OR
19 PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS,
20 MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION
21 METHOD.

22 (9) **Refundability.** THE ENTIRE TAX CREDIT TO BE ISSUED
23 PURSUANT TO THIS SECTION MAY BE CLAIMED BY THE QUALIFIED
24 APPLICANT IN THE TAXABLE YEAR IN WHICH THE ELIGIBLE PROJECT IS
25 PLACED IN SERVICE. IF THE AMOUNT OF THE CREDIT ALLOWED PURSUANT
26 TO THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE
27 DUE ON THE INCOME OF THE QUALIFIED APPLICANT IN THE INCOME TAX

1 YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, OR THE QUALIFIED
2 APPLICANT IS A PERSON WHO IS EXEMPT FROM TAXATION PURSUANT TO
3 SECTION 39-22-112 (1), NINETY PERCENT OF THE AMOUNT OF THE CREDIT
4 NOT USED AS AN OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR
5 IS REFUNDED TO THE QUALIFIED APPLICANT. THE REMAINDER OF THE
6 CREDIT IS NOT CARRIED FORWARD AND MAY NOT BE USED BY THE
7 TAXPAYER.

8 (10) **Compliance monitoring and recapture.** (a) EXCEPT AS
9 PROVIDED IN SUBSECTION (10)(b) OF THIS SECTION, IF, AS OF THE LAST
10 DAY OF ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, THE
11 BUILDING, STRUCTURE, OR FACILITY THAT IS THE SUBJECT OF AN ELIGIBLE
12 PROJECT IS NOT BEING USED AS AN ELIGIBLE PROJECT, THE OFFICE SHALL
13 NOTIFY THE QUALIFIED APPLICANT AND THE DEPARTMENT THAT THE
14 CREDIT ALLOWED IN THIS SECTION IS DISALLOWED. THE QUALIFIED
15 APPLICANT SHALL ADD THE FULL AMOUNT OF THE CREDIT THAT WAS
16 ACTUALLY USED TO OFFSET THE QUALIFIED APPLICANT'S INCOME TAX OR
17 REFUNDED TO THE QUALIFIED APPLICANT TO ITS RETURN AS A
18 RECAPTURED CREDIT FOR THE TAXABLE YEAR IN WHICH THE CREDIT IS
19 DISALLOWED PURSUANT TO THIS SUBSECTION (10).

20 (b) THE POTENTIAL INCREASE IN TAX REQUIRED PURSUANT TO
21 SUBSECTION (10)(a) OF THIS SECTION DOES NOT APPLY:

22 (I) IF A BUILDING, STRUCTURE, OR FACILITY IS NOT AN ELIGIBLE
23 PROJECT AS A RESULT OF A CASUALTY LOSS IF THE LOSS IS RESTORED BY
24 RECONSTRUCTION OR REPLACEMENT WITHIN A REASONABLE PERIOD
25 ESTABLISHED BY THE OFFICE; OR

26 (II) SOLELY BY REASON OF THE DISPOSITION OF A BUILDING,
27 STRUCTURE, OR FACILITY, OR AN INTEREST THEREIN, IF IT IS REASONABLY

1 EXPECTED THAT THE BUILDING, STRUCTURE, OR FACILITY WILL CONTINUE
2 TO BE OPERATED AS AN ELIGIBLE PROJECT FOR THE REMAINDER OF THE
3 COMPLIANCE PERIOD.

4 (c) (I) THE OFFICE SHALL ESTABLISH REPORTING REQUIREMENTS
5 TO MONITOR COMPLIANCE WITH THIS SUBSECTION (10), INCLUDING
6 REQUIREMENTS REGARDING THE REPORTING OF A DISPOSITION OF A
7 BUILDING, STRUCTURE, OR FACILITY BY THE QUALIFIED APPLICANT AND
8 THE REPORTING REQUIRED FOR SUCH A BUILDING, STRUCTURE, OR
9 FACILITY FOR THE REMAINDER OF THE COMPLIANCE PERIOD.

10 (II) IF A DISPUTE ARISES ABOUT WHETHER A BUILDING,
11 STRUCTURE, OR FACILITY IS AN ELIGIBLE PROJECT, THE OFFICE SHALL
12 ADJUDICATE THE DISPUTE AND NOTIFY THE DEPARTMENT OF THE
13 RESOLUTION.

14 (III) NOTWITHSTANDING SECTION 39-21-107 (2), IF A BUILDING,
15 STRUCTURE, OR FACILITY, OR AN INTEREST THEREIN, IS DISPOSED OF
16 DURING ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, AND
17 THEREAFTER THE BUILDING, STRUCTURE, OR FACILITY IS NOT AN ELIGIBLE
18 PROJECT:

19 (A) THE QUALIFIED APPLICANT SHALL ADD THE FULL AMOUNT OF
20 THE CREDIT TO ITS RETURN AS A RECAPTURED CREDIT FOR THE TAXABLE
21 YEAR IN WHICH THE CREDIT IS DISALLOWED PURSUANT TO THIS
22 SUBSECTION (10) NOTWITHSTANDING THE DISPOSITION OF THE QUALIFIED
23 RESIDENTIAL STRUCTURE;

24 (B) THE STATUTORY PERIOD FOR THE ASSESSMENT OF ANY
25 DEFICIENCY WITH RESPECT TO THE DISALLOWED CREDIT MUST NOT EXPIRE
26 BEFORE THE EXPIRATION OF THREE YEARS FROM THE DATE THE OFFICE IS
27 NOTIFIED, IN SUCH A MANNER AS THE OFFICE DETERMINES, THAT THE

1 STRUCTURE IS NOT A QUALIFIED RESIDENTIAL STRUCTURE; AND

2 (C) THE DEPARTMENT SHALL ASSESS ANY DEFICIENCY BEFORE THE
3 EXPIRATION OF SUCH THREE-YEAR PERIOD TOGETHER WITH ANY
4 APPLICABLE INTEREST AND PENALTY IMPOSED PURSUANT TO THIS ARTICLE
5 22.

6 (d) AS USED IN THIS SUBSECTION (10), UNLESS THE CONTEXT
7 OTHERWISE REQUIRES, "COMPLIANCE PERIOD" MEANS THE PERIOD OF
8 FIFTEEN YEARS FOLLOWING THE TAXABLE YEAR IN WHICH THE QUALIFIED
9 APPLICANT PLACED THE ELIGIBLE PROJECT IN SERVICE.

10 (11) **Reporting.** (a) NO LATER THAN DECEMBER 31, 2027, AND,
11 NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), NO
12 LATER THAN DECEMBER 31 OF EACH YEAR THEREAFTER THROUGH 2033,
13 THE OFFICE SHALL PROVIDE A WRITTEN REPORT TO THE GENERAL
14 ASSEMBLY AND SHALL FURTHER MAKE THE REPORT AVAILABLE TO THE
15 PUBLIC. IN CONNECTION WITH TAX CREDITS ISSUED PURSUANT TO THIS
16 SECTION, THE REPORT MUST INCLUDE:

17 (I) THE NUMBER OF ELIGIBLE PROJECTS PLACED IN SERVICE;

18 (II) A DESCRIPTION OF THE USE OR USES OF EACH ELIGIBLE
19 PROJECT AND A STATEWIDE SUMMARY OF THE NUMBER OF ELIGIBLE
20 PROJECTS FOR EACH USE;

21 (III) FOR ELIGIBLE PROJECTS THAT CREATE AFFORDABLE HOUSING
22 OR LIVE-WORK SPACES FOR CREATIVE INDUSTRY WORKERS, THE NUMBER
23 OF AFFORDABLE HOUSING OR LIVE-WORK UNITS PLANNED OR CREATED;

24 (IV) THE OCCUPANCY RATE OF CREATED AFFORDABLE HOUSING
25 AND LIVE-WORK UNITS;

26 (V) THE COUNTIES IN WHICH QUALIFIED COMMERCIAL STRUCTURES
27 WERE CONVERTED TO QUALIFIED COMMERCIAL RESIDENTIAL STRUCTURES;

1 AND

2 (VI) THE AMOUNT OF ANY DISALLOWED TAX CREDIT RECAPTURED
3 PURSUANT TO SUBSECTION (10) OF THIS SECTION.

4 (b) THE OFFICE SHALL, IN A SUFFICIENTLY TIMELY MANNER TO
5 ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME
6 TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE DEPARTMENT WITH
7 AN ELECTRONIC REPORT OF EACH QUALIFIED APPLICANT TO WHICH THE
8 OFFICE ISSUES A TAX CREDIT CERTIFICATE FOR THE PRECEDING TAX YEAR
9 THAT INCLUDES THE FOLLOWING INFORMATION:

10 (I) THE QUALIFIED APPLICANT'S NAME;

11 (II) THE AMOUNT OF THE CREDIT; AND

12 (III) THE QUALIFIED APPLICANT'S SOCIAL SECURITY NUMBER OR
13 THE QUALIFIED APPLICANT'S COLORADO ACCOUNT NUMBER AND FEDERAL
14 EMPLOYER IDENTIFICATION NUMBER.

15 (12) **Policies and procedures.** (a) THE OFFICE MAY CREATE AND
16 MODIFY POLICIES, PROCEDURES, AND GUIDELINES AS NECESSARY TO
17 FURTHER IMPLEMENT THE TAX CREDITS TO BE CLAIMED FOR THE
18 COMPLETION OF ELIGIBLE PROJECTS PURSUANT TO THIS SECTION AND
19 SHALL SOLICIT ADVICE FROM THE DEPARTMENT IN CREATING AND
20 MODIFYING SUCH POLICIES, PROCEDURES, AND GUIDELINES.

21 (b) WITH RESPECT TO MAKING THE PRELIMINARY DETERMINATION
22 WHETHER A PROJECT PLAN IS A PLAN FOR AN ELIGIBLE PROJECT PURSUANT
23 TO SUBSECTION (4)(b)(III) OF THIS SECTION, THE OFFICE SHALL DEVELOP
24 STANDARDS THAT INCLUDE, BUT ARE NOT LIMITED TO:

25 (I) A DETAILED COST ESTIMATE FOR THE PROJECT PLAN;

26 (II) EVIDENCE OF SITE CONTROL OF THE SITE WHERE THE PROJECT
27 WILL OCCUR; AND

1 (III) THE FINANCING OR FUNDING THAT IS AVAILABLE FOR THE
2 PROJECT PLAN.

3 (13) **Community revitalization tax credit program cash fund.**

4 (a) THE COMMUNITY REVITALIZATION TAX CREDIT PROGRAM CASH FUND
5 IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF GIFTS,
6 GRANTS, DONATIONS, FEE REVENUE CREDITED TO THE FUND PURSUANT TO
7 SUBSECTION (5) OF THIS SECTION, AND ANY OTHER MONEY THAT THE
8 GENERAL ASSEMBLY MAY APPROPRIATE, TRANSFER, OR REQUIRE BY LAW
9 TO BE CREDITED TO THE FUND.

10 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
11 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
12 COMMUNITY REVITALIZATION TAX CREDIT PROGRAM CASH FUND TO THE
13 FUND.

14 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
15 OFFICE FOR THE PURPOSE OF ADMINISTERING THE TAX CREDIT ISSUED
16 PURSUANT TO THIS SECTION.

17 (d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED
18 AND UNENCUMBERED MONEY IN THE FUND ON DECEMBER 31, 2050, TO
19 THE GENERAL FUND.

20 (14) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER
21 31, 2050.

22 **SECTION 4. Appropriation.** For the 2024-25 state fiscal year,
23 \$102,498 is appropriated to the office of the governor for use by
24 economic development programs. This appropriation is from the general
25 fund and is based on an assumption that the office will require an
26 additional 0.8 FTE. To implement this act, the office may use this
27 appropriation for the council on creative industries.

1 **SECTION 5. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly; except
4 that, if a referendum petition is filed pursuant to section 1 (3) of article V
5 of the state constitution against this act or an item, section, or part of this
6 act within such period, then the act, item, section, or part will not take
7 effect unless approved by the people at the general election to be held in
8 November 2024 and, in such case, will take effect on the date of the
9 official declaration of the vote thereon by the governor.