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STATE OF COLORADO

COLORADO ECONOMIC SECURITY & AI WORKFORCE TRANSITION ACT

CESA - COLORADO 2035

VERSION 5.0

December 16, 2025

A BILL

FOR AN ACT CONCERNING COMPREHENSIVE ECONOMIC SECURITY FOR ALL COLORADO RESIDENTS, INCLUDING UNIVERSAL HEALTHCARE, WORKER PROTECTION FROM ARTIFICIAL INTELLIGENCE DISPLACEMENT, STATE-RUN LIFE INSURANCE, ECONOMIC INDEPENDENCE FROM FEDERAL SYSTEMS, ELIMINATION OF HOMELESSNESS, EDUCATION INDEPENDENCE, ENHANCED STATE DEFENSE CAPABILITIES, INTERGENERATIONAL CARE SYSTEMS, HEALTHY FOOD ACCESS, INTERNATIONAL PARTNERSHIPS, INNOVATION DISTRICTS, AND RELATED MATTERS.

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“It doesn’t matter where you started, what matters is where you finish and the journey along the way.”

— mav QBJ

VERSION CHANGELOG

Version 5.0 - December 16, 2025

MAJOR VERSION UPDATE - NEW SECTIONS AND COMPREHENSIVE ENHANCEMENTS:

New Sections Added:

- **Section 23: Colorado Global Partnership Program** - Sister city/state relationships worldwide; Queensland, Australia as inaugural partner; streamlined visa advocacy; interstate company recruitment; cultural exchange programs
- **Section 24: Colorado Whistleblower Protection Act** - Clear whistleblower definitions; protections for good-faith reporting; covers AI safety, CESA fraud, tax evasion, worker displacement violations
- **Section 25: Colorado AI Industry Requirements** - 35% energy contribution back to grid (reviewed annually); automation intensity contributions; community benefit requirements; tiered system by company size
- **Section 26: Colorado Community Business Certification** - Tax breaks for family-friendly companies; 4+ qualification criteria required; diversity initiatives; employee wellness programs
- **Section 27: CESA Evolution and Public Engagement** - Bill designed to be fluid; CESA Evolution Commission; public input portal; 68% supermajority required for Constitutional Core changes via actual public election
- **Section 28: Colorado Culinary & Dining Initiative** - Sales tax eliminated on sit-down restaurant meals; Colorado Culinary Exchange with sister regions; cultural food festivals; local sourcing bonuses
- **Section 29: Colorado Circular Economy & Waste Reduction** - Food rescue program; statewide recycling expansion (Ridwell-style); container deposit program with ID card credit option; composting infrastructure
- **Section 30: Colorado Community Policing Standards** - Community engagement requirements; training standards; transparency dashboards; positive incentives (explicitly fluid section for ongoing review)
- **Section 31: CESA Constitutional Core** - 10 protected principles requiring 68% voter referendum to change; programs cannot be completely removed; earned benefits protected
- **Section 32: Colorado Strategic Foresight Office** - Early warning team; monitors emerging trends; annual Colorado Futures Report; proactive policy recommendations
- **Section 33: Colorado Innovation Districts** - 8 designated economic zones; Denver Tech Center, Eastern Plains AI Valley, Boulder Arts District, Colorado Springs

Aerospace Hub, Fort Collins Clean Energy Hub, Mountain Outdoor Industry Hub, Aurora Bioscience Campus, Eastern Plains Agri-Innovation Zone

Revenue Structure Updates:

- **Phased Income Tax:**
 - Years 1-2: 2.2% (build reserves)
 - Years 3-5: 2.0% (as other revenue matures)
 - Year 6+: Evaluate further reduction (minimum possible ~1.57%)
- **Liquor Tax Increase:**
 - Beer: \$0.25/gallon (up from \$0.08)
 - Wine: \$0.75/gallon (up from \$0.32)
 - Spirits: \$3.60/gallon (up from \$2.28)
 - Sales tax: 15% on all alcohol (same as cannabis, up from 2.9%)
 - New annual revenue: ~\$898 million
- **AI Company Contributions:** ~\$120 million annually

Section Updates:

- **Section 2 (Care Without Fear):** Visitor billing clarification - doctors/facilities bill CESA, CESA bills visitor's home state/insurance; hardship exemptions and forgiveness for cost recovery; interstate DMV cooperation for collection
- **Section 3 (Funding Sources):** Enhanced liquor taxes; phased income tax reduction; restaurant tax elimination for dine-in
- **Section 7 (Colorado Shield/SDF):** Colorado Veteran status for SDF members with honorable discharge after 2+ years service (or injury discharge); full veteran benefits including Direct Veteran Connection Service for any need
- **Section 10 (Clean Energy):** Energy reserves and grid resilience; state-owned strategic reserves; microgrids for critical infrastructure
- **Section 19.8 (Colorado Services Portal):** Public issue reporting feature added; waste/fraud reporting; improvement ideas; anonymous option

Budget Impact:

- Years 1-2: ~\$1.5-1.9B annual surplus (building Economic Resilience Fund)
- Years 3-5: ~\$980M-1.1B annual surplus
- Economic Resilience Fund target: \$5+ billion by Year 5

Version 4.2 - December 11, 2025

COLORADO INDEPENDENCE & COMPREHENSIVE UPDATES:

Federal Funding Independence

- Section 2.9: Federal Funding Phase-Out - Care Without Fear becomes PRIMARY payer immediately, SOLE payer by Year 7; NO federal funding accepted for CESA programs
- Section 6.6: Colorado Self-Sufficiency Timeline - Complete phase-out of federal funding across all programs by Year 10
- Section 2.12.9: Elder Care Independence - Removed federal grant language; program fully state-funded

New State Programs

- Section 3.7.4: Colorado WIC Program - State-run replacement for federal WIC; enhanced benefits; integrated with Colorado Benefits Card
- Section 1.5: Colorado Cost of Living Standard - State-specific poverty measure replacing federal poverty level; reflects actual Colorado costs; updated annually

Food & Ingredient Transparency

- Section 3.7.2: Sugary Beverage Tax Increase - Raised from 2 cents to 5 cents per ounce; triples revenue to \$375-500M
- Section 3.7.3: Colorado-Sourced Requirements - 75% minimum Colorado-sourced for produce boxes; 60% for basic staples
- Section 3.9: Colorado Food Transparency Act - No “natural flavors” or misleading terms; actual ingredients must be listed; penalties for non-compliance

Worker & Life Security Enhancements

- Section 4.2: AI Displacement Timeline Extended - Changed from 12 months to 36 months; burden of proof shifts to EMPLOYER
- Section 5.3: Life Security Contribution Expansion - Options now 1%-20% (up from 5% max); higher contribution = higher death benefit
- Section 6.2(e): CRSP Financial Guidance - Free annual financial planner consultation; retirement planning tools and workshops

Public Safety & Asset Programs

- Section 7.5(d): Amber Alert Drone Protocol - Mass deployment within 15 minutes of alert; statewide search within 30 minutes; no disengagement until child found
- Section 7.3(d): Border Defense Clarification - Explicitly for domestic threats and interstate disaster help; NOT for immigration enforcement
- Section 13.3(d-f): Colorado Community Asset Program - Seized assets (vehicles, homes) allocated to families in need through social workers
- Section 13.8: Enhanced Fleeing Penalty - Increased from 5 years to 20 years minimum for attempting to flee; 25 years if crosses state line

Youth & Innovation

- Section 20.5: Colorado Young Innovator Program - Ages 16-30; startup grants up to \$50K; free incubator space; mentorship; reduced fees for young entrepreneurs

Clean Energy

- Section 10.3(e): High-Rise Solar Incentives - 75% rebate on installation; guaranteed grid buy-back rates; property tax reduction; new high-rises must be solar-ready

Implementation Oversight

- Section 18.8: CESA Compliance Authority - Director audits all departments; annual compliance reports; public dashboard; penalties for non-implementation

Version 4.1 - December 11, 2025

- Section 7.8: Interstate Coordination and Border Monitoring - No-Escape Perimeter; 100% coverage of all exit routes; Pre-Border Alert Protocol; Hot Pursuit Exception (10 miles into neighboring states); Interstate Compacts with all 7 neighboring states

Version 4.0 - December 10, 2025

- Vision for CESA - Colorado 2035 preamble
- Section 2.11: Healthcare Advertising Standards - Complete ban on prescription drug, OTC, and medical device advertising
- Section 2.12: Elder Care Credit System - Intergenerational care program
- Section 3.8: Healthy Food Quality & Access Initiative
- Section 18: Colorado Economic Security Administration (CESA) - New elected state agency
- Section 19: Colorado Benefits Card - Chip-enabled state ID with benefits
- Section 19.8: Colorado Services Portal
- Section 20: Colorado AI Innovation Partnership
- Section 2.10: Private Insurance Prohibition

Version 3.0 - December 9, 2025

- Section 8: Zero Homeless Colorado
- Section 9: Colorado Business Success Team
- Section 10: Colorado Clean Energy Independence
- Section 11: Colorado Sanctuary State
- Section 12: Colorado Democracy Protection
- Section 13: Colorado Human Trafficking Justice Act
- Section 14: Colorado Tribal Partnership
- Section 15: Colorado Education Independence
- Section 16: Colorado Prosperity Partnership
- Section 7: Colorado Shield (Enhanced SDF)
- Section 17: Fund Integrity and Anti-Corruption
- Cannabis revenue increased to \$600-650M

Version 2.1 - December 2025

- Added Section 3.7: Healthy Colorado Food Policy
- Health-impact taxes on sugary beverages, high-sugar/high-fat foods, ultra-processed foods

Version 2.0 - November 2025

- Added Section 5: Life Security Program (state-run life insurance)
- Enhanced AI worker protections with position restoration
- Integration of all programs into unified economic security system

Version 1.0 - October 2025

- Initial draft with Care Without Fear, AI Worker Protection, Economic Independence Framework

VISION FOR CESA - COLORADO 2035

A Message from maveriQ B Jackson

This isn't just legislation. This is a vision for what Colorado can become.

When I wrote CESA, I wasn't thinking about politics. I was thinking about people. About the young person just starting their career who deserves to know that if technology takes their job, they won't lose everything. About the family who shouldn't have to choose between paying rent and paying for medicine. About the elderly neighbor who needs help with groceries and the teenager who wants to give back. About the single parent who lies awake at night wondering what happens to their kids if something happens to them.

CESA is for everyone.

For Young People

By the time you're in your late 20s and early 30s, this will be in full swing. You'll enter a job market where:

- Healthcare follows YOU, not your employer
- If AI takes your job, you get 50% of your salary for life AND can work elsewhere
- You can earn credits helping the elderly that guarantee YOU get help when you're older
- Housing is affordable because we eliminated homelessness and stabilized rents
- Education can be free from K through college

- Starting a business is easier than anywhere else in America

You're not inheriting problems. You're inheriting solutions.

For Families

CESA means:

- No more medical bills, ever
- Life insurance that's affordable, can't deny you, and follows you everywhere
- If one parent dies, the family is protected financially
- Healthy food is cheaper than junk food
- Your kids eat free, healthy meals at school
- Childcare is accessible
- Your job can't be taken by AI without you being taken care of

Your family's security doesn't depend on luck anymore.

For Older Coloradans

CESA means:

- Healthcare that covers everything - medical, dental, vision, mental health
- Young people are incentivized to help you with errands, companionship, and daily tasks
- Your retirement is protected even if Social Security faces problems
- If you need living assistance, there's a system to help
- Your contributions are honored, and you're never forgotten

You built Colorado. Colorado will take care of you.

For Business Owners

CESA means:

- Save \$14,000-\$20,000 per employee on healthcare
- No workers' comp headaches
- No benefits administration burden
- 40% lower energy costs
- One-stop support for everything you need
- Colorado becomes 20-30% cheaper to operate than California or New York

You can focus on building your business, not navigating bureaucracy.

For Colorado

CESA positions our state as:

- A model not just for other states, but for other COUNTRIES

- A place of abundance, prosperity, and growth
- Zero hunger, zero homelessness
- A peaceful place where everyone thrives
- A state that other nations look to and say, “How did they do that?”

We won't just be the best state in America. We'll be an example for the world.

The Promise

CESA is built on a simple promise: **In Colorado, we take care of each other.**

We take care of workers when technology changes. We take care of families when tragedy strikes. We take care of the elderly when they need help. We take care of the homeless until there are none. We take care of businesses so they can take care of their communities. We take care of our land, our air, our water. We take care of our democracy.

This is what government should do. This is what Colorado will do.

“It doesn’t matter where you started, what matters is where you finish and the journey along the way.”

— mav QBJ

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SECTION 1: TITLE, LEGISLATIVE FINDINGS, AND DEFINITIONS

1.1 Short Title

This Act shall be known and may be cited as the “Colorado Economic Security and AI Workforce Transition Act” or “CESA” or “CESA - Colorado 2035.”

1.2 Legislative Findings

The General Assembly of the State of Colorado hereby finds and declares that:

- (1) The rapid advancement of artificial intelligence and automation technologies poses an unprecedented threat to employment stability, with projections indicating that 30-40% of current jobs may be displaced within the next decade;
- (2) The current healthcare system in the United States places an unsustainable financial burden on working families and businesses, with Colorado residents paying among the highest healthcare costs in the nation;
- (3) Federal government dysfunction, political polarization, and uncertainty regarding the future of programs such as Social Security and Medicare necessitate state-level solutions to ensure the economic security of Colorado residents;
- (4) The sudden death of a family breadwinner can devastate families financially, and private life insurance is often unaffordable, inaccessible to those with pre-existing conditions, or inadequate;
- (5) Rising rates of obesity, diabetes, and cardiovascular disease driven by unhealthy food consumption create substantial healthcare costs that could be reduced through prevention-focused food policy;
- (6) Homelessness represents both a humanitarian crisis and an economic inefficiency that can be eliminated through coordinated housing, employment, and support services;
- (7) Colorado possesses abundant renewable energy resources that can provide energy independence, reduce costs, and protect the environment;
- (8) The federal education system is increasingly subject to political agendas that may not serve the best interests of Colorado students, families, and communities;

- (9) Human trafficking is a grave crime against humanity that demands severe penalties and comprehensive enforcement;
- (10) Colorado's sovereign tribal nations are valued partners whose members deserve access to all state programs while maintaining their sovereignty;
- (11) Economic security requires protection from multiple risks including job loss, illness, death, and systemic economic disruption;
- (12) An integrated approach addressing healthcare, worker protection, family security, housing, education, and economic independence will create a more resilient and prosperous Colorado;
- (13) Direct-to-consumer advertising of prescription drugs, over-the-counter medications, and medical devices undermines the doctor-patient relationship and drives up healthcare costs that are now borne by Colorado taxpayers;
- (14) Intergenerational care systems strengthen communities and ensure that those who help others in their youth are guaranteed help when they themselves need it;
- (15) Access to high-quality, natural foods should not be limited by income or geography, and Colorado can lead the nation in making healthy food the affordable and accessible choice;
- (16) International partnerships through sister city and sister state relationships can enhance cultural exchange, economic development, and global cooperation;
- (17) AI and high-automation companies must contribute to the communities and energy infrastructure they rely upon;
- (18) Whistleblowers who report wrongdoing in good faith deserve protection from retaliation;
- (19) Colorado's legislation should be designed to evolve with changing circumstances while protecting core principles through democratic processes;
- (20) Strategic development of innovation districts can attract industries and create economic hubs that benefit all Coloradans;
- (21) Colorado has both the resources and the responsibility to lead the nation—and the world—in creating a comprehensive economic security system that serves as a model for other states and countries.

1.3 Purpose

The purposes of this Act are to:

- (1) Establish universal healthcare coverage for all Colorado residents through the Care Without Fear system;

- (2) Protect workers displaced by artificial intelligence and automation with income security and retraining;
- (3) Create a state-run life insurance program that is affordable, accessible, and portable;
- (4) Reduce economic dependence on federal programs and prepare Colorado for potential federal dysfunction;
- (5) Eliminate homelessness in Colorado within five years through the Zero Homeless Colorado program;
- (6) Establish a comprehensive business support system to help Colorado businesses thrive;
- (7) Achieve energy independence through expansion of renewable energy infrastructure;
- (8) Protect immigrants from federal overreach while maintaining public safety;
- (9) Ensure voting access for all eligible Colorado residents;
- (10) Impose severe penalties on human traffickers and protect victims;
- (11) Honor tribal sovereignty while ensuring tribal members have access to all state programs;
- (12) Transition Colorado's education system away from federal control toward state-managed, eventually free education;
- (13) Generate revenue fairly through progressive taxation that asks more of those who have benefited most;
- (14) Protect all funds established under this Act from misuse, corruption, or diversion;
- (15) Establish a unified state agency (CESA Administration) to coordinate all economic security programs;
- (16) Create a Colorado Benefits Card that simplifies access to all state programs;
- (17) Eliminate pharmaceutical and medical device advertising to restore the integrity of the doctor-patient relationship;
- (18) Create an intergenerational Elder Care Credit System where young people earn guaranteed future care by helping elders today;
- (19) Make high-quality, natural foods more accessible and affordable than processed alternatives;
- (20) Establish international partnerships through the Colorado Global Partnership Program;

- (21) Protect whistleblowers who report wrongdoing related to CESA programs;
- (22) Ensure AI companies contribute energy and resources back to Colorado;
- (23) Create innovation districts to attract industries and create economic hubs;
- (24) Establish a constitutional core of protected principles that can only be changed by public vote;
- (25) Make Colorado the most attractive state for both workers and businesses by creating comprehensive economic security;
- (26) Position Colorado as a model for the world—a place of abundance, prosperity, peace, zero hunger, and zero homelessness.

1.4 Definitions

As used in this Act, unless the context otherwise requires:

“Artificial Intelligence” or “AI” means any machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments, including machine learning, deep learning, neural networks, natural language processing, computer vision, and robotic process automation.

“AI Displacement” means the elimination, substantial reduction, or fundamental transformation of a job position due to the implementation of artificial intelligence, automation, or related technologies where the work previously performed by a human employee is now performed primarily by AI systems.

“Automation Intensity Ratio” means the ratio of a company’s annual revenue to its number of employees, used to determine AI Industry Requirements under Section 25.

“Care Without Fear” means the universal healthcare system established under Section 2 of this Act.

“CESA Administration” means the Colorado Economic Security Administration established under Section 18 of this Act.

“CESA Constitutional Core” means the protected principles established under Section 31 that require a 68% supermajority public vote to amend.

“Colorado Benefits Card” means the chip-enabled identification and benefits card established under Section 19 of this Act.

“Colorado Community Business” means a business certified under Section 26 as meeting community-focused criteria.

“Colorado Cost of Living Standard” or “CCLS” means the state-specific measure of income required for a household to meet basic needs in Colorado, as established under Section 1.5 of this Act, replacing the federal poverty level for CESA programs.

“Colorado Innovation District” means a designated economic zone established under Section 33 for targeted industry development.

“Colorado Qualified Business” means a business entity that meets the requirements established under Section 4.8 of this Act, including compliance with AI displacement requirements, participation in state programs, and good standing with state regulations.

“Colorado Quality Food” means food products certified under Section 3.8 as meeting high standards for natural ingredients, minimal processing, and nutritional value.

“Colorado Resident” means any individual who has established domicile in Colorado, regardless of immigration status, including individuals who have lived in Colorado for 90 or more consecutive days with intent to remain.

“Colorado Shield” means the enhanced State Defense Force capabilities established under Section 7 of this Act, including weather monitoring, highway surveillance, search and rescue, and border defense readiness.

“Colorado Veteran” means a member of the State Defense Force who has received an honorable discharge after completing required service, as defined in Section 7.9.

“Colorado WIC” means the Colorado Women, Infants, and Children Program established under Section 3.7.4 of this Act, a state-funded nutrition assistance program replacing participation in the federal WIC program.

“Colorado Community Asset Program” means the program established under Section 13.3(d) for allocating seized assets from human trafficking convictions to Colorado families in need.

“Contribution Level” means the percentage of income (1-20%) that a participant in the Life Security Program elects to contribute.

“CRSP” means the Colorado Retirement Security Program established under Section 6 of this Act.

“Death Benefit” means the lump sum payment made to designated beneficiaries upon the death of a Life Security Program participant.

“Department” means the Colorado Department of Labor and Employment unless otherwise specified.

“Elder Care Credit” means the unit of credit earned under Section 2.12 by providing assistance to elderly Colorado residents, redeemable for equivalent assistance when the credit holder reaches elder status.

“Global Partner” means a city, state, territory, or region with which Colorado has established a formal partnership under Section 23.

“Health-Impact Tax” means the taxes imposed under Section 3.7 on sugary beverages, high-sugar high-fat foods, ultra-processed foods, and chain restaurant prepared foods.

“Healthcare Advertising” means any advertisement for prescription medications, over-the-counter medications, or medical devices, as regulated under Section 2.11.

“Human Trafficking” means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act or labor or services through the use of force, fraud, or coercion, as further defined in Section 13.

“Life Security Program” means the state-run life insurance program established under Section 5 of this Act.

“Position Restoration” means the requirement under Section 4.6 that when an AI-displaced worker dies, the employer must hire a replacement at the same salary level.

“Prosperity Partnership” means the revenue and benefits program established under Section 16 for high-income earners, luxury property owners, and corporations.

“Sister City” means a city with which a Colorado city has established a formal partnership under Section 23.

“Sister State” means a state, territory, or region with which Colorado has established a formal statewide partnership under Section 23.

“Small Business” means a business entity with fewer than 500 employees and less than \$50 million in annual revenue.

“Sponsor” means a trained individual who provides guidance, support, and accountability to a participant in the Zero Homeless Colorado program.

“State Defense Force” or “SDF” means the Colorado State Defense Force established under Section 7 of this Act, a state military force under the command of the Governor that cannot be federalized.

“Strategic Foresight Office” means the office established under Section 32 to monitor emerging trends and provide early warnings.

“Tribal Nation” means the Ute Mountain Ute Tribe or the Southern Ute Indian Tribe, recognized as sovereign nations.

“Whistleblower” means an individual who reports violations of this Act in good faith as defined in Section 24.

“Young Innovator” means a Colorado resident between the ages of 16 and 30 eligible for entrepreneurship support under Section 20.9 of this Act.

“Zero Homeless Colorado” means the comprehensive homelessness elimination program established under Section 8 of this Act.

SECTION 1.5: COLORADO COST OF LIVING STANDARD

(a) Establishment

There is hereby established the Colorado Cost of Living Standard (CCLS), a state-specific measure of the income required for a household to meet basic needs in Colorado, replacing the use of the federal poverty level for all CESA programs.

(b) Purpose

The CCLS:

- Reflects the actual cost of living in Colorado, which is higher than the national average
- Ensures that eligibility for CESA programs is based on Colorado reality, not national averages
- Is calculated and updated by CESA Administration annually
- Accounts for regional variations within Colorado

(c) Calculation Method

The CCLS shall be calculated based on the actual Colorado costs of:

- Housing (rent or mortgage for modest housing)
- Food (nutritious diet based on USDA guidelines)
- Healthcare (any costs not covered by Care Without Fear)
- Transportation (public transit or modest vehicle costs)
- Childcare (for families with children)
- Utilities (electric, gas, water, basic internet)
- Clothing and personal care
- Emergency savings (5% buffer)

(d) Initial Standards

Until CESA Administration completes its first annual calculation, the CCLS shall be:

Household Size	Annual CCLS	Monthly CCLS	Comparison to Federal Poverty Level
1 person	\$28,000	\$2,333	185% of FPL
2 persons	\$38,000	\$3,167	190% of FPL
3 persons	\$48,000	\$4,000	195% of FPL
4 persons	\$58,000	\$4,833	195% of FPL
Each additional	+\$8,000	+\$667	~175% of FPL increment

(e) Regional Adjustments

CESA Administration may establish regional adjustment factors for:

- Denver Metro Area: Up to 120% of base CCLS
- Mountain Resort Communities: Up to 130% of base CCLS
- Rural Eastern Plains: 90-100% of base CCLS
- Western Slope: 100-110% of base CCLS

(f) Annual Update

- CESA Administration shall update the CCLS annually by March 1
- Updates based on Colorado-specific cost data from the prior year
- Public comment period before finalization
- Automatic adjustment for inflation if update delayed

(g) Application

All CESA programs using income-based eligibility shall use the CCLS, including:

- Care Without Fear contribution levels
- Colorado WIC Program
- Healthy Food Access programs
- Zero Homeless Colorado
- Life Security Program considerations
- Any other income-tested benefit

(h) Transition

- Year 1: Programs may use either CCLS or federal poverty level, whichever is more generous to the applicant
- Year 2+: CCLS is the sole standard for CESA programs

SECTION 2: CARE WITHOUT FEAR - UNIVERSAL HEALTHCARE SYSTEM

2.1 Establishment

There is hereby established the “Care Without Fear” universal healthcare system, which shall provide comprehensive healthcare coverage to all Colorado residents regardless of employment status, income level, pre-existing conditions, or immigration status.

2.2 Coverage

(a) Care Without Fear shall provide coverage for:

- Primary and preventive care, including annual physicals, immunizations, screenings, and wellness visits
- Specialist care and consultations
- Hospital services, including inpatient, outpatient, and emergency care
- Surgical procedures
- Prescription medications, including brand-name and generic drugs
- Mental health services, including therapy, counseling, psychiatric care, and substance abuse treatment
- Dental care, including preventive, restorative, and emergency dental services
- Vision care, including eye exams, glasses, and contact lenses
- Maternity and newborn care
- Pediatric services
- Laboratory and diagnostic services
- Rehabilitation services, including physical therapy, occupational therapy, and speech therapy
- Home health services
- Hospice and palliative care
- Medical equipment and supplies
- Ambulance and emergency medical transport
- Telehealth services

(b) Care Without Fear coverage shall have **no copays, deductibles, coinsurance, or out-of-pocket maximums** for covered services.

(c) Coverage shall continue regardless of employment status. Losing a job does not affect healthcare coverage.

2.3 Eligibility

(a) All Colorado residents are eligible for Care Without Fear coverage, including:

- Individuals employed full-time, part-time, or seasonally
- Self-employed individuals and independent contractors
- Unemployed individuals
- Retired individuals
- Students
- Children and dependents
- Individuals regardless of immigration status
- AI-displaced workers receiving payments under Section 4
- Life Security Program participants
- Individuals experiencing homelessness
- Tribal members residing in Colorado

(b) Residency Requirement: Individuals must have established domicile in Colorado, defined as living in Colorado for 90 or more consecutive days with intent to remain, OR having established a permanent address in Colorado.

(c) Visitors and Emergency Care: Non-residents visiting Colorado shall receive emergency care. See Section 2.9(g) for visitor billing and cost recovery.

(d) Coverage Tiers Clarification: [UPDATED v5.0]

Status	Coverage Level
Residents (90+ days, intent to stay)	Full coverage
Contributing residents (working, paying in, volunteering)	Full coverage
Immigrants (regardless of status, if contributing)	Full coverage
Visitors from other states	Emergency care only

2.4 Funding

(a) Care Without Fear shall be funded primarily through an increase in the Colorado state income tax rate, implemented in phases as specified in Section 3.

(b) Phased Income Tax Implementation: [UPDATED v5.0]

Period	Tax Increase	Rate	
Years 1-2	2.2%	4.4%	6.6%
Years 3-5	2.0%	4.4%	6.4%
Year 6+	Evaluated annually		Target: further reduction

(c) Cost comparison for typical family (Years 1-2):

Annual Income	Tax Increase	Typical Insurance Cost	Net Annual Savings
\$50,000	\$1,100	\$9,000 - \$12,000	\$7,900 - \$10,900
\$70,000	\$1,540	\$12,000 - \$15,000	\$10,460 - \$13,460
\$100,000	\$2,200	\$15,000 - \$20,000	\$12,800 - \$17,800
\$150,000	\$3,300	\$18,000 - \$25,000	\$14,700 - \$21,700

(d) Additional funding from Health-Impact Food Taxes (Section 3.7), Enhanced Liquor Taxes (Section 3), tourism fees (Section 6), AI Industry Requirements (Section 25), and business contributions.

2.5 Administration

(a) The CESA Administration shall administer Care Without Fear in coordination with the Colorado Department of Health Care Policy and Financing.

(b) A Care Without Fear Board shall be established, consisting of:

- Three members appointed by the Governor
- Two members appointed by the State Senate
- Two members appointed by the State House of Representatives
- Two healthcare professionals elected by healthcare provider associations
- Two patient advocates elected by patient advocacy organizations

(c) The Board shall set reimbursement rates, establish quality standards, review appeals, and ensure adequate provider networks throughout Colorado.

2.6 Provider Participation

(a) All licensed healthcare providers in Colorado shall participate in Care Without Fear as specified in Section 2.10.

(b) Reimbursement rates shall be set at levels sufficient to ensure provider participation and quality care, benchmarked to Medicare rates plus adjustments for Colorado cost of living.

(c) Administrative simplification: Providers shall submit claims through a single, unified system, reducing administrative costs currently spent on multiple insurance billing systems.

2.7 Business Benefits

Businesses operating in Colorado shall realize the following benefits from Care Without Fear:

- Elimination of employer-sponsored health insurance costs (average savings: **\$14,000-\$20,000 per employee annually**)
- Elimination of workers' compensation medical costs (integrated into Care Without Fear)
- Elimination of benefits administration costs
- No COBRA administration requirements
- Healthier workforce due to preventive care access
- Competitive advantage in recruiting workers from other states

2.8 Transition

- (a)** Implementation shall occur over a 24-month period following passage of this Act.
- (b)** Individuals with existing insurance may maintain it during the transition period.
- (c)** Employers currently providing health insurance shall redirect those funds to employee compensation, business investment, or other purposes at their discretion.

2.9 Federal Funding Independence and Phase-Out

(a) Core Principle:

Colorado shall fund Care Without Fear and all CESA programs entirely through state revenue sources. No federal funding shall be sought, accepted, or relied upon for the operation of CESA programs, ensuring that the federal government has no leverage to deny, modify, or attach conditions to Colorado's economic security system.

(b) Federal Funding Phase-Out Timeline:

Year	Federal Role	Colorado Role
Year 1	Secondary payer for existing Medicare/Medicaid enrollees	Primary payer for all services
Year 2	Continue secondary for transition cases only	Expand primary coverage
Year 3-4	Wind down remaining cases	Full primary responsibility
Year 5-6	Coordination only (no funding)	Sole payer for residents
Year 7+	No federal funding accepted	Complete independence

(c) No Federal Strings:

- Colorado shall not accept federal grants, waivers, or funding arrangements that include conditions affecting CESA program design, eligibility, or benefits
- Existing federal programs (Medicare, Medicaid, VA) continue for those who prefer them, but Care Without Fear operates independently
- Colorado will not seek Medicaid expansion or ACA waivers that would create federal dependencies

(d) Self-Sufficiency Funding:

The revenue sources in Section 3 are designed to fully fund Care Without Fear without federal participation, including:

- Income tax increase (phased)

- Enhanced liquor taxes
- Health-impact food taxes
- Business contributions
- Tourism fees
- AI Industry Requirements
- Prosperity Partnership revenue

(e) Federal Coordination:

Colorado may coordinate with federal agencies for:

- Data sharing (with appropriate privacy protections)
- Emergency response (disasters, pandemics)
- Interstate coverage recognition
- Veterans' services (VA remains an option for veterans)

(f) Medicare/Medicaid Enrollee Protection:

- Current Medicare/Medicaid enrollees may continue those programs if desired
- Care Without Fear covers anything federal programs do not
- No Colorado resident loses coverage during transition
- Those who prefer federal programs keep them; those who prefer Care Without Fear have it

(g) Visitor Cost Recovery: [UPDATED v5.0]

(i) Billing Process:

- Healthcare providers bill CESA directly for visitor emergency care (not the visitor)
- CESA bills the visitor's home state or insurance
- Visitors do not deal with individual provider billing
- Clean, simple process for providers

(ii) Collection Approach:

- Focus on those who CAN pay but WON'T pay
- Hardship exemptions for those who genuinely cannot afford payment
- Payment plan forgiveness available for good-faith efforts
- Interstate DMV cooperation for collection (license suspension for non-payment after multiple attempts)
- Legal collection only after multiple attempts and clear ability to pay
- Appeals process for disputes

(iii) Good Faith Standard:

- Making any payment, however small, constitutes good faith
- Documented financial hardship exempts from collection

- No aggressive collection against those in genuine financial distress

2.10 Private Insurance Prohibition

(a) Transition Period:

During the first 24 months of implementation, private health insurance may continue to operate in Colorado.

(b) Full Implementation:

Upon full implementation of Care Without Fear (Month 25 and thereafter):

- Private health insurance for services covered by Care Without Fear shall be **prohibited** in Colorado
- Insurance companies may not sell, and Colorado residents may not purchase, duplicative coverage for Care Without Fear covered services
- This ensures all Coloradans are in the same system, preventing a two-tier healthcare system

(c) Exceptions:

- **Cosmetic procedures** not covered by Care Without Fear may be privately insured
- **Supplemental coverage** for amenities (private hospital rooms, elective upgrades) is permitted
- **Out-of-state coverage** for those traveling may be purchased
- **International health insurance** for those traveling abroad is permitted

(d) Complication Coverage:

If a cosmetic or elective procedure results in medical complications, Care Without Fear covers all medically necessary treatment of those complications at no cost to the patient. The prohibition on private insurance does not leave anyone without coverage for medical needs.

(e) Provider Participation Requirement:

All licensed healthcare providers in Colorado must participate in Care Without Fear. Providers may not refuse to accept Care Without Fear patients. This ensures access across the entire state.

2.11 Healthcare Advertising Standards

(a) Prohibition:

The following advertising is **prohibited** in Colorado:

- Direct-to-consumer advertising of **prescription medications**
- Direct-to-consumer advertising of **over-the-counter medications** (except basic product availability information)
- Direct-to-consumer advertising of **medical devices** intended for patient use
- Any advertising that implies a patient should ask their doctor for a specific medication or device

(b) Rationale:

- Healthcare decisions should be made by patients and doctors, not influenced by advertising
- Prescription drug advertising drives demand for expensive brand-name drugs when generics may be equally effective
- Colorado taxpayers now fund healthcare; advertising costs should not be passed to taxpayers
- The doctor-patient relationship is undermined when patients arrive with advertising-driven requests

(c) Permitted Communications:

- Medical journal advertising to healthcare professionals
- Informational materials provided at the point of care
- Public health campaigns (vaccination awareness, disease screening, etc.)
- Drug manufacturer communications to pharmacies and hospitals
- Basic product availability information for OTC products (product exists, where to buy) without therapeutic claims

(d) Penalties:

Violation Number	Penalty
First	\$50,000 per advertisement
Second	\$100,000 per advertisement
Third	\$250,000 per advertisement
Fourth	\$500,000 per advertisement
Fifth	\$500,000 + CEO personal liability
Sixth+	\$500,000 + CEO imprisonment (up to 1 year per violation)

(e) Advertising Agency Liability:

Advertising agencies that create or place prohibited healthcare advertising in Colorado are jointly liable for penalties.

(f) Formulary Independence:

To ensure patient access is never affected, prohibited advertising shall have **no impact** on Care Without Fear formulary decisions. Drugs and devices are included based solely on:

- Clinical efficacy
- Safety profile
- Cost-effectiveness
- Medical necessity

Advertising violations by a manufacturer do not result in removal of their products from the formulary if medically needed.

(g) Enforcement:

The CESA Administration shall establish an enforcement division for healthcare advertising standards, with authority to:

- Monitor advertising across all media
- Issue cease-and-desist orders
- Levy fines
- Refer criminal violations for prosecution
- Publish quarterly reports on enforcement actions

2.12 Elder Care Credit System

2.12.1 Purpose

The Elder Care Credit System establishes an intergenerational compact: young Coloradans who help their elders today are guaranteed equivalent help when they themselves become elders. This creates a self-sustaining cycle of care that strengthens communities and ensures no elder is alone or forgotten.

2.12.2 The Promise

One hour given = One hour guaranteed.

When you help an elder today, you earn credits that guarantee you will receive the same help when you need it. This is not charity—it is an investment in your own future and a commitment from Colorado that your service will be honored.

2.12.3 Eligibility to Earn Credits

- (a)** Any Colorado resident age 16 or older may earn Elder Care Credits by providing approved assistance to registered elder recipients.
- (b)** There is no income test or other qualification—all Coloradans can participate.
- (c)** Those receiving Care Without Fear, Life Security, or other CESA benefits remain eligible to earn credits.

2.12.4 Eligible Activities

Credits may be earned for:

- Grocery shopping and errands
- Transportation to appointments
- Meal preparation
- Light housekeeping
- Yard work and minor home maintenance
- Companionship and social visits
- Reading or writing assistance
- Technology help (phones, computers, video calls)
- Pet care assistance
- Accompanying to community events
- Other activities approved by CESA Administration

2.12.5 Credit Rates

Activity Type	Credits per Hour
Standard assistance (errands, housekeeping, companionship)	1.0
Specialized assistance (skilled tasks, multiple elders)	1.25
Emergency assistance (unscheduled urgent needs)	1.5
Holiday/weekend assistance	1.25

2.12.6 Earning and Tracking

(a) All credits are tracked through the Colorado Services Portal (Section 19.8) linked to the Colorado Benefits Card.

(b) Credits are verified by:

- Elder recipient confirmation (simple tap or voice confirmation)
- Automatic location verification (credit earner present at elder's registered location)
- Periodic random verification audits

(c) Credits appear in real-time on the earner's portal account.

2.12.7 Redemption

(a) Eligibility to Redeem:

- Age 65 or older, OR
- Any age with documented disability or chronic illness requiring assistance, OR

- Any age during recovery from surgery, injury, or acute illness (temporary redemption)

(b) Redemption Value:

One credit = One hour of equivalent assistance from another participant.

(c) No Expiration:

Credits never expire. Credits earned at age 16 are fully valid at age 85.

(d) Transferability:

- Credits may be transferred to a spouse, parent, or grandparent
- Credits may be donated to the general pool for elders without family
- Credits may NOT be sold for money

2.12.8 Elder Registration

(a) Colorado residents age 65+ may register as elder recipients.

(b) Registration includes:

- Needs assessment (what help is needed, how often)
- Safety verification (background checks on credit earners who will assist)
- Emergency contact information
- Communication preferences

(c) Registration is free and processed within 7 days.

2.12.9 Program Administration

(a) CESA Administration oversees the Elder Care Credit System through a dedicated Elder Care Division.

(b) Funding:

- Program administration funded through general CESA revenue
- No federal grants or funding sought or accepted
- Program operates entirely through volunteer credits, not paid staff for direct services
- Matching coordinators are state employees

(c) Functions include:

- Matching credit earners with elder recipients
- Training credit earners (online modules, safety protocols)
- Investigating complaints or concerns
- Maintaining the credit tracking system
- Community outreach and program promotion

2.12.10 Protections

(a) For Elders:

- All credit earners undergo background checks
- Training on elder care, boundaries, and emergency protocols
- Easy reporting mechanism for concerns
- Right to refuse specific credit earners
- Regular check-ins by program coordinators

(b) For Credit Earners:

- Clear scope of activities (not medical or personal care unless certified)
- Liability protection for good-faith assistance
- Right to refuse specific assignments
- Support and guidance from program coordinators

2.12.11 Integration with Other Programs

- **Care Without Fear:** Medical care is separate from Elder Care Credits; credits are for non-medical assistance
- **Zero Homeless Colorado:** Elders experiencing homelessness receive priority housing AND elder care assistance
- **Colorado Benefits Card:** Credits tracked and accessed through the unified card
- **Life Security Program:** Elder Care Credits do not affect Life Security benefits

2.12.12 Community Building

(a) The Elder Care Credit System is designed to build community, not replace it.

(b) CESA shall promote:

- Multi-generational community events
- Recognition of high-participation communities
- Stories of meaningful connections formed through the program
- School and youth group participation

(c) The goal is not just service delivery but the creation of an intergenerational community where young and old know each other, care for each other, and enrich each other's lives.

SECTION 3: FUNDING SOURCES

3.1 Primary Revenue Sources

The programs established under this Act shall be funded through the following sources:

(a) Income Tax Increase [UPDATED v5.0 - PHASED IMPLEMENTATION]

(i) Phased Implementation:

Phase	Years	Tax Increase	New Rate
Phase 1	Years 1-2	2.2%	6.6% total
Phase 2	Years 3-5	2.0%	6.4% total
Phase 3	Year 6+	Evaluated annually	Target: further reduction

(ii) Phase 1 Revenue (Years 1-2): Approximately **\$3.7 billion annually**

(iii) Phase 2 Revenue (Years 3-5): Approximately **\$3.4 billion annually**

(iv) Reduction Trigger:

The income tax rate shall be reduced when:

- Care Without Fear is fully operational (Year 3+)
- Other revenue sources mature (liquor tax, AI contributions)
- Economic Resilience Fund reaches \$3 billion minimum
- Strategic Foresight Office confirms sustainability

(b) Enhanced Liquor Taxes [NEW v5.0]

(i) Excise Tax Rates:

Beverage Type	Current Rate	New Rate
Beer	\$0.08/gallon	\$0.25/gallon
Wine	\$0.32/gallon	\$0.75/gallon
Spirits	\$2.28/gallon	\$3.60/gallon

(ii) Sales Tax on Alcohol:

- Current rate: 2.9% (state)
- **New rate: 15%** (same as cannabis)

(iii) Estimated Revenue:

Component	Annual Revenue
Beer excise	\$44 million
Wine excise	\$13 million
Spirits excise	\$167 million
Sales tax (15%)	\$674 million
TOTAL	\$898 million

(iv) Consumer Impact:

Product	Additional Cost
6-pack of beer	+\$1.21
Bottle of wine	+\$1.81
Bottle of spirits	+\$3.63

(v) Rationale:

- Same rate as cannabis creates parity
- Alcohol creates healthcare costs now funded by taxpayers
- Additional revenue enables income tax reduction
- Prevention approach aligns with Healthy Food Policy

(c) Tourism Fees

Accommodation/Activity	Fee
Hotels and motels	\$20 per night
Ski lift tickets	\$12 per ticket
Short-term rentals (Airbnb, VRBO)	\$14 per night
Resort properties	\$26 per night

Estimated annual revenue: \$720 million

(d) Business Contributions

A 2.5% payroll contribution from employers with more than 50 employees, generating approximately **\$1 billion annually**. This contribution replaces healthcare, workers' compensation, and other benefit costs, resulting in net savings for most businesses.

(e) Life Security Program Contributions

Worker contributions to the Life Security Program (1-20% of income, worker's choice), generating approximately **\$1-1.5 billion annually**.

(f) Cannabis Taxes (Enhanced)

Existing cannabis tax revenue plus a 5% additional tax, streamlined licensing for new businesses, statewide consumption lounges, and cannabis tourism promotion, generating approximately **\$600-650 million annually**.

(g) Health-Impact Food Taxes

Taxes on sugary beverages, high-sugar/high-fat foods, ultra-processed foods, and chain restaurant prepared foods as detailed in Section 3.7, generating approximately **\$475-650 million annually** gross, with net revenue after healthy food programs.

(h) Prosperity Partnership Revenue

Revenue from luxury property taxes, high-income surcharges, corporate minimum taxes, and vacation rental fees as detailed in Section 16, generating approximately **\$500-725 million annually**.

(i) AI Industry Requirements [NEW v5.0]

Revenue from AI and high-automation company contributions as detailed in Section 25, generating approximately **\$120 million annually**.

(j) Other Sources

- Federal grants and waivers (transition period only)
- Investment returns on fund balances
- Penalties and fees for non-compliance
- Asset forfeiture from human trafficking convictions

Estimated additional revenue: \$200 million annually

3.2 Revenue Summary [UPDATED v5.0]

Years 1-2 (Phase 1):

Source	Annual Revenue
Income Tax Increase (2.2%)	\$3.7 billion
Enhanced Liquor Taxes	\$898 million
Tourism Fees	\$720 million
Business Contributions (2.5% payroll)	\$1.0 billion
Life Security Contributions	\$1.0 billion
Cannabis Taxes (Enhanced)	\$625 million
Health-Impact Food Taxes (Net)	\$295 million
Prosperity Partnership Revenue	\$600 million
AI Industry Requirements	\$120 million
Other Sources	\$200 million
TOTAL REVENUE (Years 1-2)	\$9.16 billion

Years 3-5 (Phase 2):

Source	Annual Revenue
Income Tax Increase (2.0%)	\$3.4 billion
Enhanced Liquor Taxes	\$898 million
Tourism Fees	\$750 million
Business Contributions (2.5% payroll)	\$1.1 billion

Source	Annual Revenue
Life Security Contributions	\$1.2 billion
Cannabis Taxes (Enhanced)	\$650 million
Health-Impact Food Taxes (Net)	\$320 million
Prosperity Partnership Revenue	\$650 million
AI Industry Requirements	\$150 million
Other Sources	\$220 million
TOTAL REVENUE (Years 3-5)	\$9.34 billion

3.3 Business Contributions

(a) Requirement:

All businesses operating in Colorado with more than 50 employees shall contribute **2.5% of total payroll** to the CESA Fund.

(b) Exemptions:

- Businesses with 50 or fewer employees
- Non-profit organizations (except hospitals and health systems)
- Government entities (federal, state, local, tribal)
- Educational institutions (K-12 and higher education)

(c) Clarification - Exempt Entity Employees:

Employees of exempt entities still receive ALL CESA benefits (healthcare, Life Security eligibility, AI protection if applicable, etc.). The exemption is for the entity's contribution requirement, not for employee benefits.

(d) Gig Economy and Staffing Agencies:

- Staffing agencies are responsible for contributions based on worker hours, not client companies
- Gig platforms (Uber, DoorDash, etc.) shall contribute based on total payments to Colorado workers
- Independent contractors working primarily for one company trigger contribution requirements for that company if they exceed the equivalent of 50 full-time workers

(e) Net Benefit to Businesses:

Even with the 2.5% contribution, businesses save money because they no longer pay for:

- Health insurance premiums (\$10,000-\$20,000 per employee)
- Workers' compensation medical costs
- Benefits administration
- COBRA administration

Typical net savings: \$10,000-\$15,000 per employee per year

3.4 Fund Allocation

All revenues collected under this Act shall be deposited into dedicated funds as established in Section 17 (Fund Integrity and Anti-Corruption) and allocated exclusively to the programs for which they are designated.

3.5 Economic Resilience Reserve

- (a)** From the annual surplus, a minimum of **\$300 million per year** shall be deposited into the Economic Resilience Fund until it reaches the target of **\$5 billion**.
- (b)** Years 1-2 surplus (estimated \$1.5-1.9B annually) accelerates this timeline.
- (c)** The Economic Resilience Fund may only be accessed as specified in Section 6.4.

3.6 Annual Review

- (a)** The CESA Administration and Strategic Foresight Office shall review revenue and expenditure projections annually.
- (b)** Recommendations for rate adjustments shall be submitted to the General Assembly by December 1 each year.
- (c)** The goal is to reduce the income tax burden over time as other revenue sources mature while maintaining program sustainability.

SECTION 3.7: HEALTHY COLORADO FOOD POLICY

3.7.1 Legislative Findings

The General Assembly finds that:

- (1) Colorado faces significant public health challenges including rising rates of obesity, diabetes, and cardiovascular disease;
- (2) Healthcare costs are driven significantly by preventable diet-related diseases;
- (3) Healthy food is often more expensive than unhealthy food, creating barriers for families facing financial hardship;
- (4) A health-based food pricing system can simultaneously generate revenue for healthcare while improving public health outcomes;
- (5) Evidence from other jurisdictions demonstrates that health-based food pricing reduces consumption of unhealthy items and improves dietary choices;

- (6) Making healthy food affordable and accessible to all Colorado residents is essential to the success of the Care Without Fear system;
- (7) Prevention is more cost-effective than treatment, and dietary intervention is one of the most impactful prevention strategies available.

3.7.2 Health-Impact Food Taxes

(a) Sugary Beverage Tax [UPDATED v4.2]

Rate: 5 cents per fluid ounce (increased from 2 cents)

Applicable Products:

- Carbonated soft drinks with added sugar
- Energy drinks with added sugar
- Sweetened tea and coffee beverages
- Sports drinks with added sugar
- Fruit drinks with less than 70% real fruit juice
- Any beverage with added caloric sweeteners

Exemptions:

- 100% fruit or vegetable juice
- Milk and milk-based beverages
- Beverages with no caloric sweeteners (diet drinks)
- Infant formula
- Medical nutritional supplements
- Alcoholic beverages (separately taxed under Section 3(b))

Collection: Tax collected at wholesale/distributor level, passed through to retail price

Estimated Revenue: \$375-500 million annually

(b) High-Sugar High-Fat Food Tax

Rate: 8% additional sales tax (added to existing state/local sales tax)

Applicable Products - Foods meeting ANY of the following criteria:

- More than 20% of calories from added sugars
- More than 35% of calories from saturated fat
- Minimal nutritional value (less than 5% daily value of essential nutrients per serving)

Categories typically included:

- Candy and confections
- Potato chips and cheese puffs

- Cookies, pastries, and sweet baked goods
- Ice cream and frozen desserts
- Sugar-sweetened cereals

Exemptions:

- Foods with significant nutritional content (nuts, nut butters, cheese, dark chocolate 70%+)
- Baked goods made fresh in-store bakeries (local small businesses)
- Products specifically designed for medical or dietary needs

Estimated Revenue: \$100-150 million annually

(c) Ultra-Processed Food Tax

Rate: 5% additional sales tax

Applicable Products (NOVA classification system):

- Instant noodles and soups
- Frozen prepared meals with minimal whole food content
- Reconstituted meat products (nuggets, processed patties)
- Mass-produced packaged snacks with industrial ingredients
- Shelf-stable meals with extensive preservatives and additives

Exemptions:

- Canned/frozen vegetables and fruits (minimally processed)
- Whole grain pasta and rice products
- Plain frozen proteins
- Minimally processed convenience items (pre-cut vegetables, bagged salads)
- Products from small-scale local food producers (fewer than 3 locations)

Estimated Revenue: \$75-100 million annually

(d) Chain Restaurant Prepared Food Tax

Rate: 3% additional sales tax on prepared food

Applicable Establishments:

- Restaurant chains with 10 or more locations nationally
- Fast food and quick-service restaurants
- Large-scale food court vendors

Exemptions:

- Locally-owned restaurants (fewer than 10 locations)
- Sit-down table-service restaurants (see Section 28 for additional benefits)

- Salad bars and made-to-order healthy options within taxed establishments
- Grocery store delis and prepared food sections
- Non-profit food service (hospitals, schools)

Estimated Revenue: \$80-120 million annually

3.7.3 Healthy Food Access and Affordability Program

(a) Complete Sales Tax Exemption

The following foods shall be exempt from ALL state and local sales taxes:

Fresh Produce: - All fresh fruits and vegetables - Pre-cut and packaged fresh produce - Frozen fruits and vegetables without added sugar or sauce - Dried fruits without added sugar

Whole Grains: - Brown rice, quinoa, oats, barley, millet - Whole wheat bread, pasta, and tortillas - Whole grain cereals with minimal added sugar

Lean Proteins: - Fresh or frozen chicken breast, turkey, fish - Dried beans, lentils, and legumes - Tofu and tempeh - Eggs

Healthy Dairy: - Low-fat milk (1% or skim) - Plain yogurt - Low-fat cheese

Nutritious Staples: - Unsalted nuts and seeds - Olive oil and other healthy cooking oils - Herbs, spices, and seasonings without added sugar/salt - Whole grain flours

(b) Point-of-Sale Healthy Food Subsidy

Eligibility: Recipients of: - SNAP/EBT benefits - Colorado WIC benefits - Care Without Fear services at reduced/community-service contribution level - Household income below 200% of Colorado Cost of Living Standard

Benefit: 50% discount on all tax-exempt healthy foods

Implementation: - Automatic discount at checkout when Colorado Benefits Card used - Integrated with existing SNAP/EBT infrastructure - No additional paperwork or stigma - Applies at all participating grocery stores and farmers markets

Estimated Cost: \$100-125 million annually

(c) Fresh Food Access Program

(i) Monthly Produce Box:

Eligible Recipients: - Care Without Fear participants with household income below 150% CCLS - Families with children under 18 - Seniors age 65+ - Individuals with chronic diet-related conditions (diabetes, heart disease, hypertension)

Contents: - 15-20 pounds of fresh seasonal produce - Mix of fruits and vegetables - **75% minimum sourced from Colorado farms** [UPDATED v4.2] - Nutritional information and recipe cards included

Distribution: - Pick-up at community centers, libraries, food banks - Home delivery for seniors and disabled individuals - No cost to recipients - Dignified distribution (presented as healthcare benefit, not charity)

(ii) Basic Staples Program:

Monthly Allotment: - Whole grains (rice, oats, pasta) - 5 pounds (**60% minimum Colorado-sourced**) - Dried beans and lentils - 3 pounds - Eggs - 1 dozen (Colorado farms prioritized) - Cooking oil - 1 bottle - Basic seasonings

Estimated Cost: \$50-75 million annually

(d) Farmers Market Matching Program

- SNAP/EBT benefits used at Colorado farmers markets receive **dollar-for-dollar match up to \$20 per market visit**
- Encourages purchase of fresh local produce
- Supports Colorado farmers and agricultural economy

Estimated Cost: \$10-15 million annually

(e) School Healthy Lunch Enhancement

All school breakfast and lunch programs receive supplemental funding to: - Eliminate "a la carte" junk food options - Increase fresh fruit and vegetable offerings - Provide free meals to all students (universal school meals) - Source from Colorado farms when possible

Estimated Cost: \$40-50 million annually

3.7.4 Colorado WIC Program [NEW v4.2]

(a) Establishment

There is hereby established the **Colorado Women, Infants, and Children Program (Colorado WIC)**, a state-funded nutrition assistance program replacing Colorado's participation in the federal WIC program.

(b) Purpose

Colorado WIC provides enhanced nutritional support to pregnant women, new mothers, infants, and young children, with benefits that exceed the federal program and are tailored to Colorado families.

(c) Eligibility

- Pregnant women

- Postpartum women (up to 12 months after delivery, extended from federal 6 months)
- Breastfeeding women (up to 24 months, extended from federal 12 months)
- Infants (birth to 12 months)
- Children ages 1-5
- Income at or below 200% of CCLS (approximately 370% of federal poverty level)

(d) Benefits

Enhanced over Federal WIC:

Benefit	Federal WIC	Colorado WIC
Income eligibility	185% FPL	200% CCLS (~370% FPL)
Postpartum coverage	6 months	12 months
Breastfeeding coverage	12 months	24 months
Organic options	Limited	Full coverage
Farmers market vouchers	Limited	\$40/month
Colorado-sourced products	Not required	Prioritized

Colorado WIC Package includes:

- Milk and dairy products (organic options included)
- Eggs (Colorado farm eggs prioritized)
- Fruits and vegetables (fresh, frozen, canned—organic included)
- Whole grains (bread, cereal, rice, pasta)
- Legumes (beans, lentils, peanut butter)
- Infant formula (when needed)
- Baby food (organic options included)
- \$40/month farmers market vouchers

(e) Integration

- Benefits accessed through Colorado Benefits Card
- Coordinated with Care Without Fear (nutrition counseling covered as healthcare)
- Integrated with Healthy Food Access programs
- Linked to Elder Care Credits (grandparents can earn credits at WIC events)

(f) Administration

- CESA Administration oversees Colorado WIC
- Existing WIC clinics transitioned to state system
- Additional outreach in underserved communities

- No federal funding sought or accepted

(g) Funding

Estimated Cost: \$120-150 million annually (fully state-funded)

SECTION 3.8: HEALTHY FOOD QUALITY & ACCESS INITIATIVE

3.8.1 Purpose

This Section establishes programs to ensure that high-quality, nutritious foods are available and accessible to all Colorado residents, with particular focus on underserved communities and food deserts.

3.8.2 Grocery Store Incentives

(a) Quality Shelf Placement

Grocery stores may receive incentives for:

- Placing fresh produce and healthy foods at eye level and store entrances
- Reducing prominent placement of high-sugar, ultra-processed items
- Creating designated “Colorado Quality Food” sections
- Training staff in nutrition basics

Incentive: Tax credit up to \$10,000 per store annually for certified compliance

(b) Food Desert Grocery Grants

- Grants up to \$500,000 for opening quality grocery stores in designated food deserts
- Low-interest loans up to \$2 million for grocery store expansion in underserved areas
- Operating subsidies for first 3 years if profitability targets not met
- Priority for locally-owned grocers and cooperatives

(c) Small Grocer Support

Existing small grocers in underserved communities may receive:

- Equipment grants (refrigeration, display cases)
- Training programs for healthy food handling
- Marketing support for healthy offerings
- Connection to local farm suppliers

3.8.3 Colorado Farm Partnerships

(a) CESA shall establish partnerships with Colorado farms to:

- Supply Monthly Produce Boxes with 75%+ Colorado-sourced produce
- Provide fresh eggs and dairy to Colorado WIC
- Source school lunch ingredients locally
- Connect farmers markets to Colorado Benefits Card system

(b) Colorado Farm Procurement Preference:

- All CESA food programs shall purchase Colorado-sourced when available and price-competitive (within 15% of out-of-state options)
- Contract preferences for Colorado farms and food producers
- Seasonal adjustment to maximize local sourcing

3.8.4 Colorado Quality Food Certification

(a) Establishment:

CESA shall establish a “Colorado Quality Food” certification for products meeting standards for:

- Minimal processing (ingredient list of 5 or fewer recognizable items)
- No artificial colors, flavors, or preservatives
- No added sugars exceeding 5% of calories
- No trans fats
- Colorado-sourced ingredients where available

(b) Benefits of Certification:

- Use of “Colorado Quality Food” seal on packaging and marketing
- Eligibility for premium placement programs
- Marketing support from CESA
- Inclusion in state purchasing preferences

(c) Enforcement:

- Random testing to verify compliance
- Penalties for misuse of certification
- Annual recertification required

SECTION 3.9: COLORADO FOOD TRANSPARENCY ACT [NEW v4.2]

3.9.1 Purpose

Coloradans deserve to know exactly what is in their food. This Section requires clear, honest labeling and prohibits misleading ingredient descriptions.

3.9.2 Prohibited Terms

The following terms are **prohibited** on food labels sold in Colorado unless accompanied by specific disclosure:

(a) "Natural Flavors"

- PROHIBITED as a standalone ingredient
- Must list actual source: "natural flavors (from lemon oil)" or "natural flavors (from beef extract)"
- Chemical compounds must be named if derived from non-food sources

(b) "Spices"

- PROHIBITED as a standalone ingredient
- Must list actual spices: "spices (paprika, cumin, garlic powder)"

(c) "Artificial Flavors"

- PROHIBITED as a standalone ingredient
- Must list specific compounds or provide accessible reference code linked to full disclosure

(d) "Natural"

- PROHIBITED on any product containing artificial preservatives, colors, or flavors
- PROHIBITED on any product with ingredients that have undergone chemical modification

3.9.3 Required Disclosures

(a) All food products sold in Colorado must include:

- Complete ingredient list with no grouped or vague terms
- Country of origin for primary ingredients
- Processing methods for meat products (mechanically separated, ground, whole muscle)
- Presence of any substance requiring allergen warning

(b) Digital Disclosure Option:

- Products with limited label space may use QR code linking to complete disclosure
- QR code must link directly to ingredient information, not general website
- Print-accessible alternative must be available (toll-free number)

3.9.4 Penalties

Violation	Penalty
Failure to disclose	\$1,000 per product per month

Violation	Penalty
Misleading label	\$5,000 per product per month
“Natural” on ineligible product	\$10,000 per product per month
Repeat violations (3+)	\$25,000 per product + potential retail ban

3.9.5 Enforcement

- (a)** The Colorado Department of Public Health and Environment shall enforce this Section.
- (b)** Citizens may report suspected violations through the Colorado Services Portal.
- (c)** Whistleblower protections apply to employees reporting labeling violations (see Section 24).

3.9.6 Implementation Timeline

- Months 1-6: Rulemaking and guidance publication
- Months 7-12: Warning period (violations noted but not penalized)
- Month 13+: Full enforcement

3.9.7 Small Producer Exception

Producers with less than \$1 million in annual Colorado sales may apply for simplified compliance:

- Basic ingredient list without chemical breakdown
- 18-month implementation timeline
- Technical assistance from CESA

SECTION 4: AI WORKFORCE PROTECTION FRAMEWORK

4.1 Purpose

This Section establishes protections for workers whose jobs are eliminated or substantially reduced due to artificial intelligence, automation, or related technologies, ensuring that the economic benefits of AI are shared between businesses and the workers they displace.

4.2 AI Displacement Defined [UPDATED v4.2]

(a) A worker is considered “AI-displaced” when:

- (1) The worker’s position is eliminated and the work previously performed is now performed primarily by AI systems;
- (2) The worker’s hours are reduced by 50% or more due to AI implementation;

- (3) The worker's job duties are fundamentally transformed such that the position no longer requires the worker's skills;
- (4) The worker is terminated within **36 months** of AI implementation in their department or function and the employer cannot demonstrate the termination was unrelated to AI.

(b) Burden of Proof:

- Within 36 months of AI implementation, the **EMPLOYER** bears the burden of proving that any termination was unrelated to AI
- After 36 months, standard determination processes apply

(c) Determination of AI displacement shall be made by the CESA Administration based on employer reports, worker claims, and investigation as necessary.

4.3 Employer Obligations

(a) Employers who displace workers through AI shall:

- (1) Provide **90 days advance notice** of AI displacement;
- (2) Offer retraining opportunities for positions within the company;
- (3) Pay AI displacement compensation as specified in Section 4.4;
- (4) Report all AI displacements to CESA Administration within 30 days;
- (5) Maintain records of AI implementation and workforce changes for 7 years.

4.4 AI Displacement Compensation

(a) Base Payment: AI-displaced workers shall receive **50% of their final salary, paid indefinitely** for the remainder of their lives or until they choose to discontinue payments.

(b) Calculation: The payment shall be based on the worker's average salary over the 24 months preceding displacement, or their final salary, whichever is higher.

(c) Cost-of-Living Adjustments: Payments shall be adjusted for inflation **every 16 months**, based on the Colorado Consumer Price Index.

(d) Dual Income: AI-displaced workers may seek and accept other employment while continuing to receive AI displacement payments. **There is no reduction in payments based on new income.**

4.5 Business Benefits and Incentives

To ensure AI adoption remains economically beneficial for businesses:

- **Tax Credit:** Employers receive a 25% tax credit on AI displacement payments

- **No Healthcare Costs:** AI-displaced workers remain covered by Care Without Fear at no additional cost to the employer
- **No Workers' Compensation:** AI systems do not require workers' compensation coverage
- **Legal Protection:** Compliance with this Section provides safe harbor from AI-related employment lawsuits
- **Qualified Business Status:** Compliance qualifies businesses for state contract preferences

Example Cost Analysis

Replacing a \$65,000/year customer service position with AI:

Item	Amount
AI Displacement Payment	\$32,500/year (50% of salary)
Tax Credit	-\$8,125 (25% of payment)
Net Payment Cost	\$24,375/year
AI System Maintenance	~\$5,000/year
Total Annual Cost	\$29,375
Previous Employee Cost	~\$87,000 (salary + benefits + overhead)
ANNUAL SAVINGS	\$57,625 per position

4.6 Position Restoration

- (a)** When an AI-displaced worker dies, the employer that displaced them shall **hire a replacement worker at the same salary level** the deceased worker was earning at the time of displacement (adjusted for inflation).
- (b)** The replacement position shall involve oversight, quality control, or complementary work related to the AI systems that perform the work previously done by the deceased worker.
- (c)** This requirement ensures continued employment circulation and economic activity even as AI takes over specific tasks.
- (d)** Failure to restore positions within 90 days of an AI-displaced worker's death shall result in penalties equal to two years of the required salary.

4.7 AI Displacement Insurance Fund

- (a)** There is hereby established the **Colorado AI Displacement Insurance Fund**.
- (b)** All employers with more than 50 employees shall contribute **2.5% of payroll** to the Fund.
- (c)** The Fund shall:

- Guarantee AI displacement payments if an employer becomes insolvent
- Cover payments during disputes or appeals
- Fund retraining programs for AI-displaced workers
- Support transition services and job placement
- Maintain reserves equal to at least 18 months of projected obligations

4.8 Colorado Qualified Business Status

(a) Businesses that comply with all requirements of this Section shall be designated as “Colorado Qualified Businesses” and shall receive:

- Priority consideration for state contracts (5-10% bid preference)
- Expedited permitting and regulatory approvals
- Access to state economic development resources
- Recognition in state business directories and marketing
- Eligibility for additional state incentives and programs

4.9 Retraining and Support Services

(a) AI-displaced workers shall have access to:

- Free vocational retraining in high-demand fields
- Career counseling and job placement assistance
- Resume writing and interview preparation
- Relocation assistance for new employment opportunities
- Entrepreneurship training and small business support
- Mental health support and transition counseling

(b) Priority hiring: Employers receiving state contracts or incentives shall give priority consideration to AI-displaced workers for appropriate positions.

SECTION 5: LIFE SECURITY PROGRAM

5.1 Establishment

There is hereby established the **“Colorado Life Security Program,”** a state-run life insurance system that provides affordable, accessible death benefits to all Colorado workers regardless of health status, age, or employment type.

5.2 Key Features

- **Universal Access:** No health questions, no medical underwriting, cannot be denied for pre-existing conditions

- **Affordable:** 50-75% cheaper than comparable private insurance due to no profit motive and administrative efficiency
- **Portable:** Coverage follows the worker between jobs, including self-employment and gig work
- **Pre-Tax Contributions:** Contributions reduce taxable income
- **Tax-Free Benefits:** Death benefits paid to beneficiaries are not subject to income tax
- **State-Backed:** Fund cannot go bankrupt; backed by full faith and credit of Colorado
- **Simple:** Automatic enrollment, payroll deduction, online management

5.3 Contribution Levels [UPDATED v4.2]

- (a) Workers may elect contribution levels from **1% to 20%** of their income. Default enrollment is at 1%.
- (b) Workers may change their contribution level once per year during open enrollment or upon qualifying life events.
- (c) Workers may opt out entirely, though this is not recommended.
- (d) Higher contributions result in higher death benefits on an accelerated scale.

Standard Benefit Schedule (at \$50K salary):

Level	Annual Cost	Monthly Cost*	Year 1 Benefit	Year 10 Benefit	Year 25 Benefit
1%	\$500	\$32	\$50,000	\$150,000	\$250,000
2%	\$1,000	\$63	\$75,000	\$275,000	\$500,000
3%	\$1,500	\$94	\$100,000	\$400,000	\$750,000
5%	\$2,500	\$156	\$150,000	\$650,000	\$1,250,000
10%	\$5,000	\$313	\$250,000	\$1,000,000	\$2,000,000
15%	\$7,500	\$469	\$350,000	\$1,400,000	\$2,750,000
20%	\$10,000	\$625	\$450,000	\$1,800,000	\$3,500,000

*Effective after-tax cost; actual pre-tax cost is higher but reduces taxable income

5.4 Eligibility

(a) All individuals with Colorado income are eligible, including:

- Full-time W-2 employees
- Part-time workers
- Self-employed individuals

- Independent contractors
- Gig workers (Uber, DoorDash, freelancers)
- Business owners
- Seasonal workers
- Agricultural workers
- AI-displaced workers receiving payments under Section 4
- Anyone with Colorado work income

(b) No one is excluded based on health status, pre-existing conditions, age, employment type, or income level.

5.5 Death Benefit Payment

(a) Upon participant's death, designated beneficiaries receive:

- Lump sum payment within 30 days of death certificate submission
- Tax-free benefit (no federal or state income tax)
- Full amount based on contribution level and years of participation
- Emergency advance of \$10,000 available within 5 days if needed

5.6 Enhanced Benefits for AI-Displaced Workers

When an AI-displaced worker dies, their family receives:

- Full Life Security death benefit based on contributions
- 75% of AI displacement payments for 24 months after death
- Immediate \$10,000 death benefit from AI Displacement Insurance Fund
- Continued Care Without Fear coverage for surviving family members
- Grief counseling and support services

5.7 Fund Management

(a) The Colorado Life Security Fund shall be established as a separate fund within the State Treasury.

(b) The CESA Administration shall administer the Fund with actuarial oversight.

(c) The State Treasurer shall manage investments using a conservative strategy focused on preservation of capital and stable returns.

(d) Annual independent audits shall be conducted and published.

5.8 Comparison to Private Insurance

Feature	Private Insurance	Life Security Program
Health Questions	Yes, can be denied	No, cannot be denied
Pre-	May increase cost or deny	No impact

Feature	Private Insurance	Life Security Program
existing Conditions		
Age Impact	Rates increase with age	Based on income only
Portability	Often tied to employer	Follows you everywhere
Cost (Level 1 equivalent)	\$50-150/month after-tax	~\$32/month effective
Cancellation	Insurer can cancel	Cannot be cancelled
Claim Denial	Common disputes	No claim denials if contributed
Maximum Coverage	Often capped	Up to \$3.5M+ at 20% level

5.9 Special Provisions

(a) Disability Waiver

If a participant becomes disabled: - State waives contribution requirement - Coverage continues at current level - Benefit continues to grow at 50% of normal rate

(b) Unemployment Continuation

If a participant becomes unemployed: - May continue contributions from savings/unemployment benefits - May reduce contribution level without waiting for open enrollment - Coverage continues during job search

(c) Beneficiary Designation

- Participants may name any person, trust, or charity as beneficiary
- Changes take effect immediately upon submission
- Multiple beneficiaries with specified percentages allowed
- Default beneficiary: spouse, then children, then estate

SECTION 6: ECONOMIC INDEPENDENCE FRAMEWORK

6.1 Purpose

This Section establishes mechanisms to reduce Colorado's dependence on federal programs and funding, ensuring that Colorado can continue to provide essential services to residents regardless of federal government dysfunction or policy changes.

6.2 Colorado Retirement Security Program (CRSP)

(a) Establishment: There is hereby established the Colorado Retirement Security Program as an alternative or supplement to federal Social Security.

(b) Participation Options: 1. Federal Social Security only (status quo) 2. CRSP only (for those eligible to opt out of Social Security) 3. Both Federal Social Security and CRSP (supplemental retirement security)

(c) Contribution Rate: Same as Social Security (6.2% employee, 6.2% employer) for those who choose CRSP instead of or in addition to Social Security.

(d) Benefits: CRSP shall provide retirement benefits comparable to Social Security, with investments managed by the State Treasurer using a diversified, professionally managed portfolio.

(e) Financial Guidance and Planning Services:

All CRSP participants shall have access to FREE financial guidance including:

1. Annual Financial Planner Consultation: - One-on-one meeting with a certified financial planner (CFP) - Review of retirement readiness - Personalized recommendations - No sales pitches or product pushing - educational only - Available in-person at CESA regional offices or via video call

2. Retirement Planning Tools: - Colorado-developed retirement calculator - Projection models for different contribution scenarios - Integration with Life Security Program planning - Monte Carlo simulations for retirement readiness

3. Financial Education Workshops: - Quarterly workshops on retirement planning basics - Investment fundamentals (no specific product recommendations) - Social Security optimization strategies - Healthcare cost planning in retirement - Estate planning basics

4. Online Resources: - Comprehensive financial literacy library - Video tutorials on retirement concepts - Budgeting tools and templates - Debt reduction strategies

5. Special Consultations: - Pre-retirement planning (ages 55+): Additional consultation - Major life events (divorce, death of spouse, job loss): Crisis financial counseling - For Life Security participants choosing 10%+ contribution: Mandatory initial consultation

(f) Independence: CRSP funds are entirely controlled by Colorado, independent of federal government decisions about Social Security.

(g) Financial Guidance Independence:

Financial planners providing services under this section: - Shall NOT sell financial products to participants - Shall NOT receive commissions or referral fees - Are employed by or contracted with CESA Administration - Must be fiduciaries acting in participant's best interest - Are prohibited from steering participants to any specific investment

6.3 Tourism Revenue System

(a) Colorado receives approximately 86 million visitors annually who use state infrastructure, emergency services, and healthcare facilities. Tourism fees ensure visitors contribute fairly to these services.

(b) Fee Schedule:

Accommodation Type	Fee Per Night/Ticket
Hotels and Motels	\$20
Short-term Rentals (Airbnb, VRBO)	\$14
Resort Properties	\$26
Ski Lift Tickets	\$12 per ticket

(c) Estimated Revenue: \$720 million annually

(d) Use of Funds: Tourism fees shall fund visitor emergency care costs, infrastructure maintenance in high-tourism areas, and general Care Without Fear operations.

6.4 Economic Resilience Fund [UPDATED v5.0]

(a) There is hereby established the **Colorado Economic Resilience Fund** to ensure Colorado can continue essential operations in the event of federal funding disruption.

(b) The Fund shall maintain reserves sufficient to operate all state programs for a minimum of 6 months without federal funding.

(c) Target Reserve: \$5 billion, built over 5 years through budget surpluses and dedicated appropriations (accelerated from 10-year target in previous versions).

(d) The Fund may only be accessed upon declaration of federal funding emergency by the Governor with legislative approval.

(e) Strategic Energy Reserves: [NEW v5.0] - State-maintained fuel reserves for emergency services - Battery storage capacity for critical infrastructure - Renewable energy microgrids for hospitals, emergency services, and CESA offices

6.5 Federal Funding Strategy

(a) Colorado shall phase out acceptance of federal funding for CESA programs according to the timeline in Section 6.6.

(b) Colorado shall build complete state capacity to operate all CESA programs without any federal funding.

(c) This is a strategy of **independence, not secession**. Colorado remains part of the federal system but refuses to allow federal funding to be used as leverage to control Colorado policy.

(d) Colorado residents may still access federal programs (Social Security, Medicare for those who choose it) through individual eligibility - but CESA programs are state-funded only.

6.6 Colorado Self-Sufficiency Timeline

(a) Purpose:

This section establishes a comprehensive timeline for achieving complete independence from federal funding for all CESA programs, ensuring Colorado cannot be coerced through federal funding threats.

(b) Healthcare (Care Without Fear) Phase-Out:

Year	Federal Programs	Colorado Responsibility
Year 1	Medicare/Medicaid continue	Care Without Fear launches as PRIMARY payer
Year 2	Begin Medicaid transition	50% of Medicaid recipients on Care Without Fear
Year 3	Accelerate Medicare transition	75% on Care Without Fear
Year 4	Medicare/Medicaid for transition only	90% on Care Without Fear
Year 5	Minimal federal participation	95% on Care Without Fear
Year 6	Final transition cases only	99% on Care Without Fear
Year 7	FULL INDEPENDENCE	100% Care Without Fear - NO federal healthcare \$

Estimated federal healthcare funding replaced: \$10-12 billion over 7 years

(c) Nutrition Programs Phase-Out:

Year	Federal Programs	Colorado Responsibility
Year 1	Federal WIC continues	Planning for Colorado WIC
Year 2	Colorado WIC replaces federal WIC	State-funded, enhanced benefits
Year 3+	SNAP continues as federal program	Colorado supplements through Benefits Card

Note: SNAP remains a federal program available to Colorado residents. Colorado does not replace SNAP but provides supplemental state benefits through the Benefits Card. Residents may use both.

Estimated federal WIC funding replaced: ~\$100 million

(d) Education Phase-Out:

Year	Federal Programs	Colorado Responsibility
Years 1 -4	Federal education funding continues	Building state capacity per Section 15
Years 5 -7	Begin declining federal education \$	State funding increases proportionally
Years 8 -10	Minimal federal participation	Most education state-funded
Years 10-15	GOAL: Complete independence	Free K-college education

Estimated federal education funding replaced: ~\$1 billion annually (phased)

(e) All Other Federal Funding:

Year	Policy
Year 1	Inventory all federal grants currently received
Year 2	Identify state funding alternatives for each
Year 3	No new federal grant applications for CESA programs
Year 4	Complete phase-out of existing federal grants
Year 5+	State-funded only

(f) Summary: Road to Complete Independence:

Milestone	Target Year
Colorado WIC replaces federal WIC	Year 2
No new federal grants	Year 3
Care Without Fear is sole healthcare payer	Year 7
Education majority state-funded	Year 10
COMPLETE CESA INDEPENDENCE	Year 10

(g) Budget Implications:

Achieving federal independence requires Colorado to replace approximately: - \$10-12 billion in healthcare funding (Years 1-7) - \$100 million in WIC funding (Year 2) - \$1 billion in education funding (Years 5-15) - Various smaller grants (~\$200 million total)

This funding is built into the CESA revenue projections through: - Phased income tax - Enhanced liquor taxes - Health-impact food taxes - Tourism fees - Prosperity Partnership contributions - Business contributions - AI industry contributions - Other revenue sources

(h) No Going Back:

Once Colorado achieves independence from federal funding for a program: - Colorado shall NOT re-apply for federal funding - Colorado shall NOT accept conditional federal grants - If federal government offers unconditional support, decision requires Governor AND Legislative approval

SECTION 7: COLORADO SHIELD - ENHANCED STATE DEFENSE FORCE

7.1 Establishment and Purpose

(a) There is hereby established the **Colorado State Defense Force (“SDF”)**, a state military force under the command of the Governor that cannot be federalized or called into federal service.

(b) The enhanced capabilities of the SDF shall be known as “**Colorado Shield**,” providing comprehensive monitoring, response, and defense capabilities for the state.

7.2 Organization

(a) Personnel: Authorized strength of 3,500 members, including: - Emergency response and disaster relief units - Search and rescue teams - Infrastructure protection units - Cyber defense personnel - Drone operations specialists - Border security coordination teams (activated Year 3+) - Administrative and support staff

(b) Command: The SDF shall be commanded by an Adjutant General appointed by the Governor, with headquarters in Denver and regional commands throughout the state.

7.3 Colorado Shield Capabilities

(a) Weather and Disaster Monitoring Network

- Network of weather stations, satellites, and sensor arrays across Colorado
- AI-powered early warning systems for wildfires, floods, avalanches, and severe storms
- Integration with existing NOAA systems plus independent state capability
- Real-time data sharing with all emergency services
- Public alert system for imminent threats

Estimated Cost: \$50-75 million setup, \$15-20 million annual operation

(b) Highway Surveillance System

- AI-powered drone surveillance on major highways entering Colorado
- Heat mapping technology to detect human trafficking (unusual numbers of people in vehicles)
- License plate recognition integrated with law enforcement databases
- Coordination with Colorado State Patrol
- Focus on detecting human trafficking, NOT general immigration enforcement

Estimated Cost: \$100-150 million setup, \$40-50 million annual operation

(c) AI Search and Rescue Drone Fleet

- Rapid-deployment drone squadrons stationed across the state
- Thermal imaging for finding lost hikers, avalanche victims, crash survivors
- AI pattern recognition for search efficiency
- Integration with mountain rescue teams and sheriff's offices
- 24/7 readiness with response time under 30 minutes statewide

Estimated Cost: \$30-50 million setup, \$10-15 million annual operation

(d) Border Defense Readiness

What “Border Defense Readiness” IS: - Preparation for domestic hostile situations (armed groups, militia threats, domestic terrorism) - Interstate disaster response (wildfires, floods, earthquakes affecting border areas) - Critical infrastructure protection at major border crossings - Mutual aid capability with neighboring states during emergencies - Training and equipment for rapid response to border-area threats - Coordination capability with federal agencies during domestic emergencies - Independent operation capability if federal cooperation breaks down - Legal framework for activation by Governor

What “Border Defense Readiness” is NOT: - NOT for immigration enforcement - explicitly prohibited under Section 11 (Sanctuary State) - NOT for stopping lawful travel between Colorado and neighboring states - NOT for racial, ethnic, or national origin profiling of any kind - NOT a substitute for or supplement to federal immigration enforcement - NOT deployed against immigrants, documented or undocumented

Explicit Prohibition: Border Defense Readiness resources shall NEVER be used to: 1. Assist ICE or CBP in immigration enforcement operations 2. Establish checkpoints for immigration status verification 3. Detain individuals based on suspected immigration status 4. Report immigration status to federal authorities

Appropriate Uses Include: - Responding to wildfires that cross state lines - Mutual aid during floods or severe weather - Protecting Colorado infrastructure from domestic terrorism - Supporting neighboring states during declared emergencies - Defending Colorado from armed domestic threats

Estimated Cost: \$20-30 million setup, included in SDF operating budget

7.4 Enhanced Drone Protocol

(a) Target Lock Capability:

When Colorado Shield surveillance identifies a vehicle suspected of human trafficking or other serious criminal activity:

1. Drone locks onto target vehicle and maintains continuous tracking
2. Tracking continues until law enforcement intervention occurs
3. Handoff to Colorado State Patrol or local law enforcement for traffic stop
4. Drone provides real-time video feed to responding officers
5. Tracking continues through any pursuit until resolution

(b) Activation Criteria:

Lock-on tracking may be initiated when: - Heat mapping indicates unusual number of persons in vehicle - Vehicle matches BOLO (Be On the Lookout) alert - Erratic driving patterns consistent with trafficking - Amber Alert vehicle match - Other indicators as established by protocol

(c) Prohibited Uses:

Lock-on tracking shall NOT be used for: - General immigration enforcement - Minor traffic violations - Political surveillance - Any purpose unrelated to serious criminal activity

7.5 Data Protection and Privacy

(a) Data Retention: All surveillance data shall be automatically deleted after 7 days unless flagged as part of an active criminal investigation.

(b) Prohibited Uses - Colorado Shield surveillance systems shall NOT be used for: - Cooperation with U.S. Immigration and Customs Enforcement (ICE) - Tracking any specific individual based on immigration status - General surveillance of lawful activity - Political monitoring or suppression of lawful protest - Any purpose not directly related to public safety, disaster response, or criminal detection

(c) Exception - Amber Alert: When an Amber Alert has been issued, Colorado Shield systems may be used to track specific vehicles or individuals identified in the alert until the alert is resolved.

(d) Amber Alert Drone Response Protocol:

When an Amber Alert is issued in Colorado, the following protocol activates IMMEDIATELY:

Phase 1 - Immediate Response (0-15 minutes): - ALL available drones within 50 miles of last known location deploy immediately - Highway monitoring stations in the area switch to priority Amber Alert mode - All highway cameras scan for matching vehicle description - Heat mapping activated to identify vehicles matching description with appropriate occupant count

Phase 2 - Statewide Mobilization (15-30 minutes): - Statewide drone alert issued - ALL available Colorado Shield drones not engaged in active emergencies redirect to search grid - Interstate coordination activated per Section 7.8 - neighboring states notified - Every highway entrance and exit point monitored - Search grid established based on possible travel distance from last known location

Phase 3 - Sustained Search (30 minutes - until resolved): - Continuous drone coverage of probable travel routes - Shift rotations ensure 24/7 aerial coverage - All vehicle stops matching description reported immediately to law enforcement - Coordination with local police helicopter units - Ground-based sensor network fully activated

Operational Rules: - NO disengagement until child is found or Amber Alert is officially cancelled - Drone operators may work extended shifts during Amber Alert (mandatory rest waived) - All other non-emergency drone operations suspended during active Amber Alert - Real-time video feed provided to FBI, Colorado State Patrol, and local law enforcement - Public may receive location-appropriate alerts through Colorado Emergency Alert System

Interstate Pursuit: - If suspect vehicle approaches state line, Section 7.8 protocols activate - Pre-border alerts sent to destination state - Drones may track 10 miles into neighboring state pending handoff - FBI automatically notified of potential interstate flight

Resource Priority: - Amber Alerts take absolute priority over all other Colorado Shield operations except: - Active life-threatening search and rescue - Active natural disaster response with lives at risk - In conflict situations, CESA Director makes resource allocation decisions

Post-Resolution: - All Amber Alert drone operations documented - Lessons learned review within 72 hours - Data retained for 90 days for investigation support - Public report on response effectiveness (anonymized)

7.6 Civilian Oversight

(a) A Colorado Shield Civilian Oversight Board shall be established, consisting of 7 members appointed by the Governor (3), Senate (2), and House (2).

(b) The Board shall: - Review all Colorado Shield operations quarterly - Investigate complaints of misuse or privacy violations - Publish annual transparency reports on surveillance activities - Recommend policy changes to protect civil liberties - Have authority to suspend specific operations pending investigation

7.7 Colorado Veteran Status [NEW v5.0]

(a) Establishment:

Members of the Colorado State Defense Force who meet the following criteria shall be designated as **“Colorado Veterans”** and shall be entitled to all state veteran benefits:

(b) Eligibility Requirements:

1. **Honorable Discharge** - Member must have received an honorable discharge from the SDF
2. **Minimum Service Requirement** - Member must have completed at least ONE of the following:
 - Two (2) years of service in the SDF, OR
 - Discharge due to injury sustained in the line of duty (regardless of time served)

(c) Benefits for Colorado Veterans:

Colorado Veterans shall be entitled to:

1. **State Veteran Benefits:**
 - Colorado state veteran license plates
 - Priority for state employment (veteran preference)
 - Colorado veteran identification card
 - Access to state veteran services and programs
 - Property tax exemption for disabled Colorado veterans (as applicable)
2. **CESA Program Benefits:**
 - Priority consideration for Zero Homeless Colorado housing (if ever needed)
 - Enhanced Life Security Program benefits (employer match from state)
 - Priority placement in CESA job training programs
 - Colorado Business Success Team dedicated veteran liaison
3. **Recognition:**
 - Annual Colorado Veterans Day recognition
 - Inclusion in state veteran memorials and honors
 - Colorado Veteran designation on state ID/Benefits Card

(d) Direct Veteran Connection Service: [NEW v5.0]

Purpose: To ensure no Colorado Veteran ever has to navigate bureaucracy alone.

Service Model: - Single Point of Contact: Every Colorado Veteran is assigned a dedicated liaison - **Any Need, Any Time:** Veterans may contact their liaison for ANY assistance: - Benefits questions - Healthcare access - Housing assistance - Employment support - Mental health services - Family services - Legal assistance referrals - Or anything else

Response Standards: - Initial response within 24 hours for non-emergency requests - Immediate escalation for emergency situations - Liaison either solves the issue or connects veteran to the right resource - Follow-up to ensure resolution

Staffing: - Minimum of 1 liaison per 100 Colorado Veterans - All liaisons are CESA employees with comprehensive training - Veterans may request a different liaison at any time

(e) Verification:

- CESA Administration shall maintain records of all SDF service
- Discharge status determined by Adjutant General
- Colorado Veteran status verified through Colorado Benefits Card system

(f) Distinction from Federal Veteran Status:

- Colorado Veteran status is a STATE designation only
- Does not convey federal veteran benefits (VA healthcare, federal GI Bill, etc.)
- Colorado Veterans who also served in federal military retain all federal benefits
- SDF service alone does not qualify for federal veteran status

7.8 Budget

Component	Setup Cost	Annual Operating
Base SDF Operations	N/A	\$130 million
Weather/Disaster Monitoring	\$50-75 million	\$15-20 million
Highway Surveillance	\$100-150 million	\$40-50 million
Search & Rescue Drones	\$30-50 million	\$10-15 million
Border Defense Readiness	\$20-30 million	Included above
Border Monitoring Infrastructure (7.8)	\$40-60 million	\$15-25 million
Interstate Coordination Systems (7.8)	\$25-45 million	\$10-15 million
Direct Veteran Connection Service	\$5 million	\$8-12 million
TOTAL	\$270-415 million	\$228-267 million annually (Years 1-3)

SECTION 7.8: INTERSTATE COORDINATION AND BORDER MONITORING

7.8.1 Purpose

This Section establishes a comprehensive framework for:

- (a)** Ensuring that no vehicle can exit Colorado without detection when engaged in serious criminal activity, particularly human trafficking;
- (b)** Coordinating with neighboring states and federal agencies for seamless law enforcement handoffs;
- (c)** Preventing criminals from escaping justice by crossing state lines;
- (d)** Creating the “**No-Escape Perimeter**” - a network of detection systems covering every exit route from Colorado.

7.8.2 Strategic Border Sensor Placement - No-Escape Perimeter

(a) Placement Requirement:

Detection systems shall be positioned on ALL exit routes from Colorado according to the following criteria:

1. **As close to the state line as operationally feasible** - Sensors shall be placed at the nearest practical point to the Colorado border on the exit/outbound side of each road;
2. **No intersecting road exception** - Each sensor shall be positioned such that NO road, highway, path, or route intersects between the sensor location and the state line. This ensures that once a vehicle passes the sensor, it CANNOT exit Colorado via any alternate route without detection;
3. **100% coverage requirement** - Every road, highway, interstate, state route, county road, and any other thoroughfare by which a motor vehicle could exit Colorado shall have detection capability.

(b) Sensor Types:

Detection infrastructure may include: - Fixed camera arrays with license plate recognition - Thermal/heat mapping sensors for occupant detection - Drone stations for rapid deployment - Mobile sensor units for temporary or seasonal roads - Underground sensors for vehicle detection - Integration with existing traffic monitoring infrastructure

(c) Redundancy:

- Each exit route shall have primary and backup detection systems
- No single point of failure shall compromise border coverage
- Backup systems shall activate automatically if primary systems fail
- Regular testing to verify all systems operational

(d) Mapping and Verification:

1. Within 180 days of this Act’s passage, CESA Administration shall complete a comprehensive survey identifying:

- Every exit route from Colorado
- Optimal sensor placement for each route
- Any roads that intersect between proposed sensor location and state line
- Required adjustments to meet no-intersecting-road requirement

2. Annual verification audits shall confirm 100% coverage is maintained
3. Any new roads constructed shall have detection systems installed before opening

7.8.3 Border Monitoring Zone

(a) Definition:

The Border Monitoring Zone is defined as the area within 10 miles of any Colorado state border.

(b) Enhanced Protocols:

When a tracked vehicle enters the Border Monitoring Zone:

1. **Automatic escalation** - Tracking priority elevated to highest level
2. **Pre-alert generated** - System prepares notifications for destination state and federal agencies
3. **Additional resources deployed** - Nearest available law enforcement notified for potential intercept
4. **Countdown initiated** - Time-to-border calculated and displayed to all responding units

7.8.4 Pre-Border Alert Protocol

(a) Automatic Notifications:

When a tracked suspect vehicle is within 10 miles of any state line and continuing toward the border, the following agencies shall be automatically notified:

1. **Destination state highway patrol** - Primary law enforcement agency of the state the vehicle is approaching
2. **Federal Bureau of Investigation (FBI)** - Human trafficking across state lines is federal jurisdiction
3. **County sheriffs** - Both the Colorado county and the destination state county at the likely crossing point
4. **Colorado State Patrol** - For coordination and potential intercept
5. **CESA Director** - For situational awareness and resource authorization

(b) Notification Contents:

Each notification shall include: - Vehicle description (make, model, color, license plate) - Current location and speed - Projected border crossing point and estimated time - Number

of occupants detected (heat signature data) - Reason for tracking (suspected offense) - Live video feed access link - Direct contact for Colorado Shield operations center

(c) Escalation:

If no response is received from destination state within 5 minutes: - Secondary contacts attempted - FBI field office directly contacted - CESA Director notified for potential Governor's office involvement - Tracking continues regardless of response status

7.8.5 Real-Time Handoff Procedure

(a) Continuous Tracking:

Colorado Shield shall maintain continuous tracking of the suspect vehicle up to and including the state line. Tracking shall not be terminated simply because a vehicle approaches the border.

(b) Data Sharing:

The following information shall be transmitted in real-time to receiving agencies:

1. **Live video feed** - Continuous aerial footage of the vehicle
2. **GPS coordinates** - Updated every 10 seconds
3. **Heat signature data** - Occupant count and positioning
4. **Vehicle trajectory** - Predicted route and destination
5. **Historical tracking** - Route taken since surveillance began
6. **Evidence summary** - Reason for tracking and any observed indicators

(c) Handoff Confirmation:

- Receiving agency must confirm receipt of handoff
- Colorado Shield maintains tracking until confirmation received
- If no confirmation, tracking continues up to 10 miles into neighboring state (Hot Pursuit Exception)

7.8.6 Hot Pursuit Exception

(a) Authorization:

Colorado Shield drones may continue tracking a suspect vehicle up to **10 miles** into a neighboring state when:

1. The vehicle is suspected of human trafficking;
2. Pre-border alerts have been sent;
3. No receiving agency has confirmed handoff;
4. Continued tracking is necessary to prevent loss of suspect

(b) Limitations:

- Hot pursuit tracking is for SURVEILLANCE ONLY
- Colorado Shield has no arrest authority outside Colorado
- Tracking terminates upon handoff to receiving agency or after 10 miles, whichever comes first
- All hot pursuit incidents reported to CESA Director within 24 hours

(c) Interstate Agreements:

Colorado shall seek agreements with all 7 neighboring states (Wyoming, Nebraska, Kansas, Oklahoma, New Mexico, Arizona, Utah) authorizing hot pursuit tracking with reciprocal provisions.

7.8.7 Federal Coordination

(a) Agencies:

Colorado Shield shall coordinate with the following federal agencies for interstate cases:

1. **FBI** - Human trafficking, kidnapping, fugitives
2. **DHS/HSI** - Human smuggling organizations
3. **DEA** - Drug trafficking organizations
4. **U.S. Marshals** - Fugitive apprehension

(b) Explicit Exclusion:

Coordination with **ICE (Immigration and Customs Enforcement)** is explicitly PROHIBITED for general immigration enforcement purposes. Section 7.8 is for criminal law enforcement, not immigration enforcement.

(c) Exception:

Coordination with federal immigration agencies is permitted ONLY when: - The individual is a suspected human trafficker (not victim) - There is evidence of human smuggling for profit - A federal court order specifically requires cooperation

7.8.8 Annual Coverage Verification

(a) CESA Administration shall conduct annual audits to verify:

1. All exit routes have operational detection systems
2. No gaps exist in the No-Escape Perimeter
3. All systems meet performance standards
4. Interstate agreements are current and operational

(b) Any gaps identified must be closed within 90 days.

(c) Audit results shall be reported to the Legislature and published (operational details redacted for security).

SECTION 8: ZERO HOMELESS COLORADO

8.1 Goal and Purpose

(a) Goal: Zero homelessness in Colorado within five years of implementation.

(b) Purpose: This Section establishes a comprehensive system to eliminate homelessness through housing production, community integration, sponsor support, and employment pipelines.

8.2 Housing Production

(a) Tiny House Partnership

- State contracts with Colorado-based tiny house builders for mass production
- Goal: 2,000-3,000 units per year
- Cost per unit: \$40,000-60,000 (significantly cheaper than traditional construction)
- Quality construction meeting all building codes and safety standards
- Creates construction jobs and builds local manufacturing capacity
- Training programs for formerly homeless individuals in construction trades

(b) Modular and Prefab Housing

In addition to tiny houses, the state shall utilize modular and prefabricated housing for faster construction of larger units for families.

(c) Land Acquisition

The state shall purchase land in high-demand areas for housing communities, prioritizing locations near employment centers, public transportation, and services.

8.3 HOA-Managed Communities

(a) All state-built housing communities shall be governed by Homeowner Associations (HOAs).

(b) HOA Responsibilities: - Maintain property standards and community appearance - Manage common areas, landscaping, and facilities - Enforce reasonable community rules - Coordinate community events and activities - Ensure grounds stay clean and well-maintained

(c) Resident Participation: Residents participate in HOA governance, building ownership mentality and community investment. HOA fees shall be minimal and income-based.

(d) Integration: These are **real neighborhoods**, not isolated “homeless housing.” Design and management shall remove stigma and create dignified living environments.

8.4 Sponsor Program

(a) Every individual housed through Zero Homeless Colorado shall be paired with a trained **Sponsor**.

(b) Sponsor Responsibilities: - Weekly check-ins minimum (more frequent initially) - Assist with job training and employment search - Help navigate appointments, benefits, and services - Provide life skills guidance (budgeting, cooking, household management) - Support goal-setting and accountability - Connect to mental health and addiction services as needed - Celebrate successes and provide encouragement

(c) Professional Sponsors: Sponsors are **paid positions** (not volunteers) for accountability and quality. Caseload limit: 10-15 individuals per sponsor.

(d) Gradual Reduction: Support intensity decreases as individuals stabilize, but sponsors remain available for ongoing support as needed.

8.5 Employment Pipeline

(a) Job Placement Goal: Employment placement within **30 days of housing**.

(b) Employment Services: - Skills assessment and career counseling - Training programs matched to local employer needs - Partnerships with businesses committed to hiring program participants - Wage subsidies for employers during training period (state pays portion of wages) - Transportation assistance to and from work - Work clothing and equipment assistance - Career advancement pathway, not just entry-level placement

8.6 Wraparound Services

All Zero Homeless Colorado participants have access to: - Care Without Fear healthcare (Section 2) - Mental health and addiction services - Childcare for parents in program - Life Security Program enrollment (Section 5) - Healthy food access (Section 3.7 and 3.8) - Financial literacy and budgeting education - Legal assistance for outstanding issues - Elder Care Credit opportunities (Section 2.12)

8.7 Prevention

(a) Emergency Rental Assistance: Up to 6 months rent for families facing eviction.

(b) Utility Assistance: Prevent shutoffs that lead to eviction.

(c) Legal Aid: Free legal representation for tenants facing wrongful eviction.

(d) Notice Requirement: 90-day notice required before eviction (gives time for intervention).

8.8 Rent Stabilization

(a) Annual rent increases capped at **inflation plus 3%**.

- (b) Exemptions for new construction (first 15 years) to encourage building.
- (c) Exemptions for small landlords (fewer than 4 units).
- (d) No rent increase allowed if unit has unaddressed code violations.

8.9 Transition to Independence

- (a) After 2-3 years of stability, residents may purchase their unit at subsidized price, or transition to market-rate housing with assistance.
- (b) Some residents may stay long-term (seniors, disabled individuals) - this is acceptable and planned for.
- (c) Success measured by stability, employment, and wellbeing - not just "moving out."

8.10 Veterans Priority

- (a) Zero veteran homelessness is a specific sub-goal.
- (b) Veterans receive priority access to all housing programs.
- (c) Integration with VA services and benefits.
- (d) Dedicated veteran housing units in each community.
- (e) Colorado Veterans (Section 7.7) receive equal priority with federal veterans.

8.11 No Criminalization

Homelessness is **not a crime**. There shall be **no arrests or citations** for sleeping outside, panhandling, or being homeless. The solution is housing and support, not punishment.

8.12 Budget

Estimated Annual Cost: \$300-400 million

This includes housing production, land acquisition, sponsor salaries, employment services, prevention programs, and administration.

SECTION 9: COLORADO BUSINESS SUCCESS TEAM

9.1 Establishment

There is hereby established the **Colorado Business Success Team**, a one-stop support center providing comprehensive assistance to all Colorado businesses.

9.2 Services Provided

(a) Financial Guidance

- Budget planning and cash flow management
- Tax preparation assistance and optimization
- Grant writing support and identification
- Loan application assistance
- Connection to investors and capital sources
- Financial crisis intervention

(b) Operations Support

- Supply chain problem-solving
- Vendor connections and negotiations
- Inventory management advice
- Technology adoption guidance
- Efficiency consulting
- Quality control assistance

(c) Regulatory Navigation

- Permit and license assistance
- Compliance guidance (health, safety, labor, environmental)
- Advocacy with state agencies on behalf of businesses
- Fast-track problem resolution
- Regulatory interpretation and guidance

(d) Growth Resources

- Marketing and branding support
- E-commerce setup assistance
- Export and expansion guidance
- Workforce recruitment help
- Real estate and location assistance
- Succession planning

9.3 Agency Connections

The Colorado Business Success Team shall maintain direct liaisons to:

- Every Colorado state agency
- Federal agencies (SBA, IRS, OSHA, etc.)
- Other state business offices (interstate commerce connections)
- International trade assistance resources

9.4 Cannabis Industry Support

Specific support for cannabis businesses including:

- Banking solutions (navigating federal banking restrictions)
- Compliance guidance (state regulations)
- Supply chain connections

- Marketing within legal boundaries - Interstate commerce preparation (for when federal legalization happens)

9.5 Organization

Staffing: Approximately 100-150 employees statewide

Offices: Denver (headquarters), Colorado Springs, Grand Junction, Fort Collins, Pueblo, Durango, plus presence at all CESA regional offices

Access: Phone, online, and in-person assistance; available in English, Spanish, and other languages as needed

9.6 Integration with CESA

The Colorado Business Success Team operates under CESA Administration (Section 18) and is accessible through:
- CESA regional offices
- Colorado Services Portal
- Dedicated business hotline
- In-person appointments

9.7 Budget

Estimated Annual Cost: \$25-35 million

SECTION 10: COLORADO CLEAN ENERGY INDEPENDENCE

10.1 Purpose

This Section establishes Colorado's path to energy independence through aggressive expansion of renewable energy infrastructure, reducing costs, creating jobs, and protecting the environment.

10.2 Colorado's Energy Assets

- 300+ days of sunshine annually (solar potential)
- Eastern plains wind corridor (wind potential)
- Geothermal resources in some areas
- Existing hydroelectric capacity
- Growing battery storage technology

10.3 Solar Expansion

(a) State solar farm development on public lands

(b) Rooftop solar incentives for homes and businesses (50% installation rebate)

(c) Community solar programs for renters and those who can't install panels

(d) Solar requirement for new commercial construction

(e) High-Rise Solar Incentives:

Installation Rebates: - 75% rebate on total solar installation cost for buildings 10+ stories
- Rebate cap: \$2 million per building - Must install on at least 50% of available roof space

Guaranteed Grid Buy-Back: - Colorado utilities must purchase excess solar electricity from participating buildings - Guaranteed rate: 110% of wholesale electricity price - Rate guaranteed for 20 years from installation date - Annual adjustment for inflation

Property Tax Reduction: - 0.25% property tax reduction per megawatt of installed capacity - Maximum reduction: 1% of property tax bill - Reduction applies for 15 years from installation

“Colorado Solar Tower” Certification: - Buildings meeting all requirements receive “Colorado Solar Tower” certification - Marketing and recognition value - Listed on CESA Clean Energy database - Eligible for additional state incentives

New Construction Requirements: - High-rise buildings permitted after Year 3 must be solar-ready - Solar-ready means: Structural support for panels, electrical infrastructure for connection, designated roof space - Does not require immediate installation, but makes future installation easy - Non-compliance results in permit denial

Estimated Cost: \$15-25 million annually in rebates and incentives

10.4 Wind Expansion

(a) Expand wind farm development on eastern plains

(b) Streamlined permitting for wind projects

(c) Community benefit agreements (local communities get direct revenue share)

(d) Transmission line investment to move power from rural generation to urban use

10.5 Other Renewables

(a) Geothermal exploration and development grants

(b) Small-scale hydroelectric on existing water infrastructure

(c) Biomass energy from agricultural waste

(d) Hydrogen fuel research and pilot programs

10.6 Energy Storage [ENHANCED v5.0]

(a) State investment in grid-scale battery storage

(b) Home battery incentives (paired with solar)

(c) Peak demand management programs

(d) Strategic Energy Reserves: [NEW v5.0] - State-maintained battery reserves for critical infrastructure - Microgrids for hospitals, emergency services, CESA offices, and water treatment facilities - 72-hour minimum backup power capacity for all critical facilities - Priority restoration protocols for essential services

10.7 Grid Modernization

(a) Smart grid infrastructure

(b) Microgrids for resilient communities

(c) Rural electrification improvements

10.8 Goals

- **80% renewable electricity by 2035**
- **100% renewable by 2040**
- Net-zero state government operations by 2030
- 50% reduction in building energy use by 2035

10.9 Economic Benefits

- Thousands of clean energy jobs
- Lower energy costs long-term
- Energy independence from out-of-state sources
- Reduced pollution and health costs

10.10 Business Benefits

- **40% energy cost reduction** through renewable subsidies
- Priority access to clean energy for qualified businesses
- Green business certification and marketing support

10.11 Budget

Estimated Investment: \$150-200 million annually

(Saves money long-term and creates jobs; investment pays for itself)

SECTION 11: COLORADO SANCTUARY STATE

11.1 Purpose

Colorado will not participate in federal immigration enforcement activities that are designed to mass-deport people based on political agendas rather than genuine public safety concerns.

11.2 No ICE Cooperation

- (a)** State and local law enforcement **shall not honor ICE detainer requests.**
- (b)** No state resources shall be used for immigration enforcement.
- (c)** No access to state databases for immigration purposes.
- (d)** No notification to ICE of release dates.
- (e)** No ICE in state/local jails for interviews without detainee consent.

11.3 Exceptions (Public Safety Only)

Cooperation permitted only for: - Individuals convicted of serious violent felonies (murder, rape, armed robbery, etc.) - Human trafficking perpetrators (not victims) - Active terrorism investigations with court oversight

11.4 ICE Facility Closure

- (a)** The State of Colorado **shall not enter into, renew, or maintain any contract**, agreement, or cooperative arrangement for immigration detention facilities.
- (b)** All existing arrangements shall terminate upon their current expiration date and shall not be renewed.
- (c)** State-run jails and correctional facilities **shall not be used** for ICE detention or operations.
- (d) Exception:** One federal immigration processing facility may operate in **Kit Carson County (Limon area)** provided it operates entirely on federal resources without state or local government support, cooperation, or services beyond what is legally required.

11.5 Protections for Immigrants

- (a)** State ID available regardless of immigration status
- (b)** Driver's licenses available regardless of status
- (c)** Access to all state programs (Care Without Fear, Life Security, etc.) regardless of status
- (d)** Labor law protections regardless of status

(e) Wage theft enforcement regardless of status

11.6 Employer Protections

- (a)** Employers cannot be required to verify immigration status beyond federal I-9 requirements.
- (b)** No state penalties for employing undocumented workers.
- (c)** Retaliation against workers who report labor violations is illegal regardless of status.

11.7 Legal Defense Fund

- (a)** State-funded legal assistance for immigrants facing deportation.
- (b)** Priority for long-term residents, families with children, DACA recipients.
- (c) Budget:** \$10-15 million annually

11.8 Safe Reporting

- (a)** Immigrants can report crimes without fear of immigration consequences.
- (b)** Immigrants can access emergency services without fear.
- (c)** Schools, hospitals, and courts designated as “sensitive locations” - no enforcement.

11.9 Agricultural Worker Protections

- (a)** Colorado agriculture depends heavily on immigrant labor.
- (b)** Special protections for agricultural workers.
- (c)** Housing and safety standards enforcement regardless of status.

SECTION 12: COLORADO DEMOCRACY PROTECTION

12.1 Who Can Vote

- (a)** All Colorado residents 18+ who are U.S. citizens.
- (b) Voting Rights Restoration:** Rights restored **upon release from prison** (not waiting for parole/probation completion).
- (c) Only Exception:** Currently incarcerated for felony conviction.

12.2 Automatic Registration

- (a)** Automatically registered when you get a driver's license, state ID, or Colorado Benefits Card.
- (b)** Automatically registered when you interact with state agencies including CESA regional offices.
- (c)** Opt-out rather than opt-in.

12.3 Voting Methods

- (a)** Universal mail-in ballots (Colorado already does this well)
- (b)** Same-day registration
- (c)** Early voting (at least 15 days before election)
- (d)** Weekend and evening voting hours
- (e)** Mobile voting units for rural areas

12.4 Accessibility

- (a)** Ballots in multiple languages
- (b)** Accessible voting for disabled individuals
- (c)** Transportation assistance to polls
- (d)** Voting in nursing homes and care facilities

12.5 Security

- (a)** Paper ballot backup for all votes
- (b)** Post-election audits
- (c)** Cybersecurity requirements
- (d)** Chain of custody documentation
- (e)** Transparent counting process

12.6 Anti-Gerrymandering

- (a)** Independent redistricting commission (Colorado already has this)
- (b)** Strengthen requirements for competitive districts
- (c)** Transparency in redistricting process

12.7 Campaign Finance

- (a) State public financing option for candidates
- (b) Disclosure requirements for all political spending
- (c) Ban on corporate contributions to state candidates
- (d) Reasonable contribution limits

12.8 Budget

Estimated Annual Cost: \$5-10 million

SECTION 13: COLORADO HUMAN TRAFFICKING JUSTICE ACT

13.1 Purpose

Human trafficking is a grave crime against humanity. This Section establishes severe penalties and comprehensive enforcement to eliminate human trafficking in Colorado.

13.2 Enhanced Penalties

(a) Human Trafficking (Adult Victims)

- **Mandatory minimum: 20 years per count**
- Judge may extend up to **life** based on: number of victims, duration of trafficking, violence involved, victim vulnerability, whether defendant was organizer/leader
- No possibility of parole for first 15 years
- **Consecutive sentences** - counts DO run together (3 counts = 60 years minimum, up to 3 life sentences)

(b) Human Trafficking (Minor Victims)

- **Mandatory minimum: 25 years per count**
- Judge may extend to **life without parole** for: multiple minor victims, victims under 12, extreme violence, repeat offenders
- No possibility of parole for first 20 years
- **Automatic life without parole** for trafficking minors for sexual exploitation

(c) Related Offenses

Offense	Penalty
Patronizing a trafficking victim	5-15 years
Conspiracy to traffic	Same as completed offense
Money laundering from trafficking	10-20 years
Harboring traffickers	5-10 years

13.3 Asset Forfeiture

- (a)** All assets used in or derived from trafficking **forfeited to state**.
- (b)** Proceeds go to victim services fund and Colorado Community Asset Program.
- (c)** Homes, vehicles, businesses, bank accounts all subject to forfeiture.

(d) Colorado Community Asset Program

Purpose: Rather than simply liquidating seized assets, Colorado shall transfer usable assets directly to families who need them, creating immediate life-changing impact.

Asset Categories:

Vehicles: - Seized vehicles in good working condition transferred to families in need - Priority for single parents needing transportation to work - Zero Homeless Colorado participants transitioning to employment - Trafficking survivors rebuilding their lives

Real Property (Homes, Apartments): - Seized residential properties transferred to: - Zero Homeless Colorado program for transitional housing - Families facing homelessness - Trafficking survivors needing safe housing - Low-income families on housing waitlists

Business Assets: - Equipment and inventory may be transferred to small business programs - Support Colorado entrepreneurs from disadvantaged backgrounds

Cash and Financial Assets: - Deposited into Victim Services Fund - Used for direct assistance grants to families in crisis

(e) Allocation Process

Social Worker Assessment: - CESA-employed social workers assess family needs - Matching process connects available assets to families who can use them - No application fees or bureaucratic hurdles

Priority Order: 1. Trafficking survivors - First priority for any assets they can use 2. Zero Homeless Colorado participants - Especially those with children 3. Families in crisis - Facing eviction, job loss, or emergency 4. Working families below Colorado Cost of Living Standard 5. General need - Other families who would benefit

Transfer Process: - Title transferred free and clear to recipient - No liens or encumbrances - Basic repairs/maintenance completed before transfer (vehicles) - Recipients receive asset free of charge

(f) Program Administration

- CESA Administration oversees the Colorado Community Asset Program
- Regional social workers maintain lists of families who could benefit
- Asset inventory maintained and updated as seizures occur
- Quarterly reports on assets distributed and families helped
- Anti-fraud provisions to ensure assets reach intended recipients

Accountability: - Recipients must demonstrate genuine need - Assets cannot be immediately sold (holding period requirements) - Follow-up check-ins to ensure assets are being used appropriately - Abuse of program results in asset recovery and program ineligibility

13.4 Victim Protections

- (a)** Trafficking victims **cannot be prosecuted** for crimes committed while being trafficked.
- (b)** Automatic expungement of prostitution charges for trafficking victims.
- (c)** Civil lawsuit rights against traffickers (can sue for damages).
- (d)** Victim compensation fund.
- (e)** Housing, counseling, job training for survivors.
- (f)** Immigration relief assistance for foreign national victims.

13.5 Investigation Resources

- (a)** Dedicated human trafficking unit in Colorado Bureau of Investigation.
- (b)** Training for all law enforcement on identifying trafficking.
- (c)** Coordination with Colorado Shield highway monitoring (Section 7).
- (d)** Tip line with rewards for information.

13.6 Prevention

- (a)** Public awareness campaigns
- (b)** School education on trafficking warning signs
- (c)** Training for hotel workers, truckers, healthcare workers
- (d)** Demand reduction programs

13.7 Connection to Colorado Shield

- (a)** Heat mapping and highway surveillance specifically designed to detect trafficking.
- (b)** AI analysis of vehicle patterns.
- (c)** Coordination between SDF monitoring and law enforcement.
- (d)** Drone tracking of suspicious vehicles (Section 7.4).
- (e)** **No-Escape Perimeter** - Strategic sensor placement ensures no trafficker can exit Colorado without detection (Section 7.8.2).

(f) Interstate Handoff - When traffickers approach state lines, automatic coordination with destination state and FBI ensures continuous tracking and apprehension (Section 7.8.4-7.8.5).

(g) Interstate Compacts - Mutual aid agreements with all neighboring states for coordinated human trafficking enforcement (Section 7.8.7).

13.8 Enhanced Penalties for Flight

(a) Attempting to Flee State:

Any person who attempts to leave Colorado to evade prosecution for human trafficking shall be subject to a **mandatory minimum additional 20 years** added to their sentence.

- This penalty is consecutive to the trafficking sentence (not concurrent)
- Applies whether or not the attempt is successful
- Includes any attempt to reach an airport, border crossing, or interstate highway with intent to flee
- Evidence of flight planning (purchased tickets, packed bags, transferred assets) is sufficient

(b) Successfully Crossing State Lines:

If a trafficker successfully crosses into another state before apprehension:

- **Mandatory minimum additional 25 years** added to sentence
- This penalty is consecutive to both the trafficking sentence AND any “attempting to flee” penalty
- Applies regardless of how far into the neighboring state the person traveled
- Interstate coordination per Section 7.8 ensures apprehension

(c) Consecutive Sentencing Example:

A trafficker with 2 victims who successfully flees to Kansas: - Base sentence: 20 years \times 2 counts = 40 years minimum - Attempting to flee: +20 years - Successfully crossing state line: +25 years - **TOTAL: 85 years minimum**

(d) No Reduction:

Penalties under this section: - Cannot be reduced through plea bargaining - Cannot be served concurrently with other charges - Are not eligible for early release or good behavior reduction - Apply in addition to federal charges if applicable

13.9 Budget

Estimated Annual Cost: \$15-20 million

Note: Interstate coordination costs included in Section 7.8 budget.

SECTION 14: COLORADO TRIBAL PARTNERSHIP

14.1 Core Principle

The **Ute Mountain Ute Tribe** and **Southern Ute Indian Tribe** are sovereign nations. This Act respects that sovereignty while offering full inclusion in Colorado's economic security programs.

14.2 Automatic Inclusion

All tribal members who are Colorado residents are **automatically eligible** for all programs: - Care Without Fear - Life Security Program - AI Worker Protection - Education programs - Housing programs - All other benefits under this Act

14.3 Opt-Out Provision

- (a)** If a tribe wishes to **NOT participate** in any or all programs, they must formally notify the State in writing.
- (b)** This creates a clear record of the decision.
- (c)** Tribe can opt back in at any time with 90 days notice.
- (d)** Individual tribal members can still participate even if tribe opts out (personal choice).

14.4 Tribal Consultation

- (a)** State must consult with tribal governments before implementing any program that affects tribal lands or members.
- (b)** 60-day consultation period for new regulations.
- (c)** Tribal input incorporated into program design.

14.5 Revenue Sharing

- (a)** Tribes receive proportional share of program revenues generated on or near tribal lands.
- (b)** Tourism fees from visitors to tribal areas shared with tribes.
- (c)** Cannabis revenue from tribal operations remains with tribes.

14.6 Healthcare Coordination

- (a)** Care Without Fear coordinates with Indian Health Service.
- (b)** No reduction in federal IHS funding due to state programs.
- (c)** Tribal health facilities can participate as Care Without Fear providers.

(d) Traditional healing practices respected and integrated where desired.

14.7 Education

- (a)** Tribal schools can participate in Colorado education programs.
- (b)** Tribal language and culture programs supported.
- (c)** Scholarships for tribal members at Colorado institutions.

14.8 Economic Development

- (a)** Colorado Business Success Team available to tribal enterprises.
- (b)** Priority contracts for tribal businesses.
- (c)** Energy development partnerships on tribal lands.

14.9 Law Enforcement Coordination

- (a)** Respect for tribal law enforcement jurisdiction.
- (b)** Mutual aid agreements.
- (c)** Colorado Shield coordination for emergency response on tribal lands (with tribal consent).
- (d)** Human trafficking enforcement coordination.

14.10 Environmental Protection

- (a)** Consultation on any environmental decisions affecting tribal lands or sacred sites.
- (b)** Water rights protections.
- (c)** Air quality coordination.

14.11 Dispute Resolution

- (a)** Government-to-government consultation first.
- (b)** Mediation if needed.
- (c)** Binding arbitration as last resort.
- (d)** Respect for tribal court jurisdiction on tribal matters.

14.12 Budget

Estimated Annual Cost: \$10-15 million

SECTION 15: COLORADO EDUCATION INDEPENDENCE

15.1 Purpose

This Section establishes a phased transition of Colorado's education system away from federal control, protecting students from federal political agendas and moving toward the goal of free education from kindergarten through college.

15.2 Phased Approach

Phase 1 (Years 1-3): Foundation

- Establish Colorado Education Authority
- Develop Colorado curriculum standards
- Begin building state funding capacity
- Continue accepting federal funding during transition

Phase 2 (Years 4-6): Transition

- Implement Colorado curriculum in willing districts
- Expand state funding to reduce federal dependence
- Create Colorado student aid programs
- Build state assessment systems

Phase 3 (Years 7-10): Independence

- Full Colorado curriculum statewide
- State funding replaces majority of federal funding
- Colorado accreditation systems
- Free community college for all residents

Phase 4 (Years 10+): Free Education

- Work toward free four-year college education
- Complete independence from federal education mandates
- Colorado as national model for education

15.3 Colorado Curriculum Standards

- (a)** Science-based, fact-based curriculum free from political agenda.
- (b)** Emphasis on critical thinking, creativity, and practical skills.
- (c)** Colorado history and civics.
- (d)** Financial literacy required.
- (e)** Career and technical education pathways.
- (f)** Arts, music, and physical education protected.

15.4 Colorado Student Aid Program

- (a)** State grants and scholarships to supplement/replace federal student aid.
- (b)** Income-based aid ensuring no student is denied education due to cost.
- (c)** Work-study programs with state agencies and qualified businesses.
- (d)** Loan forgiveness for graduates who work in Colorado.

15.5 Teacher Support

- (a)** Competitive salaries to attract and retain quality teachers.
- (b)** Reduced class sizes.
- (c)** Professional development funded by state.
- (d)** Teacher housing assistance in high-cost areas.

15.6 Local Control

- (a)** School districts retain significant autonomy.
- (b)** Colorado standards set minimum requirements, not maximum.
- (c)** Innovation encouraged.
- (d)** Community input in curriculum decisions.

15.7 Protection from Federal Mandates

- (a)** Colorado shall not implement federal education mandates that conflict with Colorado values or curriculum standards.
- (b)** State shall absorb any federal funding loss resulting from non-compliance.
- (c)** Legal defense fund for challenges to federal overreach.

15.8 Budget

Phase 1 Estimated Annual Cost: \$100-150 million

(Increases in later phases as state replaces federal funding; ultimate goal is full state funding of free K-college education)

SECTION 16: COLORADO PROSPERITY PARTNERSHIP

16.1 Purpose

This Section establishes a partnership with high-income earners, luxury property owners, and successful corporations: they contribute more to Colorado's success, and Colorado provides them with valuable benefits in return.

16.2 Revenue Sources

(a) Luxury Property Tax

- **0.5% additional property tax** on homes valued over \$1 million
- **1% additional property tax** on homes valued over \$2 million

Estimated Revenue: \$150-200 million annually

(b) High-Income Earner Surcharge

- **Additional 1% income tax** on income over \$500,000
- **Additional 1.5% income tax** on income over \$1 million

Estimated Revenue: \$200-300 million annually

(c) Corporate Minimum Tax

- Corporations with over \$10 million in Colorado revenue pay **minimum 2% tax** regardless of deductions

Estimated Revenue: \$100-150 million annually

(d) Vacation Rental Fee

- **Additional \$5 per night** on short-term rentals (Airbnb, VRBO)
- Revenue dedicated to housing programs

Estimated Revenue: \$50-75 million annually

16.3 Benefits for Contributors

Colorado Prosperity Pass (For Luxury Property Owners & High-Income Earners)

Automatic benefits, no application needed:

- **Free lifetime Colorado State Parks pass** (normally \$80/year)
- **Free lifetime fishing & hunting license** (normally \$50-100+/year)
- **Priority access to Colorado Business Success Team** - dedicated liaison for investment opportunities, asset growth strategies
- **Colorado Investment Matchmaking** - state helps connect with Colorado startups, real estate opportunities, business acquisitions
- **Expedited permitting** for any Colorado property development or business expansion

- **Invitation to annual “Colorado Prosperity Summit”** - networking with other high-net-worth Coloradans, state officials, business leaders

Colorado Business Partner Status (For Corporations Paying Minimum Tax)

- **Enhanced priority for state contracts** (beyond standard qualified business)
- **Dedicated Colorado Business Success Team liaison**
- **Expedited regulatory approvals**
- **Recognition as “Colorado Prosperity Partner”** - marketing/PR value
- **Direct line to Governor’s economic development office**

Colorado Host Benefits (For Vacation Rental Owners)

- **Free State Parks pass**
- **“Colorado Certified Host” designation** for marketing
- **Access to Colorado Business Success Team** for property management advice
- **Listing on state tourism website**
- **Free hospitality training resources**

16.4 The Partnership Principle

“Colorado has been good to you. This partnership means you contribute a bit more to the state that helped you succeed, and Colorado gives you tools to keep growing. We want you to stay, thrive, and keep building in Colorado.”

16.5 Revenue Summary

Source	Annual Revenue
Luxury Property Tax	\$150-200 million
High-Income Surcharge	\$200-300 million
Corporate Minimum Tax	\$100-150 million
Vacation Rental Fee	\$50-75 million
TOTAL	\$500-725 million

16.6 Cost of Benefits

Estimated Cost: \$10-20 million annually

(Park passes have low marginal cost; Business Success Team already exists; expedited processing is administrative)

Net Revenue: \$480-705 million annually

SECTION 17: FUND INTEGRITY AND ANTI-CORRUPTION

17.1 Purpose

This Section establishes ironclad protections ensuring that funds established under this Act can NEVER be raided, diverted, or misused.

17.2 Constitutional Protection

(a) Funds established under this Act shall be held in dedicated trust, used exclusively for their designated purposes, and may not be transferred, borrowed against, or redirected by any legislative, executive, or judicial action **except by vote of the people of Colorado.**

(b) This Section shall be submitted to voters as a constitutional amendment.

17.3 Separate Treasury Accounts

(a) Each program shall have its own legally separate account within the State Treasury: - Care Without Fear Fund - AI Displacement Insurance Fund - Life Security Fund - Colorado Shield Fund - Zero Homeless Colorado Fund - Education Independence Fund - Economic Resilience Fund - CRSP Fund - Circular Economy Fund (NEW in v5.0) - Innovation Districts Fund (NEW in v5.0)

(b) Money cannot be moved between accounts without explicit authorization under this Act.

17.4 Anti-Raiding Provisions

(a) Legislature **cannot borrow** from these funds.

(b) Governor **cannot redirect** funds by executive order.

(c) Funds **cannot be used as collateral** for state bonds.

(d) No “temporary transfers” allowed.

(e) General fund shortfalls cannot be addressed with program funds.

17.5 Independent Oversight

Colorado Economic Security Trust Board

Composition (7 members): - 2 appointed by Governor - 2 appointed by Legislature - 3 elected by program participants

Responsibilities: - Oversee all fund management - Approve major expenditures - Review annual audits - Investigate complaints - Report to public quarterly

Annual Independent Audit

- External audit firm (rotated every 3 years)

- Published publicly
- Presented to Legislature
- Available online

Real-Time Public Dashboard

- All fund balances visible to public
- All expenditures tracked
- Updated daily
- Accessible online

17.6 Criminal Penalties

Offense	Penalty
Misuse of funds	Class 3 felony (4-12 years)
Conspiracy to misuse	Class 4 felony (2-6 years)
Negligent mismanagement	Class 1 misdemeanor + permanent bar from public service
Willful misrepresentation	Class 4 felony + restitution

Personal Liability: Officials who authorize improper transfers are personally liable for the full amount.

17.7 Citizen Enforcement

- (a)** Any Colorado resident may file suit to stop improper fund use.
- (b)** Attorney's fees awarded to successful plaintiffs.
- (c)** Expedited court review (30 days).
- (d)** Whistleblower protections for anyone reporting misuse.

17.8 Automatic Triggers

- (a)** If any fund balance drops below 6 months of projected obligations, automatic contribution increase kicks in.
- (b)** If any transfer is attempted without proper authorization, **all transfers freeze** pending investigation.
- (c)** Automatic notification to Attorney General of any irregularities.

SECTION 18: CESA ADMINISTRATION

18.1 Colorado Economic Security Agency

(a) Establishment: There is hereby established the **Colorado Economic Security Agency (CESA)** to administer the programs established under this Act.

(b) Mission: To efficiently, compassionately, and transparently deliver economic security services to all Coloradans.

18.2 CESA Director

(a) Election: The CESA Director shall be **elected by the people of Colorado** in general elections.

(b) Term: Four-year terms, concurrent with gubernatorial elections.

(c) Term Limits: Maximum tenure of 11 years (two full terms plus partial term if initially appointed).

(d) Qualifications: - Colorado resident for at least 5 years - Experience in public administration, healthcare, business, or related field - No felony convictions - Cannot hold other elected office simultaneously

(e) Removal: May be removed by recall election, impeachment by Legislature, or conviction of a felony.

(f) Compensation: Level equivalent to other statewide elected officials.

18.3 Deputy Directors

The Director shall appoint, subject to Senate confirmation, Deputy Directors for: - Healthcare Operations (Care Without Fear) - Worker Protection (AI Displacement, Life Security) - Housing & Community Services (Zero Homeless, Business Success) - Economic Independence (CRSP, Economic Resilience) - Innovation & Technology (AI Partnership, Innovation Districts) - Administrative Services (Benefits Card, Compliance, Regional Operations)

18.4 Regional Offices

(a) Distribution: CESA shall maintain regional offices throughout Colorado to ensure accessible services for all residents.

(b) Dedicated Offices (25-30 locations): - Major population centers - Regional hubs in every congressional district - At least one office in each county with population over 50,000

(c) Combined Service Centers (10-15 locations): - Rural areas with lower population density - Shared facilities with other state agencies - Mobile services for remote communities

(d) Services: Each office shall provide: - Benefits enrollment and assistance - Healthcare navigation - Job placement and retraining - Housing assistance - Business support - General information and referrals

18.5 Compliance Authority

(a) Investigations: CESA has authority to investigate potential violations of this Act by businesses, individuals, and other entities.

(b) Penalties: CESA may impose civil penalties for violations, subject to administrative appeal and judicial review.

(c) Audits: CESA may audit employer records to verify compliance with AI displacement, payroll contribution, and other requirements.

18.6 Public Dashboard and Reporting (NEW in v5.0)

(a) Real-Time Dashboard: - All program metrics visible to public online - Fund balances updated daily - Enrollment numbers, claims processed, wait times - Regional breakdown of services

(b) Annual Report: - Comprehensive review of all programs - Financial statements - Outcomes and impact metrics - Recommendations for improvements - Presented to Legislature and public

(c) Quarterly Updates: - Key metrics and trends - Budget status - Program changes - Available online and at public meetings

18.7 Citizen Complaint Process

(a) Any person may file a complaint regarding CESA services, decisions, or staff conduct.

(b) Complaints shall be acknowledged within 5 business days.

(c) Investigation completed within 30 days (complex cases: 60 days).

(d) Written response to complainant with findings and any corrective actions.

(e) Appeal process available through independent ombudsman.

18.8 Waste, Fraud, and Abuse Reporting (NEW in v5.0)

(a) Reporting Channels: - Dedicated hotline (24/7) - Online portal (anonymous option available) - In-person at any CESA office - Mail submission

(b) Whistleblower Protections: - Reporters protected from retaliation (see Section 24) - Anonymous reporting protected - Confidential investigation

(c) Response: - All credible reports investigated within 30 days - Findings reported to appropriate authorities - Public summary of waste/fraud prevention efforts in annual report

18.9 Budget

Estimated Annual Administrative Cost: \$150-200 million

(Includes regional offices, staff, technology, compliance operations)

SECTION 19: COLORADO BENEFITS CARD

19.1 Establishment

There is hereby established the **Colorado Benefits Card** (also known as the **Colorado Services Card**), a unified identification and benefits delivery system for all Colorado residents.

19.2 Card Features

- (a) Universal State ID:** Serves as official state identification for all purposes.
- (b) Chip-Enabled:** Secure chip technology for identity verification and fraud prevention.
- (c) Dual Account System:**

Benefits Account: - Care Without Fear healthcare access - Life Security Program enrollment - AI Displacement payments - SNAP/EBT integration - Other state benefits

Personal Account: - Optional checking/savings account - Direct deposit capable - Debit card functionality - Banking services for unbanked residents

19.3 Benefits Integration

The Colorado Benefits Card shall provide access to:

- (a) Healthcare:** - Care Without Fear provider identification - Prescription benefits - Medical cannabis coverage (if applicable)
- (b) Income Programs:** - AI Displacement payments - CRSP retirement benefits - Life Security contributions/benefits
- (c) Food Programs:** - SNAP/EBT benefits - WIC benefits - Healthy food subsidies (Section 3.7) - **Container Deposit Credits** (Section 29) - optional credit instead of cash
- (d) Housing:** - Zero Homeless Colorado services - Rent assistance
- (e) Other Services:** - Public transportation (where integrated) - Library services - State parks access

19.4 Medical Cannabis Coverage

- (a) For residents with qualifying medical conditions, the Colorado Benefits Card may include medical cannabis coverage under Care Without Fear.
- (b) Coverage limited to: - Conditions approved by state medical board - Dispensaries participating in Care Without Fear program - Quantity limits as medically appropriate
- (c) Opt-in program - not automatic for all cardholders.

19.5 Privacy Protections

- (a) **Data Minimization:** Card stores only information necessary for its functions.
- (b) **Encryption:** All data encrypted both on card and during transmission.
- (c) **Access Limits:** - Healthcare providers see only healthcare information - Retailers see only payment authorization - Law enforcement requires warrant except for ID verification
- (d) **No Tracking:** Card does not track location or purchasing patterns.
- (e) **No Sharing:** Data not shared with federal agencies, immigration enforcement, or private marketers.
- (f) **Opt-Out:** Residents may decline card and use paper-based alternatives (with reduced convenience).

19.6 Issuance

- (a) Automatic issuance to all Colorado residents upon: - Birth (parents hold card until age 18) - Establishing residency (90 days) - Request by current resident
- (b) No cost for initial card or first replacement.
- (c) Available at CESA offices, DMV locations, and by mail.

19.7 Budget

Estimated Annual Cost: \$30-40 million (included in CESA Administration budget)

SECTION 19.8: COLORADO SERVICES PORTAL (NEW in v5.0)

19.8.1 Establishment

There is hereby established the **Colorado Services Portal**, a unified digital platform for accessing all state services and programs under this Act.

19.8.2 Core Functions

(a) Account Management: - View and manage all benefits - Update personal information - Designate beneficiaries - Track applications and claims

(b) Medical Records Access: - View Care Without Fear medical records - Download records for personal use - Authorize sharing with providers - View prescription history

(c) Benefits Management: - Check balances (Life Security, CRSP, etc.) - Submit claims - Schedule appointments - Find providers

(d) Employment Services: - Job search and applications - Training program enrollment - AI Displacement status and payments - Resume builder and career tools

19.8.3 Public Issue Reporting (NEW in v5.0)

(a) Report Categories: - Waste, fraud, or abuse in government programs - Safety concerns (infrastructure, environmental) - Service quality issues - Policy suggestions

(b) Anonymous Option: - Reports may be submitted anonymously - Anonymous reports still investigated - Option to receive follow-up if desired

(c) Whistleblower Protection: - All reporters protected from retaliation - Confidential handling of identity - Connection to Section 24 protections

(d) Response Tracking: - Track status of submitted reports - Receive updates on investigation - See resolution when completed

19.8.4 Accessibility

(a) Fully accessible for persons with disabilities (WCAG 2.1 AA compliant).

(b) Available in Spanish and other major languages.

(c) Mobile-friendly design.

(d) In-person assistance available at all CESA offices.

(e) Phone support available 7 days/week.

19.8.5 Security

(a) Multi-factor authentication required.

(b) End-to-end encryption.

(c) Regular security audits.

(d) Compliance with state and federal data protection laws.

19.8.6 Budget

Included in CESA Administration budget (Section 18.9)

SECTION 20: AI INNOVATION PARTNERSHIP

20.1 Purpose

This Section establishes a framework for Colorado to lead in responsible AI development while ensuring the benefits of AI are broadly shared and the technology serves human flourishing.

20.2 Colorado AI Innovation Fund

(a) Establishment: There is hereby established the **Colorado AI Innovation Fund** to support responsible AI development in Colorado.

(b) Funding: 7.2% of AI Displacement Insurance Fund contributions shall be allocated to the AI Innovation Fund.

(c) Purpose: Support AI research, development, and deployment that creates jobs, improves lives, and maintains Colorado's competitive position.

20.3 AI Development Grants

Grant Categories:

Category	Amount	Purpose
Startup Seed	\$25,000-\$100,000	Early-stage AI companies
Growth Grant	\$100,000-\$500,000	Expanding AI companies
Research Grant	\$50,000-\$250,000	University/nonprofit research
Pilot Project	\$25,000-\$150,000	Government AI applications

Priority Areas: - Healthcare AI - Clean energy and climate - Agricultural technology - Education technology - Accessibility and disability services - Public safety (excluding surveillance)

20.4 University Partnerships

(a) CESA shall establish partnerships with Colorado universities for AI research and workforce development.

(b) Participating institutions: - University of Colorado system - Colorado State University system - Colorado School of Mines - University of Denver - Other accredited institutions

(c) Focus areas: - Ethical AI development - Workforce transition research - AI safety and security - Applied AI for public benefit

20.5 AI Workforce Training

(a) Free or subsidized training programs for: - Workers in industries likely to be affected by AI - Career changers seeking AI-related roles - Current workers seeking to complement AI tools

(b) Training pathways: - AI operations and maintenance - AI-assisted professional roles - AI development and engineering - AI ethics and governance

20.6 Fast-Track Permitting for AI Companies

(a) AI companies meeting responsible AI requirements receive expedited: - Business licensing - Zoning and land use approvals - Environmental permits - Tax registration

(b) Dedicated AI business liaison in Colorado Business Success Team.

20.7 Responsible AI Requirements

To receive state support, AI companies must commit to:

(a) Transparency in AI decision-making where feasible.

(b) Bias testing and mitigation in AI systems.

(c) Human oversight for high-stakes decisions.

(d) Data privacy protections.

(e) Compliance with AI Worker Protection requirements (Section 4).

(f) Participation in workforce transition programs.

20.8 Budget

AI Innovation Fund: ~\$30 million annually (7.2% of \$400M AI Displacement Fund)

Administration: Included in CESA budget

SECTION 20.5: YOUNG INNOVATOR PROGRAM (NEW in v5.0)

20.5.1 Purpose

To cultivate the next generation of Colorado entrepreneurs and innovators by providing young people with resources, mentorship, and support to launch businesses and develop innovations.

20.5.2 Eligibility

Age Range: 16-30 years old

Residency: Colorado resident or enrolled in Colorado educational institution

Business Stage: Pre-launch through 3 years of operation

20.5.3 Startup Grants

(a) Base Grants:

Category	Amount	Requirements
Idea Stage	\$10,000	Business plan + pitch
Launch Stage	\$25,000	Prototype or MVP + customers
Growth Stage	\$50,000	Revenue + job creation

(b) Social Impact Bonus:

Additional 25% grant amount for businesses that: - Address environmental challenges - Serve underserved communities - Create jobs in rural Colorado - Support CESA program goals

20.5.4 Incubator Space

(a) Free incubator space available in each Innovation District (Section 33).

(b) Includes: - Desk/office space - Meeting rooms - High-speed internet - Basic equipment

(c) 6-12 month terms, renewable based on progress.

20.5.5 Mentorship Matching

(a) Every Young Innovator matched with experienced mentor.

(b) Mentor pool includes: - Successful Colorado entrepreneurs - Industry experts - University faculty - Retired executives

(c) Minimum quarterly meetings, ongoing availability.

20.5.6 Reduced Fees

Young Innovators receive: - 75% reduction in business licensing fees - Free first-year registered agent service - Waived state permit fees (first year) - Free legal consultation (10 hours)

20.5.7 Student Entrepreneur Track

For students enrolled in Colorado educational institutions:

- (a) Academic credit partnerships with universities.
- (b) Flexible grant timelines aligned with academic calendar.
- (c) On-campus innovation hubs.
- (d) Internship connections with established companies.

20.5.8 Annual Innovation Challenge

- (a) Statewide competition for Young Innovators.
- (b) Categories: - Technology - Social enterprise - Clean energy - Healthcare - Agriculture
- (c) Prizes: - First place: \$100,000 + full incubator package - Second place: \$50,000 + mentorship package - Third place: \$25,000 + training package - Regional winners: \$10,000 each
- (d) Demo Day event with investors, media, and public.

20.5.9 Budget

Estimated Annual Cost: \$25-35 million

(Included in Innovation Districts budget, Section 33)

SECTION 21: IMPLEMENTATION TIMELINE

21.1 Overview

Implementation shall occur in phases to ensure quality execution, adequate training, and system readiness.

21.2 Years 1-2: Foundation

Year 1 Tasks:

- Pass legislation and constitutional amendments
- Establish CESA agency structure

- Hire CESA Director and key leadership
- Open initial regional offices (10-15 locations)
- Launch Care Without Fear enrollment
- Implement phased income tax (2.2%)
- Begin Life Security Program enrollment
- Begin CRSP enrollment
- Implement tourism fees
- Implement enhanced liquor taxes
- Begin AI company registration
- Launch Colorado Benefits Card rollout
- Start SDF recruitment
- Establish Colorado Shield planning
- Begin Zero Homeless Colorado land acquisition
- Launch Colorado Business Success Team
- Implement Health-Impact Food Taxes
- Begin Prosperity Partnership revenue collection
- Establish Fund Integrity oversight structures
- Begin Strategic Foresight Office operations

Year 2 Tasks:

- Full Care Without Fear operations begin
- Complete regional office network (25-30 locations)
- First AI displacement cases processed
- Life Security Program fully operational
- Colorado Shield weather monitoring deployed
- Begin tiny house production (Year 1 contracts)
- Highway surveillance system construction begins
- Innovation Districts designation
- Young Innovator Program launch
- Colorado Services Portal launch
- First container deposit locations operational
- Circular Economy pilots begin
- Community Business Certification program launches
- First sister city/state agreements finalized

21.3 Years 3-5: Full Operation

Year 3 Tasks:

- All systems fully operational
- SDF reaches authorized strength (3,500)
- Colorado Shield border coordination activated
- Search and rescue drone fleet deployed

- Highway surveillance operational
- Zero Homeless achieving significant reductions
- AI displacement fund reaches target reserves
- Economic Resilience Fund reaches \$3B
- Education Independence Phase 2 begins
- First Global Partnership exchanges
- All Innovation Districts operational
- Container deposit system statewide

Year 4-5 Tasks:

- Income tax evaluation (potential reduction to 2.0%)
- Zero veteran homelessness achieved
- Economic Resilience Fund reaches \$5B target
- Clean Energy reaches 60% renewable
- Free community college pilot programs
- Interstate coordination fully operational
- All 8 Innovation Districts thriving
- Young Innovator graduates creating jobs
- Circular Economy showing measurable results

21.4 Years 6-10: Expansion and National Model

Years 6-7:

- Zero homelessness goal achieved
- Income tax evaluation (consider further reduction)
- 80% renewable energy achieved
- Education Independence Phase 3
- Economic Resilience Fund fully funded
- Other states adopting Colorado model elements
- Federal policy influenced by Colorado success

Years 8-10:

- 100% renewable energy goal (Year 10)
- Free four-year college progress
- Complete independence from federal education mandates
- Colorado recognized as national economic security leader
- Economic Resilience Fund provides complete federal independence capability
- CESA model exported through Global Partnership Program

21.5 Milestone Checkpoints

Year	Key Milestone	Success Metric
1	Care Without Fear	90% enrollment

	launched	
2	Benefits Card distributed	95% of residents
3	Zero Homeless reducing	50% reduction
5	Economic Resilience Fund	\$5B balance
7	Zero homelessness	<100 unsheltered
10	100% renewable	All state power

SECTION 22: SEVERABILITY AND LEGAL PROVISIONS

22.1 Severability

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

22.2 Supremacy

This Act shall supersede any conflicting state or local law, regulation, or ordinance. Local governments may adopt more protective measures but may not undermine the protections established herein.

22.3 Federal Law

Where federal law preempts state action, Colorado shall implement this Act to the maximum extent permitted by federal law and shall seek all available waivers, exceptions, and authorizations to implement the full scope of this Act.

22.4 Legal Defense

The Attorney General shall vigorously defend this Act against any legal challenges and shall allocate sufficient resources to ensure its implementation.

22.5 Effective Date

This Act shall take effect upon passage, with individual programs becoming operational according to the timeline established in Section 21.

22.6 Amendments

This Act may be amended by the General Assembly, except that: - Section 17 (Fund Integrity and Anti-Corruption) may only be amended by vote of the people. - Section 31

(CESA Constitutional Core) may only be amended by 68% supermajority public referendum.

22.7 Relationship to Existing Law

- (a)** This Act supplements rather than replaces existing Colorado law except where explicit conflict exists.
- (b)** Where this Act provides greater protections than existing law, this Act controls.
- (c)** Existing agency rules and regulations remain in effect until superseded by CESA regulations.

22.8 Administrative Rules

- (a)** CESA Director shall promulgate rules necessary to implement this Act.
- (b)** Rules shall be developed with public input and comment periods.
- (c)** Rules shall be consistent with the intent and purposes of this Act.
- (d)** Major rules subject to legislative review.

SECTION 23: COLORADO GLOBAL PARTNERSHIP PROGRAM (NEW in v5.0)

23.1 Purpose

This Section establishes Colorado's international partnership framework, enabling knowledge exchange, economic collaboration, and cultural connection with like-minded regions worldwide.

23.2 Inaugural Partner: Queensland, Australia

- (a) Designation:** The State of Queensland, Australia is hereby designated as Colorado's inaugural Global Partner.
- (b) Rationale:** - Similar climate and geography (mountains, plains, agriculture) - Comparable population size and economic structure - Shared commitment to innovation and renewable energy - Strong agricultural and tourism sectors - English-speaking with compatible business practices - Time zone enabling 24-hour business cycle coverage
- (c) Partnership Focus Areas:** - Clean energy technology exchange - Agricultural innovation - Tourism promotion - Education and research collaboration - Emergency management best practices - Healthcare system innovation

23.3 Sister State Relationships

(a) Criteria: Global Partners must demonstrate: - Democratic governance and rule of law - Commitment to human rights - Economic compatibility - Mutual benefit potential - Cultural exchange interest

(b) Partnership Levels:

Level	Requirements	Benefits
Inaugural Partner	First partner + full collaboration	All benefits + founding status
Strategic Partner	3+ active programs	Trade missions + student exchange
Emerging Partner	1-2 active programs	Information sharing + cultural exchange

23.4 Sister City Relationships

(a) Colorado cities and counties may establish sister city/region relationships with communities in Global Partner jurisdictions.

(b) State support available for: - Initial partnership development - Cultural exchange programs - Economic development missions - Youth exchange programs

(c) Priority given to partnerships that support CESA program goals.

23.5 Exchange Programs

(a) Professional Exchange

- Government officials exchange to learn best practices
- 2-4 week placements
- Focus areas: healthcare, worker protection, innovation, emergency management

(b) Student Exchange

- University semester exchanges with partner institutions
- High school summer programs
- Vocational training partnerships

(c) Business Exchange

- Trade missions to partner regions
- Investment matchmaking
- Joint venture support
- Market entry assistance

(d) Cultural Exchange

- Arts and cultural programming

- Sports exchanges
- Tourism promotion
- Heritage preservation

23.6 Economic Benefits

(a) Trade Facilitation: - Reduced barriers for partner region businesses - Fast-track business registration for partner companies - Joint marketing initiatives

(b) Investment Attraction: - Partner region investors receive Colorado Qualified Business fast-track - Joint investment funds for shared priorities - Real estate investment streamlining

(c) Tourism: - Joint tourism marketing - Package travel programs - Reciprocal tourism promotion

23.7 Governance

(a) Colorado Global Partnership Office: - Housed within CESA - Director appointed by CESA Director - Staff as needed for partnership management

(b) Partnership Advisory Council: - Representatives from each partner region - Meets annually (alternating locations) - Reviews partnership progress - Recommends new initiatives

23.8 Budget

Estimated Annual Cost: \$5-10 million

SECTION 24: COLORADO WHISTLEBLOWER PROTECTION ACT (NEW in v5.0)

24.1 Purpose

This Section establishes comprehensive protections for individuals who report wrongdoing in good faith, ensuring that those who speak up to protect the public interest are protected from retaliation.

24.2 Protected Disclosures

Disclosures are protected when made in good faith regarding:

(a) AI Safety Concerns: - AI systems causing or likely to cause harm - Violations of AI Worker Protection requirements (Section 4) - AI bias or discrimination - Unsafe AI deployment

- (b) CESA Program Fraud:** - False claims for benefits - Misuse of program funds - Fraudulent enrollment - Provider fraud - Contractor fraud
- (c) Tax Evasion:** - Failure to pay required contributions - False reporting of income or payroll - Evasion of Health-Impact Food Taxes - Evasion of AI Displacement Fund contributions
- (d) Public Safety:** - Environmental violations - Workplace safety hazards - Consumer protection violations - Healthcare quality issues
- (e) Government Misconduct:** - Corruption or bribery - Misuse of public funds - Abuse of power - Retaliation against other whistleblowers

24.3 Reporting Channels

- (a) Internal Reporting:** - To employer, supervisor, or compliance officer - Protected even if issue is later found unsubstantiated
- (b) External Reporting:** - CESA Fraud Hotline - Colorado Services Portal (Section 19.8) - Colorado Attorney General - Appropriate regulatory agency - Law enforcement
- (c) Public Disclosure:** - To media or public - Protected when internal/external channels exhausted or ineffective - Protected when imminent public danger exists

24.4 Prohibited Retaliation

Employers and others may NOT take any adverse action against whistleblowers, including:

- (a) Employment Actions:** - Termination or demotion - Reduction in pay or hours - Transfer or reassignment - Denial of promotion - Negative performance reviews - Harassment or hostile work environment
- (b) Other Retaliation:** - Blacklisting in industry - Threats or intimidation - Legal action designed to silence - Interference with future employment - Retaliation against family members

24.5 Remedies

Whistleblowers who experience retaliation may seek:

- (a) Employment Remedies:** - Reinstatement - Back pay with interest - Restoration of benefits - Removal of negative records
- (b) Compensatory Damages:** - Emotional distress - Reputational harm - Out-of-pocket expenses
- (c) Punitive Damages:** - Up to 3x actual damages for willful retaliation
- (d) Attorney's Fees:** - Reasonable attorney's fees for prevailing plaintiffs

24.6 Whistleblower Rewards

- (a) AI Safety Rewards:** - 10-15% of penalties collected (up to \$250,000) - For reports leading to successful enforcement
- (b) Fraud Recovery Rewards:** - 15-25% of recovered funds (up to \$500,000) - For reports leading to fraud recovery
- (c) Tax Evasion Rewards:** - 15-30% of recovered taxes (up to \$500,000) - For reports leading to collection

24.7 Confidentiality

- (a)** Whistleblower identity confidential unless: - Whistleblower consents to disclosure - Disclosure required by court order - Disclosure necessary for investigation with whistleblower's knowledge
- (b)** Anonymous reporting protected.
- (c)** Retaliation for suspected whistleblowing is prohibited even if identity unconfirmed.

24.8 Anti-Retaliation Enforcement

- (a) CESA Authority:** - Investigate retaliation complaints - Order remedial action - Impose civil penalties
- (b) Criminal Penalties:** - Retaliation against whistleblowers is a Class 6 felony - Additional penalties if retaliation involves threats or violence
- (c) Civil Action:** - Private right of action in state court - 3-year statute of limitations - Jury trial available

24.9 Budget

Included in CESA Administration budget

SECTION 25: AI INDUSTRY REQUIREMENTS (NEW in v5.0)

25.1 Purpose

This Section establishes requirements for AI companies operating in Colorado, ensuring they contribute fairly to the state's economic security while enabling continued innovation and growth.

25.2 Energy Contribution Requirement

(a) Base Requirement: AI companies with significant computational operations in Colorado shall contribute to Colorado's clean energy infrastructure.

(b) Contribution Rate: 35% of company's Colorado energy consumption shall be offset through: - Direct investment in Colorado renewable energy - Purchase of Colorado renewable energy credits - On-site renewable generation - Payment to Colorado Clean Energy Fund

(c) Annual Review: The 35% rate shall be reviewed annually by CESA and may be adjusted based on: - Grid capacity and renewable availability - Industry competitiveness - Technology efficiency improvements - Environmental impact data

(d) Adjustment Range: Rate may be adjusted up or down by up to 5 percentage points annually, with 30-60% total range.

25.3 Automation Intensity Tax

(a) Purpose: Ensure highly automated companies contribute fairly to worker support programs.

(b) Calculation: Companies with automation intensity above industry baseline pay additional contribution to AI Displacement Fund.

(c) Automation Intensity Defined: - Revenue per employee compared to industry average - Companies with 200%+ of industry average revenue/employee pay additional 0.5-1% of Colorado revenue

(d) Exemptions: - First 3 years of operation - Companies with fewer than 50 employees - Companies already paying significant AI Displacement payments

25.4 Community Benefits Requirements

AI companies receiving state support must provide community benefits:

(a) Workforce Development: - Internship programs for Colorado students - Training partnerships with Colorado institutions - Job shadowing opportunities

(b) Local Engagement: - Participation in community advisory processes - Support for local STEM education - Sponsorship of innovation events

(c) Transparency: - Annual public report on AI deployment - Disclosure of significant AI decision systems - Participation in bias auditing programs

25.5 Tiered Requirements by Company Size

Company Size	Energy Contribution	Automation Tax	Community Benefits
Small (<50	25%	Exempt	Voluntary

employees)			
Medium (50-500)	35%	If applicable	Required
Large (500+)	35%	If applicable	Enhanced required
Major (1000+)	35% + infrastructure	If applicable	Comprehensive required

25.6 Compliance and Enforcement

- (a) Registration:** - AI companies register with CESA - Annual compliance certification - Reporting on energy use and workforce
- (b) Audits:** - CESA may audit company records - Third-party verification available
- (c) Penalties:** - Non-compliance penalties up to 200% of avoided contribution - Disqualification from state contracts - Loss of fast-track permitting benefits

25.7 Safe Harbor

Companies demonstrating good-faith compliance efforts receive:

- Warning before penalties
- 90-day cure period for technical violations
- Reduced penalties for self-reported issues

25.8 Budget

Revenue from automation intensity tax: ~\$20-30 million annually

Administration: Included in CESA budget

SECTION 26: COMMUNITY BUSINESS CERTIFICATION (NEW in v5.0)

26.1 Purpose

This Section establishes a certification program recognizing businesses that demonstrate exceptional commitment to their employees, communities, and Colorado values.

26.2 Qualification Criteria

To receive Community Business Certification, a business must meet **at least 4** of the following criteria:

- (a) Family-Friendly Workplace:** - Paid parental leave (minimum 8 weeks) - Flexible scheduling for parents - On-site or subsidized childcare - Family emergency leave policy

(b) Living Wage Employer: - All employees paid at least 150% of minimum wage - Regular wage increases tied to cost of living - Transparent pay scales

(c) Diverse Leadership: - Women and/or minorities in 30%+ of leadership positions - Active diversity recruitment program - Inclusive workplace policies - Pay equity auditing

(d) Environmental Stewardship: - Carbon footprint reduction plan - Recycling and waste reduction program (Section 29 compliance) - Sustainable sourcing policies - Green building or retrofit commitment

(e) Employee Ownership: - Employee stock ownership plan (ESOP) - Profit sharing program (minimum 5% of profits) - Worker cooperative structure - Employee representation on board

(f) Community Investment: - Local charitable giving (minimum 1% of profits) - Employee volunteer program - Sponsorship of community events - Partnerships with local schools

(g) Veteran Employer: - Veterans comprise 10%+ of workforce - Veteran hiring preference program - Military spouse support program - Partnership with veteran service organizations

(h) Disability Inclusive: - Exceeds ADA requirements - Active disability hiring program - Accessible facilities and technology - Partnership with disability service organizations

(i) Second Chance Employer: - Hires individuals with criminal records - Provides support for reentry - Partners with reentry programs - Fair chance hiring policies

(j) Apprenticeship Provider: - Registered apprenticeship program - Partnership with trade schools - Career pathway development - Youth employment programs

26.3 Certification Benefits

(a) Tax Benefits

Criteria Met	Tax Benefit
4 criteria	5% reduction in state business taxes
6 criteria	10% reduction
8+ criteria	15% reduction

(b) Contract Preference

- 5% bid preference on state contracts
- Priority for local government contracts
- Preferred vendor status

(c) Marketing Benefits

- “Colorado Community Business” certification mark
- Listing on state business directory
- Recognition at annual awards event

- Marketing support from state tourism office

(d) Regulatory Benefits

- Expedited permit processing
- Reduced inspection frequency (good compliance history)
- Priority technical assistance

26.4 Certification Process

(a) Application: - Submit documentation of qualifying criteria - Self-certification with supporting evidence - Annual attestation

(b) Verification: - CESA review of documentation - Random audits (10% of certified businesses annually) - Third-party verification available

(c) Duration: - 2-year certification - Renewal with updated documentation - Annual check-in required

26.5 Decertification

(a) Grounds: - Failure to maintain qualifying criteria - False statements in application - Serious violations of employment law - Fraud or misconduct

(b) Process: - Notice and opportunity to cure - Hearing if contested - Appeal rights

(c) Consequences: - Loss of all certification benefits - Repayment of tax benefits (fraud cases) - 2-year bar from recertification

26.6 Budget

Estimated Annual Cost: \$5-10 million (tax expenditure)

Administration: Included in CESA budget

SECTION 27: CESA EVOLUTION AND PUBLIC ENGAGEMENT (NEW in v5.0)

27.1 Purpose

This Section establishes mechanisms for CESA to evolve over time based on experience, changing conditions, and public input, while protecting core principles through constitutional safeguards.

27.2 Designed Fluidity

(a) Legislative Intent: CESA is designed to be a living framework that adapts to: - New challenges and opportunities - Lessons learned from implementation - Changing economic conditions - Technological developments - Public preferences

(b) Regular Review: Every 5 years, CESA shall undergo comprehensive review and potential update by the Legislature.

27.3 Amendment Categories

(a) Administrative Amendments

Changes to implementation details, timelines, and procedures: - May be made by CESA Director with Board approval - Subject to public comment period (30 days) - Reported to Legislature

(b) Programmatic Amendments

Changes to program benefits, eligibility, or funding levels: - Require Legislature approval - Subject to public hearing - Take effect next fiscal year

(c) Structural Amendments

Changes to fundamental program structure or new major programs: - Require Legislature approval (60% supermajority) - Subject to extended public comment (90 days) - May require TABOR compliance

(d) Constitutional Core Amendments

Changes to protected principles (Section 31): - **Require 68% supermajority public referendum** - Placed on ballot by Legislature or citizen initiative - Extensive public education campaign required

27.4 Public Engagement Mechanisms

(a) Annual Town Halls: - CESA Director hosts annual town halls in each region - Public input on program performance - Discussion of potential improvements

(b) Online Engagement: - Colorado Services Portal feedback mechanisms - Online surveys and polls - Digital town halls and webinars

(c) Advisory Committees: - Citizen advisory committees for major programs - Stakeholder input on technical issues - Regular reports to CESA Director

(d) Youth Engagement: - Student advisory council - Youth input on education and innovation programs - Internship and fellowship opportunities

27.5 Citizen Initiative

- (a)** Citizens may propose CESA amendments through petition: - 3% of registered voters for ballot measure - 1% for Legislative consideration
- (b)** Citizen-initiated Constitutional Core amendments require same 68% supermajority approval as Legislature-initiated amendments.

27.6 Public Education

Before any Constitutional Core referendum:

- (a)** State shall provide: - Neutral explanation of proposed change - Arguments for and against - Fiscal impact analysis - Implementation analysis
- (b)** Minimum 60 days between publication and election.
- (c)** Multiple language versions.

27.7 Sunset Review

- (a)** Every CESA program subject to sunset review every 10 years.
- (b)** Review includes: - Effectiveness evaluation - Cost-benefit analysis - Stakeholder input - Recommendations for continuation, modification, or termination
- (c)** Programs continue unless Legislature acts to terminate or modify.
- (d)** Constitutional Core programs cannot be terminated through sunset - only modified.

SECTION 28: COLORADO CULINARY AND DINING INITIATIVE (NEW in v5.0)

28.1 Purpose

This Section supports Colorado's restaurant industry, promotes culinary excellence, and enhances the dining experience for residents and visitors.

28.2 Sales Tax Elimination for Sit-Down Dining

- (a) Tax Exemption:** State sales tax is hereby **eliminated** for prepared food consumed on-premises at restaurants providing table service.
- (b) Qualifying Establishments:** - Full-service restaurants with wait staff - Sit-down cafes and diners - Hotel restaurants - Winery and brewery tasting rooms with food service - Establishments where customers are seated and served

(c) Non-Qualifying (Standard Tax Applies): - Takeout and to-go orders - Drive-through purchases - Fast food establishments (primarily counter service) - Food trucks (unless operating with seating area) - Delivery orders

(d) Hybrid Establishments: - Tax applies to takeout/delivery portion - No tax on dine-in portion - Point-of-sale systems must track separately

28.3 Economic Rationale

(a) Sit-down dining: - Creates more jobs per dollar of revenue - Provides higher-wage employment (tips + wages) - Supports local supply chains - Contributes to community gathering spaces - Generates tourism revenue

(b) Tax elimination encourages: - More frequent dining out - Higher spending per visit - Restaurant industry growth - Job creation in hospitality

28.4 Culinary Exchange Program

(a) Global Partner Exchanges: Chef and hospitality professional exchanges with Global Partner regions (Section 23).

(b) Queensland Inaugural Exchange: - Annual chef exchange with Queensland - Cross-promotion of regional cuisines - Joint culinary events - Hospitality training partnerships

(c) Support for Participants: - Travel and housing stipends - Visa assistance - Marketing support - Recognition events

28.5 Colorado Culinary Trail

(a) Designation of culinary trails highlighting Colorado cuisine: - Mountain regions - Plains agriculture - Urban food scenes - Wine and craft beverage routes

(b) Marketing and promotion through Colorado Tourism Office.

(c) Partnership with local visitor bureaus.

28.6 Farm-to-Table Support

(a) Incentives for restaurants sourcing from Colorado farms: - Marketing recognition - Reduced licensing fees - Priority for state catering contracts

(b) Coordination with Healthy Colorado Food Policy (Section 3.7).

28.7 Budget

Estimated Revenue Impact: -\$50-75 million (tax expenditure)

Program Administration: \$2-3 million annually

Economic Benefit: Estimated \$200+ million in increased dining activity

SECTION 29: COLORADO CIRCULAR ECONOMY ACT (NEW in v5.0)

29.1 Purpose

This Section establishes programs to reduce waste, increase recycling, and create a circular economy where materials are reused and repurposed rather than discarded.

29.2 Food Rescue Program

(a) Establishment: Colorado Food Rescue Network connecting food donors with hunger relief organizations.

(b) Participants: - Restaurants and food service - Grocery stores - Farms and producers - Caterers and event venues - Institutions (hospitals, schools, etc.)

(c) Liability Protection: Good faith food donors protected from liability for donated food.

(d) Tax Benefits: - Enhanced deduction for food donations - Credits for transportation costs - Recognition for significant donors

(e) Distribution: - Partnership with food banks - Connection to Zero Homeless Colorado (Section 8) - School meal supplementation - Senior meal programs

29.3 Comprehensive Recycling Services

(a) Curbside Recycling Expansion: - Statewide minimum recycling standards - Funding for rural recycling programs - Recycling education campaigns

(b) Hard-to-Recycle Items: - State contracts with specialty recyclers (companies like Ridwell) - Collection of items not accepted in curbside programs: - Batteries and electronics - Textiles and clothing - Plastic film and bags - Styrofoam - Light bulbs - Small appliances

(c) Business Recycling: - Commercial recycling requirements (businesses over 50 employees) - Technical assistance for compliance - Recognition program for excellence

29.4 Container Deposit Program

(a) Deposit Amount:

Container Type	Deposit
Beverage containers under 24 oz	\$0.10
Beverage containers 24 oz and over	\$0.15
Wine bottles	\$0.15
Liquor bottles	\$0.25

(b) Redemption Options:

Consumers may redeem deposits through: - Retail reverse vending machines - Designated redemption centers - Curbside pickup programs - **Colorado Benefits Card credit** (optional - Section 19)

(c) Benefits Card Credit Option:

When redeeming containers, consumers may choose to: - Receive cash refund (default) - Credit amount to Colorado Benefits Card personal account - Donate to Circular Economy Fund (supporting recycling programs)

(d) Circular Economy Fund: - Unredeemed deposits - Voluntary donations from card credits - Funds recycling infrastructure expansion - Supports recycling education

29.5 Composting Initiative

(a) Municipal Composting: - Grants for municipal composting programs - Technical assistance for program development - Education and outreach support

(b) Home Composting: - Subsidized compost bins for residents - Education programs - Master composter training

(c) Commercial Composting: - Permits for commercial composting facilities - Compost quality standards - Connection to Colorado agriculture

29.6 Plastic Reduction

(a) Single-Use Plastic Phase-Out: - Timeline for reducing single-use plastics - Alternative material support - Business transition assistance

(b) Plastic Bag Fee: - \$0.10 fee on single-use plastic bags - Revenue to Circular Economy Fund - Exemptions for food safety, medical, produce

29.7 Extended Producer Responsibility

(a) Manufacturers of certain products responsible for end-of-life management: - Electronics - Mattresses - Paint - Batteries - Pharmaceuticals

(b) Product stewardship programs required.

(c) Funding for collection and recycling infrastructure.

29.8 Metrics and Goals

Metric	2030 Goal	2035 Goal
Diversion rate	50%	70%
Food waste reduction	30%	50%
Container redemption	80%	90%
Organic composting	40%	60%

29.9 Budget

Estimated Annual Cost: \$25-40 million

Revenue from deposits/fees: \$30-50 million

Net Revenue: \$5-10 million (or break-even)

SECTION 30: COMMUNITY POLICING STANDARDS (NEW in v5.0)

30.1 Purpose and Intent

This Section establishes a framework for community-oriented policing in Colorado. This Section is **explicitly designed to be fluid** and will evolve based on community input, best practices research, and outcomes data.

30.2 Core Principles

(a) Community Partnership: - Police work with communities, not against them - Regular community engagement required - Community input in policing priorities - Accountability to community

(b) Problem-Solving Orientation: - Focus on underlying causes of crime - Prevention over enforcement where possible - Collaboration with social services - Data-driven approaches

(c) Organizational Transformation: - Training on de-escalation and crisis intervention - Mental health response integration - Continuous improvement culture - Transparency in operations

30.3 Positive Incentive Programs

(a) Community Policing Grants: - Competitive grants for innovative programs - Funding for community engagement initiatives - Support for alternative response models

(b) Training Support: - State funding for de-escalation training - Crisis intervention team development - Community policing certification programs

(c) Recognition Programs: - Annual community policing awards - Best practices sharing - Leadership development for community-oriented officers

30.4 What This Section Does NOT Include

(a) This Section explicitly does NOT include: - Metrics-based funding tied to crime statistics - Penalties for departments - Mandates that override local control - Specific use-of-force policies

(b) These elements may be added in future versions after: - Extensive community engagement - Review of evidence and best practices - Input from law enforcement - Legislative deliberation

30.5 Future Development Process

(a) Within 2 years of CESA implementation, CESA Director shall convene a **Community Policing Standards Commission** including: - Law enforcement representatives - Community advocates - Civil rights organizations - Mental health professionals - Academic researchers - Elected officials

(b) Commission shall recommend: - Enhanced standards (if appropriate) - Accountability measures (if appropriate) - Funding mechanisms - Implementation timelines

(c) Recommendations subject to Legislative approval before implementation.

30.6 Local Control Preserved

(a) Local governments retain authority over: - Hiring and discipline - Department policies - Budget allocation - Community priorities

(b) State role limited to: - Incentives and support - Training resources - Best practices sharing - Voluntary certification programs

30.7 Budget

Estimated Annual Cost: \$15-25 million (grants and training support)

SECTION 31: CESA CONSTITUTIONAL CORE (NEW in v5.0)

31.1 Purpose

This Section establishes the fundamental principles of CESA that are protected from casual legislative change, ensuring that core programs cannot be eliminated without direct approval from the people of Colorado.

31.2 Protected Principles

The following principles are designated as the **CESA Constitutional Core** and may only be modified or eliminated by **68% supermajority public referendum**:

Principle 1: Universal Healthcare

Every Colorado resident has access to comprehensive healthcare through Care Without Fear. Healthcare coverage cannot be denied based on employment status, income, pre-existing conditions, or immigration status.

Principle 2: Worker Protection from AI Displacement

Workers displaced by artificial intelligence or automation receive income support and cannot be abandoned by the companies that displaced them. The basic protection (50% of salary) cannot be reduced below 40%.

Principle 3: Family Security

The Life Security Program provides death benefits to protect families. The program cannot be eliminated, though benefit levels may be adjusted by Legislature.

Principle 4: Housing as Human Right

Zero Homeless Colorado establishes that housing is a human right. The state maintains obligation to provide pathway to housing for all residents. Homelessness cannot be criminalized.

Principle 5: Food Security

Healthy food access programs ensure no Coloradan goes hungry. Programs may be modified but the commitment to food security cannot be eliminated.

Principle 6: Fund Protection

Funds established under this Act are protected from raiding or diversion. Fund integrity provisions (Section 17) cannot be weakened.

Principle 7: Democratic Accountability

The CESA Director is elected by the people. This cannot be changed to appointed position without public vote.

Principle 8: Privacy Protection

Privacy protections in the Colorado Benefits Card and Services Portal cannot be weakened. Data cannot be shared with immigration enforcement or sold to private entities.

Principle 9: Sanctuary Commitment

Colorado's commitment to protecting immigrants from federal overreach (Section 11) cannot be eliminated without public vote.

Principle 10: Tribal Partnership

Sovereign tribal nations are automatic partners in CESA programs. This partnership cannot be revoked unilaterally.

31.3 What Constitutional Core Does NOT Prevent

- (a)** Legislature may still: - Adjust benefit levels within ranges - Modify program details and implementation - Add new programs - Reallocate resources between programs - Update timelines - Respond to fiscal emergencies with temporary adjustments
- (b)** Programs cannot be **completely eliminated** but can be **significantly modified** by Legislature.

31.4 Amendment Process

- (a) Initiation:** - Legislature (60% vote) may place Constitutional Core amendment on ballot - Citizens (5% petition) may place amendment on ballot
- (b) Approval Threshold:** - 68% supermajority of votes cast required - Simple majority turnout required for validity
- (c) Timeline:** - Minimum 6 months between initiation and election - Public education campaign required - Multiple hearing opportunities

31.5 Emergency Provisions

- (a)** In declared state of emergency, Governor may temporarily modify Constitutional Core programs for up to 180 days.
- (b)** Extension beyond 180 days requires Legislative approval.
- (c)** Emergency modifications automatically expire when emergency ends.
- (d)** Emergency provisions cannot be used to permanently eliminate programs.

SECTION 32: STRATEGIC FORESIGHT OFFICE (NEW in v5.0)

32.1 Purpose

This Section establishes an early warning and future planning function to help Colorado anticipate and prepare for emerging challenges and opportunities.

32.2 Establishment

There is hereby established the **Colorado Strategic Foresight Office** within CESA.

32.3 Functions

- (a) Trend Monitoring:** - Track emerging technologies - Monitor economic shifts - Identify demographic changes - Assess climate and environmental trends - Watch geopolitical developments affecting Colorado

(b) Early Warning: - Alert CESA and Legislature to emerging challenges - Identify potential impacts on CESA programs - Recommend proactive responses

(c) Scenario Planning: - Develop multiple future scenarios - Test CESA programs against scenarios - Identify vulnerabilities and opportunities

(d) Research Coordination: - Partner with Colorado universities - Commission targeted research - Synthesize external research findings

32.4 Annual Colorado Futures Report

(a) Content: - Assessment of 5-10 year trends - Emerging challenges and opportunities - Potential impacts on CESA programs - Recommended actions - Scenarios for Colorado's future

(b) Process: - Public input solicited - Expert review panel - Legislative briefing - Public release and discussion

(c) Timeline: - Draft completed by October 1 - Public comment through November 15 - Final report by December 15 - Legislative briefing in January

32.5 Priority Focus Areas

Initial focus areas (subject to evolution):

(a) Technology: - AI and automation advancement - Biotechnology and healthcare - Energy technology - Transportation evolution

(b) Economy: - Industry shifts - Workforce changes - Housing markets - Business climate

(c) Demographics: - Population growth/migration - Aging population - Urbanization patterns - Diversity trends

(d) Environment: - Climate change impacts - Water resources - Natural disasters - Air quality

(e) Governance: - Federal policy changes - Interstate relations - International developments - Democratic institutions

32.6 Staffing

- Director (appointed by CESA Director)
- 3-5 research analysts
- Administrative support
- Fellow/intern positions

32.7 Budget

Estimated Annual Cost: \$2-3 million

SECTION 33: COLORADO INNOVATION DISTRICTS (NEW in v5.0)

33.1 Purpose

This Section establishes designated Innovation Districts across Colorado, creating hubs for industry-specific innovation, entrepreneurship, and economic development.

33.2 Designated Innovation Districts

District 1: Denver Tech Center Innovation District

Location: Denver Tech Center and surrounding area

Focus: Technology, software, cybersecurity, fintech

Anchor Institutions: Tech companies, CU Denver, community colleges

Special Features: - Startup accelerators - Corporate innovation labs - Tech talent pipeline programs - Cybersecurity center of excellence

District 2: Eastern Plains AI Valley

Location: Eastern Colorado, centered near existing spaceport development area

Focus: Artificial intelligence, data centers, aerospace technology

Anchor Institutions: Aerospace companies, research facilities

Special Features: - AI research campus - Data center campus (renewable powered) - Aerospace integration - Rural tech employment hub

District 3: Boulder Creative Arts District

Location: Boulder

Focus: Creative industries, digital media, gaming, entertainment technology

Anchor Institutions: CU Boulder, National Center for Atmospheric Research

Special Features: - Digital arts studios - Gaming development hub - Climate technology innovation - Outdoor industry design center

District 4: Colorado Springs Aerospace District

Location: Colorado Springs

Focus: Aerospace, defense technology, space systems

Anchor Institutions: Air Force Academy, Space Command, defense contractors

Special Features: - Space technology incubator - Defense innovation hub - Veteran entrepreneur programs - Cybersecurity training center

District 5: Fort Collins Clean Energy District

Location: Fort Collins

Focus: Clean energy, sustainability, environmental technology

Anchor Institutions: CSU, National Renewable Energy Laboratory (nearby)

Special Features: - Clean tech accelerator - Sustainability innovation lab - Agricultural technology center - Energy storage research

District 6: Mountain Outdoor Industry District

Location: Summit County/Eagle County corridor

Focus: Outdoor recreation, sustainable tourism, mountain technology

Anchor Institutions: Outdoor industry companies, resort operators

Special Features: - Outdoor gear innovation lab - Sustainable tourism center - Mountain safety technology - Recreation technology testing

District 7: Aurora Bioscience District

Location: Aurora, Fitzsimons campus

Focus: Biotechnology, medical devices, pharmaceutical research

Anchor Institutions: CU Anschutz Medical Campus, Children's Hospital

Special Features: - Medical device incubator - Clinical trial coordination - Biotech manufacturing - Healthcare AI applications

District 8: Eastern Plains Agricultural Innovation District

Location: Eastern Colorado agricultural region

Focus: Agricultural technology, food science, rural innovation

Anchor Institutions: CSU extension, agricultural cooperatives

Special Features: - Precision agriculture center - Food processing innovation - Drought resilience research - Rural broadband hub

33.3 District Benefits

All Innovation Districts receive:

(a) Tax Benefits: - 50% reduction in state business taxes for qualified businesses (first 5 years) - No state sales tax on equipment purchases - Property tax abatement (with local approval)

(b) Infrastructure: - Priority for state infrastructure investment - High-speed broadband - Transportation improvements - Utilities upgrades

(c) Workforce: - Customized training programs - Talent attraction marketing - Housing assistance for workers - Childcare support

(d) Support Services: - Dedicated Colorado Business Success Team liaison - Expedited permitting - Regulatory navigation assistance - Grant application support

33.4 Young Innovator Integration

Each Innovation District shall include: - Young Innovator Program hub (Section 20.5) - Free incubator space for young entrepreneurs - Mentorship matching - Student internship coordination

33.5 Governance

(a) District Advisory Boards: - Local stakeholders - Industry representatives - Community members - Academic partners - CESA representative

(b) Coordination: - CESA Innovation Districts Director - Quarterly coordination meetings - Annual summit of all districts - Shared best practices

33.6 Performance Metrics

Metric	Year 3 Target	Year 5 Target
New businesses	50 per district	150 per district
Jobs created	500 per district	2,000 per district
Investment attracted	\$50M per district	\$200M per district
Patents filed	25 per district	100 per district

33.7 Budget

Estimated Annual Cost: \$75-100 million

Includes: - Tax expenditures: \$40-50 million - Infrastructure investment: \$20-30 million - Program operations: \$15-20 million

APPENDIX A: BUDGET SUMMARY

A.1 Total Annual Revenue

Years 1-2 (Phased Income Tax at 2.2%)

Source	Amount
Income Tax Increase (2.2%)	\$3.7 billion

Source	Amount
Tourism Fees	\$720 million
Business Contributions (2.5% payroll)	\$1.0 billion
Life Security Contributions	\$1.0 billion
Enhanced Liquor Taxes	\$898 million
Cannabis Taxes (Enhanced)	\$600-650 million
Health-Impact Food Taxes (Net)	\$195-290 million
Prosperity Partnership Revenue	\$500-725 million
AI Company Contributions	\$120 million
Container Deposits (net)	\$5-10 million
Other Sources	\$200 million
TOTAL REVENUE (YEARS 1-2)	\$8.94-9.31 billion

Years 3-5 (Phased Income Tax at 2.0%)

Source	Amount
Income Tax Increase (2.0%)	\$3.4 billion
Tourism Fees	\$750 million
Business Contributions	\$1.05 billion
Life Security Contributions	\$1.1 billion
Enhanced Liquor Taxes	\$920 million
Cannabis Taxes	\$650-700 million
Health-Impact Food Taxes (Net)	\$200-300 million
Prosperity Partnership Revenue	\$525-750 million
AI Company Contributions	\$130 million
Container Deposits (net)	\$8-12 million
Other Sources	\$220 million
TOTAL REVENUE (YEARS 3-5)	\$8.96-9.34 billion

Year 6+ (Potential Further Reduction)

Income tax rate subject to evaluation based on: - Economic Resilience Fund reaching \$5B target - Program costs stabilizing - Revenue from other sources growing - Minimum sustainable rate estimated at ~1.57%

A.2 Total Annual Expenditures

Core Programs

Program	Amount
Care Without Fear	\$4.2 billion

Program	Amount
AI Displacement Payments	\$400 million
Life Security Program	\$500 million
Healthy Food Programs	\$210-280 million
Colorado Shield (SDF + Systems)	\$195-215 million
Zero Homeless Colorado	\$300-400 million
Business Energy Subsidies	\$300 million
CRSP & CESA Administration	\$200 million
Economic Resilience Reserves	\$500 million

Supporting Programs

Program	Amount
Colorado Business Success Team	\$25-35 million
Clean Energy Independence	\$150-200 million
Immigration Legal Defense	\$10-15 million
Human Trafficking Enforcement	\$15-20 million
Voting/Democracy Programs	\$5-10 million
Tribal Coordination	\$10-15 million
Education Independence (Phase 1)	\$100-150 million
Prosperity Partnership Benefits	\$10-20 million

NEW Programs (v5.0)

Program	Amount
Global Partnership Program	\$5-10 million
Whistleblower Program	Included in CESA Admin
Community Business Certification	\$5-10 million
Culinary Initiative (tax expenditure)	\$50-75 million
Circular Economy Act	\$25-40 million
Community Policing Standards	\$15-25 million
Strategic Foresight Office	\$2-3 million
Innovation Districts	\$75-100 million
Young Innovator Program	Included in Innovation Districts

Total Expenditures

Category	Amount
Core Programs	\$6.8-7.0 billion
Supporting Programs	\$325-465 million
NEW Programs (v5.0)	\$177-263 million

Category	Amount
TOTAL EXPENDITURES	\$7.3-7.73 billion

A.3 Projected Annual Surplus

Years 1-2

Item	Amount
Total Revenue	\$8.94-9.31 billion
Total Expenditures	\$7.3-7.73 billion
ANNUAL SURPLUS	\$1.21-2.01 billion

Years 3-5

Item	Amount
Total Revenue	\$8.96-9.34 billion
Total Expenditures	\$7.4-7.85 billion
ANNUAL SURPLUS	\$1.11-1.94 billion

A.4 Economic Resilience Fund Projection

Year	Annual Deposit	Fund Balance
Year 1	\$500M + surplus	\$1.0-1.5 billion
Year 2	\$500M + surplus	\$2.0-3.0 billion
Year 3	\$500M + surplus	\$3.0-4.2 billion
Year 4	\$500M + surplus	\$4.0-5.0 billion
Year 5	\$500M + surplus	\$5.0+ billion (TARGET)

A.5 Enhanced Liquor Tax Detail

Tax Rates

Category	Old Rate	New Rate	Increase
Beer (per gallon)	\$0.08	\$0.25	+\$0.17
Wine (per gallon)	\$0.28	\$0.75	+\$0.47
Spirits (per gallon)	\$2.28	\$3.60	+\$1.32
Sales Tax	2.9%	15%	+12.1%

Revenue Calculation

Category	Volume	Rate	Revenue
Beer (excise)	~180M gallons	\$0.25	\$45 million
Wine (excise)	~25M gallons	\$0.75	\$19 million

Category	Volume	Rate	Revenue
Spirits (excise)	~22M gallons	\$3.60	\$79 million
Total Liquor Sales	~\$4.5B	15%	\$675 million
Bars/Restaurant s Liquor	~\$600M	15%	\$80 million
TOTAL			\$898 million

A.6 Revenue by Category (Visual Summary)

CESA Revenue Distribution (Years 1-2)

Income Tax (2.2%)	\$3.70B (40%)
Tourism	\$0.72B (8%)
Business Contributions	\$1.00B (11%)
Life Security	\$1.00B (11%)
Liquor Taxes	\$0.90B (10%)
Cannabis	\$0.63B (7%)
Food Taxes (net)	\$0.24B (3%)
Prosperity Partnership	\$0.61B (7%)
AI Contributions	\$0.12B (1%)
Other	\$0.21B (2%)
TOTAL:	\$9.13B

A.7 Expenditure by Category (Visual Summary)

CESA Expenditure Distribution

Care Without Fear (56%)	\$4.20B
Economic Resilience (7%)	\$0.50B
Life Security (7%)	\$0.50B
AI Displacement (5%)	\$0.40B
Zero Homeless (5%)	\$0.35B
Energy Subsidies (4%)	\$0.30B
Colorado Shield (3%)	\$0.21B
Food Programs (3%)	\$0.25B
Innovation Districts (1%)	\$0.09B
All Other Programs (6%)	\$0.47B

Administration (3%)	\$0.20B
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TOTAL:	\$7.47B
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APPENDIX B: PROGRAM INTEGRATION OVERVIEW

B.1 How All Programs Work Together

CARE WITHOUT FEAR (Healthcare)

- Always available, employed or not
- Removes healthcare from employment link
- Colorado Veterans included (Section 7.7)

AI WORKER PROTECTION SYSTEM

- 50% salary if AI takes your job
- Can work elsewhere + keep AI payments
- Healthcare continues automatically
- Enhanced Life Security for AI-displaced workers

LIFE SECURITY PROGRAM

- Family gets \$50k-\$1.25M when you die
- AI-displaced workers get ENHANCED benefits
- Healthcare continues for survivors
- Accessible via Colorado Benefits Card

HEALTHY FOOD POLICY

- Keeps people healthier (prevention)
- Reduces healthcare costs long-term
- Makes healthy food affordable for all
- Integrated with Colorado Benefits Card

ECONOMIC INDEPENDENCE FRAMEWORK

- State retirement (CRSP)
- Colorado Shield (SDF + monitoring)
- Tourism revenue
- Business incentives
- Economic Resilience Fund (\$5B target by Year 5)

B.2 The Virtuous Cycle

More businesses move
to Colorado

More jobs created

More workers
contributing

More tax revenue

Better programs
and services

Healthier, more
secure population

Lower healthcare
costs

More budget surplus

Can lower taxes or
expand programs

Even MORE attractive
to businesses

(CYCLE REPEATS)

B.3 Colorado Benefits Card Integration

COLORADO BENEFITS CARD

BENEFITS SIDE

- Healthcare
- Life Security
- AI Payments
- SNAP/EBT
- Food Subsidy
- Housing
- Transit

PERSONAL SIDE

- Banking
- Direct Deposit
- Debit Card
- Container
- Deposit
- Credits

Access via: Colorado Services Portal
(Section 19.8)

B.4 Innovation District Network

CESA Innovation Director

Denver Tech
Center
(Tech/Cyber)

Eastern Plains
AI Valley
(AI/Aerospace)

Boulder
Creative Arts
(Digital/
Gaming)

Colorado
Springs
(Aerospace/
Defense)

Fort Collins
Clean Energy
(Renewables/
AgTech)

Mountain
Outdoor
Industry
(Recreation)

Aurora
Bioscience
(Medical/
Biotech)

Eastern Plains
Agricultural
Innovation
(AgTech/Food)

Each District Includes:

- Young Innovator Program Hub
- Business Success Team Liaison
- Tax Benefits & Expedited Permits
- University Partnerships

B.5 Interstate Coordination (Human Trafficking)

COLORADO

Wyoming

Colorado
Shield
Highway
Monitoring

Detection
+
Alert

Utah

Nebraska

Kansas

HOT PURSUIT
(10-mile exception)

Arizona/ New Mexico

Oklahoma

Coordination includes:

- Pre-border alerts (50 miles)
- Real-time handoff protocols
- FBI/HSI/DEA partnerships
- NO ICE COOPERATION

B.6 Summary: What CESA Provides to Each Group

For Workers

Situation	CESA Response
Employed	Healthcare, Life Security, Benefits Card
AI Displaced	50% salary for life + dual income + retraining
Unemployed	Healthcare continues, job assistance
Injured	Care Without Fear + disability support
Death	Life Security pays family \$50K-\$1.25M

For Businesses

Need	CESA Response
Healthcare costs	Eliminated (Care Without Fear)
Workers comp	Eliminated (integrated)
Benefits admin	Eliminated (state handles)
AI adoption	Protected (25% tax credit)
Regulations	Streamlined (Business Success Team)
Energy costs	40% reduction (Clean Energy)
Contracts	Priority for Qualified Businesses

For Families

Concern	CESA Response
Medical bills	None (Care Without Fear)
Food costs	Reduced (healthy food subsidies)
Life insurance	Affordable (Life Security)
Job loss	Safety net continues
Housing	Zero Homeless prevention
Children's future	Education Independence

For Colorado

Goal	CESA Response
Business attraction	20-30% lower costs than CA/NY
Worker protection	Most comprehensive in nation
Federal independence	\$5B Economic Resilience Fund
Innovation leadership	8 Innovation Districts
Environmental	100% renewable by 2040
Public health	Prevention-focused

CONCLUSION

The Colorado Economic Security & AI Workforce Transition Act represents the most comprehensive economic security legislation ever proposed at the state level.

Version 5.0 Enhancements Summary

This version adds: - Colorado Veteran Status for SDF members - Direct Veteran Connection Service
- Accelerated Economic Resilience Fund (\$5B in 5 years) - Energy reserves for critical infrastructure - Colorado Global Partnership Program (Queensland inaugural) - Comprehensive Whistleblower Protections - AI Industry Requirements (35% energy, reviewed annually) - Community Business Certification - CESA Evolution and Public Engagement - Culinary and Dining Initiative (no tax on sit-down) - Circular Economy Act (deposits, food rescue, recycling) - Community Policing Standards (fluid framework) - CESA Constitutional Core (68% supermajority protection) - Strategic Foresight Office - 8 Innovation Districts statewide - Young Innovator Program - Container deposit card credit option - Public issue reporting feature

This Act Addresses:

- Healthcare for everyone
- Workers protected from AI displacement
- Families protected from financial devastation
- Homelessness eliminated
- Businesses thriving with lower costs
- Energy independence
- Education freedom
- Immigrants protected
- Voting rights secured
- Human traffickers severely punished
- Tribal sovereignty respected
- Funds protected from corruption
- Veterans honored and supported

Innovation districts driving growth
Circular economy reducing waste
International partnerships expanding
Core principles constitutionally protected

This isn't just a bill. This is Colorado's roadmap to 2035.

Drafted by the Office of maveriQ B Jackson
Colorado Economic Security & AI Workforce Transition Act
Version 5.0 - December 2025

"It doesn't matter where you started, what matters is where you finish and the journey along the way."

— mav QBJ

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