Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Memorandum

October 21, 2026

TO: Interested Persons

FROM: Erin Reynolds, Deputy Fiscal Notes Manager

SUBJECT: Special Purpose Authorities

Overview

This memorandum provides a brief overview of special purpose authorities. A special purpose authority describes any entity that is:

- created in state law to serve a valid public purpose;
- either a political subdivision of the state or an instrumentality of the state;
- not an agency of the state; and
- not subject to administrative direction by any department, commission, bureau, or agency of the state.[1]

Governance

Special purpose authorities are governed by a board of directors, with board membership outlined in each authority's statute. The state legislature has limited oversight of special purpose authorities, but has the ability to change state law to adjust their powers, duties, operations, board composition, and board appointing authorities. The legislature also typically requires performance audits of special purpose authorities.

TABOR Status

The Taxpayer's Bill of Rights (TABOR) requires districts, such as the state and local governments, to receive voter approval prior to increasing taxes, taking on debt, or collecting and spending revenue above TABOR limitations. Because special purpose authorities do not meet TABOR's definition of "district" and are explicitly excluded from the definition of the state, many of the

[1] Section 24-77-102 (15)(a), C.R.S.

restrictions of TABOR do not apply.[2] For example, their revenue does not count toward the state's revenue limit. Further, a special purpose authority can issue debt if permitted in statute and approved by its board.[3]

Applicability of Other State Laws

Employees of special purpose authorities are not part of the state personnel system. However, as political subdivisions of the state, special purpose authorities are permitted to affiliate with the Public Employee's Retirement Association, which is itself a special purpose authority.[4] If noted in statute, special purpose authorities may be considered a state entity for the purposes of the Colorado Governmental Immunity Act.

How Special Purpose Authorities Differ from State Enterprises

Under TABOR, state enterprises are government-owned business whose revenue does not count toward the state's revenue limit if certain requirements are met. Specifically, an enterprise must be authorized to issue its own revenue bonds and receive less than 10 percent of its annual revenue in grants from all Colorado state and local government sources combined.[5] While state enterprises and special purpose authorities have some similarities, they are fundamentally different types of entities.

Creation and Structure

Both state enterprises and special purpose authorities must be created in state law. In the case of enterprises, the legislature can create a new enterprise or designate an existing state program as an enterprise, assuming it meets all the requirements. State enterprises are a unit of state government and exist within a broader state agency or institution, while special purpose authorities are not organized under a state agency, and their employees are not state employees.

TABOR Impacts

Revenue to both enterprises and special purpose authorities does not count toward the state's revenue limit and does not affect the state's TABOR refund obligation when it is over the limit,

[2] Colo. Const. art. X, § 20 (2)(b), and Section 24-77-102 (16)(b)(II), C.R.S.

[3] Lively, Office of Legislative Legal Services, Special Purpose Authorities.

[4] Section 24-51-309, C.R.S.

[5] Colo. Const. art. X, § 20 (2)(d).

because neither is part of the state TABOR district. Enterprises are explicitly excluded from the definition of "district" in TABOR, while the state's TABOR implementation law excludes special purpose authorities from its definition of "state."[6]

Governance, Funding, and Operations

Governance over a special purpose authority is vested in a board of directors, who then typically hire an executitive director or similar person to manage day-to-day operations. Under direction of their board and within their statutory framework, special purpose authorities control their own revenue sources and independently make spending and operational decisions. In some cases, state or local government funding may be provided to a special purpose authority, either as fees for serivces provided, or to support the operations of the authority more generally.

In contrast, state enterprises are businesses owned by the state government. They are operated by state employees and ultimately governed by the state. In most cases, the legislature establishes a board of directors to oversee the enterprise's operations. Depending on how they are structured, state enterprises may also receive administrative direction from department leadership or the Governor. While enterprises necessarily have their own dedicated revenue stream, their funding and operations can be affected by the state legislature through the annual budget process.

Current Special Purpose Authorities

The special purpose authorities listed under Section 24-77-102 (15)(b) are shown in Table 1. Additional special purpose authorities are listed below the table; however, this is likely not an exhaustive list. Contact the author with any updates. A note on appointing authorities: "President" means Senate President and "Speaker" means the Speaker of the House of Representatives.

[6] Colo. Const. art. X, § 20 (2)(b), and Section 24-77-102 (16)(b)(II), C.R.S.

Table 1
Special Purpose Authorities
in Section 24-77-102 (15)(b)

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Building Urgent Infrastructure and Leveraging Dollars (BUILD) Authority 24-117-104 (1), C.R.S.	Established in 2025 to finance critical state infrastructure projects. Funded through bonds, investment proceeds, and lending fees.	The BUILD Authority board consists of 13 members, chaired by the State Treasurer, and composed of representatives from state governments, local government, organized labor, finance, and the private sector. Specifically, the President appoints a representative of a statewide employee organization representing building and construction trade workers. The chair of the Capital Development Committee (CDC) and a member of the CDC who is the longest serving member on the committee and who belongs to the political party other than the party of the chair of the committee are members of the board. The final ten members are appointed by the Governor, State Treasurer, State Architect, and Executive Director of the Colorado Educational and Cultural Facilities Authority.
Colorado Agricultural Development Authority 35-75-104 (1), C.R.S.	Established in 1981 to provide a low-interest loans for beginning farmers to purchase agricultural land and depreciable agricultural property. Funded through bonds, investment proceeds, and lending fees.	The Colorado Agricultural Development Authority board consists of seven members. Three members are appointed by the President, three by the Speaker, and one by the Governor, with consent from the Senate. The Commissioner of Agriculture is an ex-officio member. No more than four members may be of the same political party. Members must be residents of the state, have a knowledge of Colorado agricultural activity, and represent the various agricultural operations and geographical regions of the state.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Colorado Channel Authority 24-49.9-101, C.R.S.	The authority was given control of the newly established Colorado Channel in 2009, in order to support the televising and broadcasting of General Assembly sessions. Funded through the Legislative Department budget, donations, and support from the Open Media Foundation.	The Colorado Channel Authority board consists of nine members. Of those, three members are appointed by the Governor with the consent of the Senate, at least one of whom is a registered voter in this state who is unaffiliated, and at least one of whom has experience in the business operations of broadcast journalism. One member is appointed by each of the following: the Chief Justice of the Supreme Court, the Speaker, the House Minority Leader, the President, and the Senate Minority Leader. One member who has experience in the operation of a business or fundraising for nonprofit organizations, or both, is jointly appointed by the President and the Speaker.
Colorado Disability Funding Authority 8-88-301, C.R.S.	Originally established in 2016 as the Disability Funding Committee, the organization became an authority in 2026. Its mission is to assist individuals with disabilities in obtaining benefits, and, when funding is available, to investigate, fund, and pilot projects or programs to benefit individuals with disabilities, and make grants to support disabled parking education. Funded through the sale of unique license plate numbers and certain historic license plates.	The Disability Funding Authority board consists of 13 members appointed by the Governor. The majority of authority board members are individuals with disabilities, with immediate family members with disabilities, or who are caregivers to a family member with a disability. In making the appointments, the governor shall ensure that the authority board has members with experience in or knowledge of: business and business management; nonprofit entities and managing nonprofit entities; advocacy for individuals with disabilities; the practice of medicine, with experience working with individuals with disabilities; and the practice of law, with experience working with individuals with disabilities. The Governor shall make reasonable efforts to appoint authority board members who reflect the geographic and demographic diversity of the state, including authority board members from rural and urban areas of the state and from diverse socioeconomic statuses and political, racial, ability, and cultural groups.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Colorado Educational and Cultural Facilities Authority 23-15-104 (1), C.R.S.	Established in 1981 as the Colorado Postsecondary Education Facilities Authority, the authority was expanded to support cultural facilities in 1998. It provides low-cost financing for capital projects to further the missions of educational and cultural organizations. Funded through bonds, investment proceeds, and lending fees.	The Educational and Cultural Facilities Authority board consists of seven members appointed by the Governor with the consent of the Senate. Members must be residents of Colorado, and no more than four may be members of the same political party.
Colorado Electric Transmission Authority 40-42-103 (1), C.R.S.	Established in 2021 to support the expansion of electric transmission throughout the state. Funded through bonds, investment proceeds, and lending fees.	The Colorado Electric Transmission Authority board consists of ten members, including two appointed by the Governor with the consent of the Senate; the director of the Colorado Energy Office or their designee; three members appointed by the Speaker; three members appointed by the President; and the authority's executive director or their designee as a nonvoting ex officio member.
Colorado Health Facilities Authority 25-25-104 (1), C.R.S.	Established in 1977 to educate and assist public and nonprofit health institutions in acquiring lower cost capital necessary to the development and maintenance of public health, hospitals, long-term care facilities, physical and mental health care, and related facilities. Funded through bonds, investment proceeds, and lending fees.	The Colorado Health Facilities Authority board consists of seven members appointed by the Governor and confirmed by the Senate. Board members must be state residents. No more than four of the members shall be of the same political party.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Colorado Housing and Finance Authority 29-4-704, C.R.S.	Established in 1973 to finance affordable housing and community development. Funded through bonds, investment proceeds, and lending fees.	The Colorado Housing and Finance Authority board consists of 11 members including the State Auditor; a member of the General Assembly appointed jointly by the Speaker and Senate Majority leader; eight Governor appointees, confirmed by the Senate, including one member experienced in mortgage banking, one member experienced in real estate transactions, and strong consideration given to the appointment of a member trained in architecture and a member trained in city or regional planning; and one executive director of a principal state agency serving at the pleasure of the Governor.
Colorado Water Resources and Power Development Authority 37-95-104 (1), C.R.S.	Established in 2006 to provide low-cost financing to Colorado municipalities and districts for drinking water and water quality programs. The authority also provides loans to smaller municipal governments and special districts to fund the expansion or rehabilitation of existing public water systems in Colorado. Funded through bonds and federal grants.	The Colorado Water Resources and Power Development Authority board consists of nine members. Each board member must represent one of the following areas: 1) Rio Grande drainage basin; 2) North Platte drainage basin; 3) Arkansas drainage basin; 4) South Platte drainage basin outside Denver; 5) the City and County of Denver; 6) Yampa-White drainage basins; 7) Main Colorado drainage basin; 8) Gunnison-Uncompahgre drainage basins; and 9) San Miguel-Dolores-San Juan drainage basins. Appointments must include at least one member experienced in each of the following five areas: water project financing; engineering aspects of water projects; planning and developing water projects; public health issues related to drinking water or water quality matters; and water law. The member from the City and County of Denver must be familiar with its water problems. Members shall be representatives of the water basin from which they are appointed. No more than five members shall be of the same political party. Members are eligible for reappointment.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Court Security Authority 13-1-502 (1), C.R.S.	Established in 2026 to fund security in state and county courts. Collects and distributes a $10 court security surcharge that is applied to certain court filings.	The Court Security Authority board consists of seven members. Two represent a statewide association of county commissioners and are appointed by the Governor; two represent a statewide association of county sheriffs and are appointed by the Governor; two represent the Judicial branch and are appointed by the Chief Justice, at least one of these must be a Chief Judge; and one represents the public and is appointed by the Chief Justice.
Denver Health and Hospital Authority 25-29-103 (1), C.R.S.	Denver Health was founded in 1860, and the authority was established in 1994. Denver Health serves as the safety net hospital providing health care access regardless of ability to pay. Funded through insurance payments, a foundation, the City and County of Denver, and a 0.34% sales tax passed in 2024.	The Denver Health board consists of 11 members appointed by the Mayor of Denver and confirmed by Denver City Council. Board members serve five-year terms and direct Denver Health's activities, which includes financial management; education and quality assurance; and personnel and compensation.
Equal Justice Authority 13-5.7-202, C.R.S.	Established in 2024 to provide grants to fund equal access to legal aid services and to increase efficiency of the court system for all court users. Funded through the equal justice docket fee collected by the Judicial Department on behalf of the authority.	The Equal Justice Authority board consists of seven members. Of these: one member is appointed by each of the following: the Chief Justice, the Attorney General, the Colorado Bar Association, and the Colorado Lawyer Trust Account Foundation. Three members are appointed by the Colorado Access to Justice Commission, at least two of whom are employed by a qualified civil legal aid provider, and at least one of whom is employed by a qualified civil legal aid provider that employs ten or fewer full-time attorneys.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Middle-Income Housing Authority 29-4-1104 (1), C.R.S.	Established in 2022 and currently administered as a pilot program to finance up to 3,500 middle-income housing units. Funded through bonds, investment proceeds, and lending fees.	The Middle-Income Housing Authority board consists of 16 members, 14 of which are appointed by the Governor with the consent of the Senate. The Senate and House Majority Leaders each appoint a nonvoting member from their respective chamber to the board; except that if the majority leaders are from the same political party, then the Senate Majority Leader and House Minority Leader make the appointments. Of the Governor appointees, the members must represent one of the following areas: development of rental housing, real estate transactions; and public finance. The board's membership must include: a director of a local housing authority, an elected county commissioner from a rural county in the state, an elected county commissioner from a county in the state, and a representative from a nonprofit organization that has experience developing middle-income housing. The Governor must also appoint Office of Economic Development director or their appointee and the Division of Housing director or their appointee. When making appointments to the board, reasonable efforts must be made to appoint members that reflect the geographic and demographic diversity of the entire state.
Pinnacol Assurance 8-45-101, C.R.S.	Established in 1987 to operate as a domestic mutual insurance company providing workers' compensation insurance and serving as the insurer of last resort. Funded through premiums.	The Pinnacol Assurance board consists of nine members appointed by the Governor with the consent of the Senate. Four members must be employers whose workers' compensation liability is insured by Pinnacol Assurance, one of whom must be a farmer or rancher; three must be employees of insured employers; and one must have experience in the management and operation of insurance companies, but may not concurrently serve as an owner, a shareholder, an officer, an employee, an agent of, or in any other capacity with any business which competes with Pinnacol Assurance; and one must be experienced in finance or investments, but shall not be an employer insured by Pinnacol Assurance.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Public Employees' Retirement Association 24-51-201 (1), C.R.S.	Established in 1931 to fund a pension system for state and local government employees. Funded through employer and employee contributions, investment proceeds, and direct distributions from the state.	The Public Employee's Retirement Association board consists of 16 members. Of these, 12 are elected by association members and retirees, three are appointed by the Governor, and one is the State Treasurer.
Pueblo Depot Activity Development Authority 29-23-104, C.R.S.	Established in 1994 to develop and fund the reuse of the Pueblo Chemical Depot. Funded through bonds, investment proceeds, and lending fees.	The Pueblo Depot Activity Development Authority board consists of three members appointed by the Pueblo County Board of County Commissioners, three members appointed by the Pueblo City Council, and one jointly appointed by these entities.
Statewide Internet Portal Authority 24-37.7-102, C.R.S.	Established in 2004 to streamline technology procurement and contracting for Colorado governments. Funded through partnerships with technology partners, and through the sale of licenses and professional services.	The Statewide Internet Portal Authority board consists of 15 voting members. The Governor appoints eight members including one member from the Governor's Office and three members who are executive directors from principal state agencies. The Governor also appoints, and the Senate confirms, three members from the private sector with a background in information management and technology and one member representing local government. In addition, one member is appointed by the Chief Justice to represent the Judicial Department; four legislators are appointed by the President, the Speaker, the Senate Minority Leader, and the House Minority Leader. The Secretary of State is also a member. The Chief Information Officer of the Office of Information Technology serves as an ex officio voting member.
University of Colorado Hospital Authority 23-21-503 (1), C.R.S.	Established in 1991 to fund an academic state hospital. Funded through hospital fees.	The University of Colorado Hospital Authority board consists of 11 members appointed by the University of Colorado regents. Eight must represent each state congressional district and require Senate confirmation. The remaining three members are at-large. At least one board member is required to reside west of the continental divide, and no more than one-third of the board may consist of university or authority employees.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Venture Capital Authority 24-46-202, C.R.S.	Established in 2026 to provide low-cost financing to Colorado-based companies, particularly those in key industries that are expanding in the state. Funded through bonds, investment proceeds, and lending fees.	The Venture Capital Authority board consists of nine members, five of whom are appointed by the Governor, two by the President, and two by the Speaker. Board members must be Colorado residents with experience in venture capital, investment banking, institutional investment, fund management, or banking. A board member shall not have a business relationship with a current or proposed fund manager in the previous three years or for at least three years after an allocation of certified capital.

Compiled by Legislative Council Staff.

Table 2
Other Special Purpose Authorities
Established Outside of Section 24-77-102 (15)(b)

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Colorado Beef Council Authority Section 35-57-104, C.R.S.	Originally established in 1965, the council became an authority in 1993. Its purpose is to conduct scientific research on beef and beef products, study state and federal legislation affecting the beef industry, and promote Colorado beef through market development. Funded through the $1 per head beef checkoff assessment on all cattle sold in the state.	The Colorado Beef Council Authority board consists of eight members appointed by the Governor. Members must include: two individuals who raise, breed, or grow cattle or calves for beef production; two individuals who are actively engaged in the business of feeding cattle and operating a feedlot; two individuals actively engaged in the processing, slaughtering, handling, or marketing of beef; one individual engaged in the production, on a dairy farm, of fluid milk and the selling of dairy cattle for beef; and one individual engaged in the processing and distribution of beef or beef products. The Governor is required to consider nominations and recommendations made by organizations representing or engaged in the industry.
Colorado Energy Research Authority Section 24-47.5-101, C.R.S.	Established in 2006 to direct the allocation of state matching funds for federal energy research to support the Colorado Energy Research Collaboratory.	The board—currently on hiatus—consists of three members appointed by the Governor, with the consent of the senate, plus four ex officio members: the Presidents of the Colorado School of Mines and Colorado State University, the Chancellor of the University of Colorado at Boulder, and the Director of the National Renewable Energy Laboratory, or their designees.
Colorado Health Benefit Exchange (Connect for Health Colorado) Section 10-22-104, C.R.S.	Established in 2011 to create a health insurance marketplace in connection with the Affordable Care Act, and to offer free enrollment assistance. Funded through issuer fees and grant funding.	The Connect for Health Colorado board consists of 12 members, including three ex officio and non-voting members representing the executive branch. Of the voting members, the Governor appoints five members, with no more than three members from the same political party. The remaining four members are appointed by the President, Senate Minority Leader, Speaker, and House Minority Leader respectively.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Colorado Higher Education Competitive Research Authority Section 23-19.7-103, C.R.S.	Established in 2007 to direct the allocation of state matching funds for federally sponsored research projects in institutions of higher education. Funded through appropriations to the Innovative Higher Education Research Fund.	The Colorado Higher Education Competitive Research Authority board consists of five members, including one member appointed by the Governor and confirmed by the Senate, and four ex officio members. The ex officio members include the Chancellor of the University of Colorado, the Presidents of the Colorado School of Mines, Colorado State University, and the University of Northern Colorado, or their designees.
Colorado Horse Development Authority Section 35-57.8-103, C.R.S.	Established in 1998 to encourage the promotion of horses in Colorado. Funded through a fee on brand inspections and a Support the Horse license plate.	The Colorado Horse Development Authority board consists of 14 members appointed by the Commissioner of Agriculture. Members include: five representatives of five different horse organizations in this state; one representative of a state horse show association; one representative of a state veterinary association; one representative of a university equine extension service; two representatives of an organization that operates statewide to promote and protect the interests of horses and that represents all types of horse uses and horse breeds; and four representatives of horse industry support services. Of the members, at least two are required to be from the western slope.
Colorado Pet Overpopulation Authority Section 42-3-234 (7)(a), C.R.S.	Established in 2001 to award grants to animal care and control organizations, pet rescues, veterinarians, and local communities to curb pet overpopulation in Colorado and to educate the public about the importance of controlling pet overpopulation. Funded through Adopt a Shelter Pet license plate fees and donations.	The Colorado Pet Overpopulation Authority board consists of 11 members appointed by the Commissioner of Agriculture. Members include one representative from each of the following: the Animal Assistance Foundation or successor organization; an animal shelter; a state veterinary medical association; a state animal control agency; the Department of Agriculture; a pet animal rescue; the public who has an interest in animal welfare who is not a member of a board of any animal welfare organization; and one pet animal facility located in a county with a population of fifty thousand or less. One member each must be from western, southern, and eastern Colorado and represent an animal rescue or be a veterinary professional registered with the state board of veterinary medicine.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Colorado New Energy Improvement District Section 32-20-104, C.R.S.	Established in 2010 to administer the Colorado Commercial Property Assessed Clean Energy (C-PACE) program which provides financing for commercial, industrial, multifamily, and agricultural property owners' cost to make eligible energy efficiency improvements. Funded through bonds, investment proceeds, and lending fees.	The Colorado New Energy Improvement District board consists of seven members including the director of the Office of Economic Development, or their designee, and six Governor appointees. Governor appointees include one member who has executive-level experience in commercial or residential real estate development; two members who each have at least 10 years of executive-level experience with one or more financial institutions, at least one of whom has had such experience with one or more financial institutions having total assets of less than one billion dollars; one member who has executive-level experience in the utility industry; one member who represents the energy efficiency industry; and one member who represents the renewable energy industry.
Colorado Sheep and Wool Authority Section 35-57.5-104, C.R.S.	Established in 1993 as a promotion, education, research, and information program for the advancement of the Colorado sheep industry. Funded through a per head fee assessment on sheep.	The Colorado Sheep and Wool Authority board consists of twelve members (and twelve alternates) appointed by the Commissioner of Agriculture. Of the twelve, four represent agricultural districts outlined in statute; two are at-large members engaged in the commercial feeding of sheep; and six are at-large members engaged in sheep production or commercial feeding. Appointments must ensure that the number of feeders and producers on the board reflects the percentage of fees paid by each group.
Fire and Police Pension Association of Colorado Section 31-31-201, C.R.S.	Established in 1980 to administer retirement and disability benefits for police officers and firefighters through the state. Funded through employer and employee contributions and investment proceeds.	The Fire and Police Pension Association board consists of nine members who are appointed by the Governor and confirmed by the Senate. Of these, two represent municipal employers; one represents full-time paid firefighters; one represents full-time paid police officers; one alternates between a retired police officer and a retired firefighter; one represents special districts; and three members are from the financial or business community with experience in investments, insurance disability claims, and personnel or corporate administration, respectively.

Authority Name and Governing Statute	Year Established, Primary Purpose and Funding Source(s)	Board Composition and Appointing Authority
Great Outdoors Colorado Colo. Const. art. XVII	Established in 1993, through a citizen-initiated ballot measure, to preserve and enhance the state's parks, trails, wildlife, rivers, and open spaces through grants to local governments and land trusts and investments through Colorado Parks and Wildlife. Funded through Colorado Lottery proceeds and investment revenue.	The Great Outdoors Colorado board consists of 19 members who are appointed by the Governor and confirmed by the Senate. The board must include two representatives from each of Colorado's eight congressional districts, and no two members may be from the same political party in a district. Additionally, one board member must represent agricultural interests and two board members must live west of the Continental Divide. The executive director of the Colorado Department of Natural Resources and two representatives from the Colorado Parks and Wildlife Commission are also members.

Compiled by Legislative Council Staff. This table may not provide an exhaustive list of special purpose authorities.