

1 Amend printed bill, page 2, before line 9 insert:

2 **"SECTION 2.** In Colorado Revised Statutes, **add 22-30.5-404.5**
3 as follows:

4 **22-30.5-404.5. Discretionary inclusion of institute charter**
5 **schools in district bond elections - authority - security - legislative**
6 **intent.** (1) IN ENACTING THIS SECTION, IT IS THE INTENT OF THE GENERAL
7 ASSEMBLY TO RESPECT THE PRINCIPLE OF SCHOOL DISTRICT LOCAL
8 CONTROL AND TO PERMIT, BUT NOT REQUIRE, SCHOOL DISTRICTS TO ACT
9 IN THEIR SOLE DISCRETION AND BEST INTEREST BY USING THEIR BEST
10 JUDGMENT IN MANAGING THE RELATIONSHIPS, IF ANY, THEY MAINTAIN
11 WITH AN INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE GEOGRAPHIC
12 BOUNDARIES OF THE SCHOOL DISTRICT.

13 (2) A SCHOOL DISTRICT MAY, IN ITS SOLE DISCRETION, ENGAGE IN
14 DISCUSSIONS WITH AN INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE
15 GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT CONCERNING THE
16 CAPITAL CONSTRUCTION NEEDS OF THE INSTITUTE CHARTER SCHOOL.

17 (3) IN ORDER FOR A SCHOOL DISTRICT TO CONSIDER, IN ITS SOLE
18 DISCRETION, WHETHER TO INCLUDE THE CAPITAL CONSTRUCTION NEEDS
19 OF AN INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE GEOGRAPHIC
20 BOUNDARIES OF THE SCHOOL DISTRICT IN A BALLOT QUESTION PURSUANT
21 TO SUBSECTION (4) OF THIS SECTION, AN INSTITUTE CHARTER SCHOOL
22 MUST SUBMIT A CAPITAL CONSTRUCTION PLAN TO THE BOARD OF
23 EDUCATION IN WHICH IT IS GEOGRAPHICALLY LOCATED. THE CAPITAL
24 CONSTRUCTION PLAN MUST INCLUDE, BUT IS NOT LIMITED TO:

25 (a) REASONS WHY THE INSTITUTE CHARTER SCHOOL CAPITAL
26 CONSTRUCTION MUST BE FINANCED BY BONDED INDEBTEDNESS;

27 (b) A DESCRIPTION OF THE CAPITAL CONSTRUCTION THAT WILL BE
28 FINANCED BY BONDED INDEBTEDNESS;

29 (c) A DESCRIPTION OF THE ARCHITECTURAL, FUNCTIONAL, AND
30 CONSTRUCTION STANDARDS THAT MEET APPLICABLE STATE BUILDING
31 CODE REQUIREMENTS AND THAT WILL BE APPLIED TO EACH FACILITY
32 SUBJECT TO THE CAPITAL CONSTRUCTION PROJECT;

33 (d) AN ESTIMATE OF THE TOTAL COSTS FOR COMPLETING THE
34 CAPITAL CONSTRUCTION THAT WILL BE FINANCED BY THE BONDED
35 INDEBTEDNESS AND, IF ANY MONEY OTHER THAN THE BONDED
36 INDEBTEDNESS PROCEEDS, INCLUDING INVESTMENTS AND INTEREST
37 EARNINGS, WILL BE USED TO FINANCE THE CAPITAL CONSTRUCTION, A
38 BREAKDOWN OF THE MONEY THAT WILL BE USED TO FINANCE THE CAPITAL
39 CONSTRUCTION;

40 (e) AN ESTIMATE OF THE AMOUNT OF TIME NEEDED TO COMPLETE

1 THE CAPITAL CONSTRUCTION PROJECT;

2 (f) A STATEMENT ADDRESSING WHETHER THE CONSTRUCTION OR
3 RENOVATION, PAYMENT OF OVERRUN COSTS, AND OTHER CAPITAL
4 CONSTRUCTION PROJECT ISSUES WILL BE MANAGED BY THE INSTITUTE
5 CHARTER SCHOOL OR THE SCHOOL DISTRICT AND WHETHER COSTS FOR
6 PROJECT MANAGEMENT WILL BE NEGOTIATED BETWEEN THE INSTITUTE
7 CHARTER SCHOOL AND THE SCHOOL DISTRICT;

8 (g) REASONS WHY REVENUE SOURCES OTHER THAN BONDED
9 INDEBTEDNESS ARE INADEQUATE TO FULLY FINANCE THE INSTITUTE
10 CHARTER SCHOOL CAPITAL CONSTRUCTION; AND

11 (h) THE INSTITUTE CHARTER SCHOOL'S PROPOSED METHOD FOR
12 DISBURSEMENT OF ITS SHARE OF THE BONDED INDEBTEDNESS PROCEEDS.

13 (4) A SCHOOL DISTRICT MAY, IN ITS SOLE DISCRETION, INCLUDE
14 THE CAPITAL CONSTRUCTION NEEDS OF AN INSTITUTE CHARTER SCHOOL AS
15 PART OF A BALLOT QUESTION FOR APPROVAL OF BONDED INDEBTEDNESS
16 TO BE SUBMITTED BY THE SCHOOL DISTRICT TO THE VOTERS OF THE
17 DISTRICT.

18 (5) WHEN A SCHOOL DISTRICT, IN ITS SOLE DISCRETION, WANTS TO
19 INCLUDE THE CAPITAL CONSTRUCTION NEEDS OF AN INSTITUTE CHARTER
20 SCHOOL IN A BALLOT QUESTION, THE BOARD OF EDUCATION MUST, PRIOR
21 TO SUBMITTING THE BALLOT QUESTION TO THE VOTERS OF THE SCHOOL
22 DISTRICT, ENTER INTO A WRITTEN AGREEMENT WITH THE INSTITUTE
23 CHARTER SCHOOL THAT INCLUDES:

24 (a) THE PROCESS BY WHICH INVESTMENT AND INTEREST EARNINGS
25 ON BOND INDEBTEDNESS PROCEEDS ARE DISTRIBUTED, AND THE PROCESS
26 BY WHICH THE INVESTMENT AND INTEREST EARNINGS PROCEEDS AND THE
27 BONDED INDEBTEDNESS PROCEEDS ARE RELEASED TO THE INSTITUTE
28 CHARTER SCHOOL, INCLUDING FOR DESIGN, PRE-CONSTRUCTION, AND
29 PROGRESS PAYMENTS;

30 (b) THE ALLOCATION OF INVESTMENT AND INTEREST EARNINGS ON
31 THE BONDED INDEBTEDNESS PROCEEDS, AND THE ALLOCATION OF THE
32 COST OF SUBMISSION OF THE BOND QUESTION TO THE VOTERS, BETWEEN
33 THE SCHOOL DISTRICT AND THE INSTITUTE CHARTER SCHOOL;

34 (c) ALLOCATION OF THE COSTS TO SUBMIT THE BALLOT QUESTION,
35 WHICH MUST BE BORNE BY BOTH THE SCHOOL DISTRICT AND THE
36 INSTITUTE CHARTER SCHOOL IN PROPORTION TO THE RESPECTIVE PORTIONS
37 OF THE TOTAL BONDED INDEBTEDNESS PROCEEDS THAT ARE TO BE
38 RECEIVED, UNLESS THE SCHOOL DISTRICT AND THE INSTITUTE CHARTER
39 SCHOOL AGREE TO A DIFFERENT COST-SHARING AGREEMENT;

40 (d) AN AGREEMENT THAT IF THE INSTITUTE CHARTER SCHOOL'S
41 CHARTER IS REVOKED OR NOT RENEWED, IF THE INSTITUTE CHARTER
42 SCHOOL BECOMES INSOLVENT AND CAN NO LONGER OPERATE AS AN
43 INSTITUTE CHARTER SCHOOL, OR IF THE INSTITUTE CHARTER SCHOOL
44 OTHERWISE CEASES TO OPERATE, THE SCHOOL DISTRICT HAS PRIORITY IN

1 RECOVERING DEBT OVER ALL OTHER DEBTORS FOR COSTS AND PAYMENTS
2 OF ALL OTHER DEBTS SECURED BY THE CAPITAL CONSTRUCTION AND THAT
3 THE OWNERSHIP OF ANY CAPITAL CONSTRUCTION, LAND, OR FACILITIES
4 FINANCED BY THE BONDED INDEBTEDNESS PROCEEDS AUTOMATICALLY
5 REVERTS TO THE SCHOOL DISTRICT. THE SCHOOL DISTRICT MAY RELEASE
6 ITS INTEREST IN PROPERTY, IN ITS SOLE DISCRETION, AFTER THE BOND
7 INDEBTEDNESS PROCEEDS HAVE BEEN REDEEMED.

8 (e) AN AGREEMENT THAT THE INSTITUTE CHARTER SCHOOL SHALL
9 NOT ENCUMBER ANY CAPITAL CONSTRUCTION FINANCED BY BOND
10 INDEBTEDNESS WITH ANY ADDITIONAL DEBT WITHOUT THE EXPRESS
11 APPROVAL OF THE SCHOOL DISTRICT. IF THE SCHOOL DISTRICT DENIES
12 APPROVAL, THE SCHOOL DISTRICT SHALL PROVIDE WRITTEN REASONS FOR
13 THE DENIAL.".

14 Renumber succeeding sections accordingly.

15 Page 3, line 6, strike "OR A MILL LEVY ELECTION" and substitute
16 "CONDUCTED PURSUANT TO SECTION 22-30.5-404.5.".

17 Page 3, strike lines 7 through 17.

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