

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

**REREVISED**

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

LLS NO. 16-0872.01 Brita Darling x2241

**SENATE BILL 16-121**

**SENATE SPONSORSHIP**

**Tate,**

**HOUSE SPONSORSHIP**

**Garnett,**

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**Senate Committees**  
Finance

**House Committees**  
Finance

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**A BILL FOR AN ACT**

101 **CONCERNING THE PERCENTAGE OF TUITION REVENUE THAT AN**  
102 **INSTITUTION OF HIGHER EDUCATION IS AUTHORIZED TO PLEDGE**  
103 **FOR CONTRACTS FOR THE ADVANCEMENT OF MONEY.**

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**Bill Summary**

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

Under current law, a state institution of higher education or group of institutions may pledge up to 10% of tuition revenues of the institution for purposes of entering into contracts for the advancement of money. The bill allows an institution or group of institutions to pledge up to 100% of tuition revenue if the contract for the advancement of money for

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

HOUSE  
3rd Reading Unamended  
March 16, 2016

HOUSE  
Amended 2nd Reading  
March 15, 2016

SENATE  
3rd Reading Unamended  
February 19, 2016

SENATE  
Amended 2nd Reading  
February 18, 2016

which it is pledging tuition is not subject to the higher education revenue bond intercept program and the institution is not a party to any existing contracts for the advancement of money that are subject to the higher education revenue bond intercept program.

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

2 **SECTION 1.** In Colorado Revised Statutes, 23-5-103, **amend** (1)  
3 as follows:

4 **23-5-103. Pledge of income.** (1) (a) The governing board of any  
5 one or more state educational institutions, including, but not limited to,  
6 the state colleges under the control and operation of their respective  
7 boards of trustees, that enters into such a contract for the advancement of  
8 ~~moneys~~ MONEY is authorized, in connection with or as a part of such  
9 contract, to pledge the net income derived or to be derived from such land  
10 or facilities so constructed, acquired, and equipped as security for the  
11 repayment of the ~~moneys~~ MONEY advanced therefor, together with interest  
12 thereon, and for the establishment and maintenance of reserves in  
13 connection therewith; and, for the same purpose, any such governing  
14 board is also authorized, subject to the limitations specified in section  
15 23-5-119.5 (5), to pledge the net income derived or to be derived from  
16 other facilities that are included in a designated enterprise or, if not  
17 included, other facilities that are not acquired and not to be acquired with  
18 ~~moneys~~ MONEY appropriated to the institution by the state of Colorado,  
19 and to pledge the net income, fees, and revenues derived from such  
20 sources, if unpledged, or, if pledged, the net income, fees, and revenues  
21 currently in excess of the amount required to meet principal, interest, and  
22 reserve requirements in connection with outstanding obligations to which  
23 such net income, fees, and revenues have theretofore been pledged.

1 EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (1), a  
2 governing board of an institution or group of institutions designated as an  
3 enterprise pursuant to section 23-5-101.7 that has entered into a contract  
4 for the advancement of money on behalf of such an institution or group  
5 of institutions may pledge up to ten percent of tuition revenues of such an  
6 enterprise, except for general fund ~~moneys~~ MONEY appropriated by the  
7 general assembly, and all or a portion of a facility construction fee that  
8 may be imposed as security for the repayment of the ~~moneys~~ MONEY  
9 advanced pursuant to said contract. The pledge of tuition revenues or the  
10 imposition of a facility construction fee shall include a process for student  
11 input consistent with the institutional plan for student fees adopted by the  
12 governing board of the applicable institution pursuant to section  
13 23-5-119.5.

14 (b) COMMENCING ON AND AFTER THE EFFECTIVE DATE OF THIS  
15 PARAGRAPH (b), A GOVERNING BOARD OF AN INSTITUTION OR GROUP OF  
16 INSTITUTIONS DESIGNATED AS AN ENTERPRISE PURSUANT TO SECTION  
17 23-5-101.7 THAT HAS ENTERED INTO A CONTRACT FOR THE ADVANCEMENT  
18 OF MONEY ON BEHALF OF THE INSTITUTION OR GROUP OF INSTITUTIONS  
19 MAY PLEDGE UP TO ONE HUNDRED PERCENT OF TUITION REVENUES OF THE  
20 ENTERPRISE, EXCEPT FOR GENERAL FUND MONEY APPROPRIATED BY THE  
21 GENERAL ASSEMBLY, IF:

22 (I) THE CONTRACT FOR THE ADVANCEMENT OF MONEY FOR WHICH  
23 THE INSTITUTION IS PLEDGING TUITION REVENUE IS NOT SUBJECT TO THE  
24 HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM SET FORTH IN  
25 SECTION 23-5-139; AND

26 (II) THE INSTITUTION IS NOT A PARTY TO ANY EXISTING CONTRACT  
27 FOR THE ADVANCEMENT OF MONEY ON BEHALF OF THE INSTITUTION OR

1 GROUP OF INSTITUTIONS THAT IS SUBJECT TO THE HIGHER EDUCATION  
2 REVENUE BOND INTERCEPT PROGRAM SET FORTH IN SECTION 23-5-139.

3 **SECTION 2. Safety clause.** The general assembly hereby finds,  
4 determines, and declares that this act is necessary for the immediate  
5 preservation of the public peace, health, and safety.