

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 18-0416.02 Jason Gelender x4330

SENATE BILL 18-001

SENATE SPONSORSHIP

Baumgardner and Cooke, Coram, Crowder, Gardner, Grantham, Hill, Holbert, Lambert, Lundberg, Marble, Neville T., Scott, Sonnenberg, Tate

HOUSE SPONSORSHIP

Buck, Leonard

Senate Committees

Transportation
Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING TRANSPORTATION INFRASTRUCTURE FUNDING, AND, IN**
102 **CONNECTION THEREWITH, REQUIRING THE TRANSPORTATION**
103 **COMMISSION TO SUBMIT A BALLOT QUESTION TO THE VOTERS OF**
104 **THE STATE AT THE NOVEMBER 2018 GENERAL ELECTION,**
105 **WHICH, IF APPROVED, WOULD AUTHORIZE THE STATE, WITH NO**
106 **INCREASE IN ANY TAXES, TO ISSUE ADDITIONAL**
107 **TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE**
108 **PURPOSE OF ADDRESSING CRITICAL PRIORITY TRANSPORTATION**
109 **NEEDS IN THE STATE BY FUNDING TRANSPORTATION PROJECTS;**
110 **WOULD EXCLUDE NOTE PROCEEDS AND INVESTMENT EARNINGS**
111 **ON NOTE PROCEEDS FROM STATE FISCAL YEAR SPENDING**
112 **LIMITS; WOULD REPEAL AN EXISTING REQUIREMENT THAT THE**
113 **STATE TREASURER EXECUTE LEASE-PURCHASE AGREEMENTS**

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

101 **FOR THE PURPOSE OF FUNDING TRANSPORTATION PROJECTS;**
102 **AND WOULD REQUIRE TEN PERCENT OF STATE SALES AND USE**
103 **TAX NET REVENUE TO BE CREDITED TO THE STATE HIGHWAY**
104 **FUND FOR THE PURPOSE OF REPAYING ANY NOTES ISSUED AND**
105 **FUNDING TRANSPORTATION PROJECTS; AND MAKING AN**
106 **APPROPRIATION.**

Bill Summary

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

In 1999, the voters of the state authorized the executive director of the department of transportation (executive director) to issue transportation revenue anticipation notes (TRANs) in a maximum principal amount of \$1.7 billion and with a maximum repayment cost of \$2.3 billion in order to provide financing to accelerate the construction of qualified federal aid transportation projects. The executive director issued the TRANs as authorized, and the TRANs have been fully repaid.

Section 8 of the bill requires the transportation commission (commission) to submit a ballot question to the voters of the state at the November 2018 statewide election, which, if approved:

- ! Would authorize the executive director to issue additional TRANs in a maximum principal amount of \$3.5 billion and with a maximum repayment cost of \$5 billion; and
- ! Would, in conjunction with **sections 3, 4, and 7**, repeal current law, enacted by Senate Bill 17-267, that requires the state treasurer to execute lease-purchase agreements of up to \$1.88 billion for the purpose of funding high-priority qualified federal aid transportation projects.

The additional TRANs must have a maximum repayment term of 20 years, and the certificate, trust indenture, or other instrument authorizing their issuance must provide that the state may pay them in full before the end of the specified payment term without penalty. Additional TRANs must otherwise generally be issued subject to the same requirements and for the same purposes as the original TRANs; except that the commission must pledge to annually allocate from legally available money under its control any money needed for payment of the notes until the notes are fully repaid. **Section 9** requires TRANs proceeds not otherwise pledged for TRANs payments to be credited to the state

highway fund.

On and after July 1, 2018, **section 5** requires 10% of state sales and use tax net revenue to be credited to the state highway fund and used first to make TRANs payments. **Section 6** specifies that state sales and use tax net revenue credited to the state highway fund that is not expended to make TRANs payments and TRANs net proceeds credited to the state highway fund must be used only for qualified federal aid transportation projects that are included in the strategic transportation project investment program of the department of transportation (CDOT) and designated for tier 1 funding as 10-year development program projects on CDOT's development program project list. At least 25% of the TRANs net proceeds must be used for projects in counties with populations of 50,000 or less and at least 10% of the TRANs net proceeds must be used for transit purposes or transit-related capital improvements. **Section 7** requires CDOT to include specified information about the state sales and use tax net revenue and TRANs net proceeds in its annual report to the senate transportation committee and the house transportation and energy committee.

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

2 **SECTION 1. Short title.** The short title of this act is the "Fix
3 Colorado Roads Act".

4 **SECTION 2. Legislative declaration.** (1) The general assembly
5 hereby finds and declares that:

6 (a) Colorado's population is expected to increase to over six
7 million nine hundred thousand in 2030;

8 (b) Population growth has significantly increased traffic and
9 congestion and will continue to do so in the future, causing longer travel
10 times, increasing air pollution, decreasing Coloradans' access to
11 recreational opportunities, and accelerating the deterioration of
12 Colorado's transportation infrastructure;

13 (c) The growth of the economy of the state has prompted new and
14 ever-increasing uses of public highways, roads, and other transportation
15 infrastructure, and the existing transportation infrastructure of the state

1 cannot accommodate such greatly increased uses; and

2 (d) In order to preserve and improve Colorado's economic
3 prosperity and quality of life, it is necessary to develop and maintain a
4 modern, efficient, and cost-effective multimodal transportation system
5 that can move people, goods, and information without undue delays or
6 environmental consequences.

7 (2) The general assembly further finds and declares that:

8 (a) One of the major concerns of the citizens of the state is the
9 ability of the state and local governments to address the long-term
10 transportation infrastructure needs of the state that are critical to the
11 continued growth of the state's economy and the maintenance of citizens'
12 quality of life;

13 (b) The state has significantly decreased its contribution of general
14 state revenues available in recent years to fund critical priority
15 transportation infrastructure needs, and current transportation funding
16 mechanisms do not provide adequate revenues to keep pace with the
17 increasing demands on transportation infrastructure statewide;

18 (c) State and regional economically significant transportation
19 corridors, and their related congestion relief projects, remain unfunded or
20 underfunded while construction costs escalate and congestion worsens;

21 (d) In 1999, the general assembly and the voters of the state
22 approved Referendum A, which authorized the state to issue
23 transportation revenue anticipation notes to accelerate the funding and
24 completion of twenty-eight strategic transportation projects in significant
25 corridors, including the T-REX project, the highly successful expansion
26 and congestion mitigation project for the Interstate 25 corridor in the
27 Denver metropolitan area;

1 (e) The success of the 1999 transportation revenue anticipation
2 notes program shows that leveraging existing revenue is a prudent and
3 cost-effective means to accelerate and deliver large-scale and
4 economically significant transportation projects throughout the state;

5 (f) In 2017, the general assembly enacted Senate Bill 17-267,
6 which:

7 (I) Requires the state, no sooner than July 1, 2018, to enter into
8 lease-purchase agreements for state facilities in order to accelerate the
9 funding of high-priority transportation projects throughout the state; and

10 (II) Significantly increases the amount of money that the state may
11 retain and spend under its fiscal year spending limit;

12 (g) While the lease-purchase agreements required by Senate Bill
13 17-267 will provide some increased funding for transportation, such
14 agreements leverage state capital assets, rather than state revenue, and
15 cost the state more money in borrowing costs than transportation revenue
16 anticipation notes do;

17 (h) It is therefore reasonable, necessary, and appropriate, if
18 required statewide voter approval can be obtained, to use transportation
19 revenue anticipation notes instead of lease-purchase agreements to
20 finance federal aid transportation projects because doing so will generate
21 a larger amount of up-front revenue for the projects and enable the state
22 to design and construct the projects more efficiently;

23 (i) It is the intent of the general assembly to annually appropriate
24 a portion of the additional money that the state may retain and spend
25 under its fiscal year spending limit due to the enactment of Senate Bill
26 17-267 for the purpose of repaying transportation revenue anticipation
27 notes; and

1 (j) The issuance of new transportation revenue anticipation notes
2 in lieu of the execution of lease-purchase agreements will accelerate the
3 funding and efficient completion of a greater number of specific and
4 designated projects throughout the state that the Colorado department of
5 transportation and the transportation planning regions of the state have
6 determined to be of highest priority and economically significant to the
7 state and the regions in which they will be built.

8 **SECTION 3.** In Colorado Revised Statutes, 24-82-1301, **amend**
9 (1)(a) and (1)(b) as follows:

10 **24-82-1301. Legislative declaration.** (1) The general assembly
11 hereby finds and declares that:

12 (a) Due to insufficient funding, necessary high-priority ~~state~~
13 ~~highway projects~~ and state capital construction projects, including
14 projects at state institutions of higher education, in all areas of the state
15 have been delayed, and the state has also delayed critical controlled
16 maintenance and upkeep of state capital assets;

17 (b) By issuing lease-purchase agreements using state buildings as
18 collateral as authorized by this part 13, the state can generate sufficient
19 funds to accelerate the completion of many of the necessary high-priority
20 ~~state highway projects~~ and capital construction projects that have been
21 delayed and better maintain and preserve existing state capital assets;

22 **SECTION 4.** In Colorado Revised Statutes, 24-82-1303, **amend**
23 (2)(a), (2)(b), (2)(d), (3)(a), and (4); and **repeal** (1) as follows:

24 **24-82-1303. Lease-purchase agreements for capital**
25 **construction and transportation projects.** (1) ~~On or before December~~
26 ~~31, 2017, the state architect, the director of the office of state planning~~
27 ~~and budgeting or his or her designee, and the state institutions of higher~~

1 education shall identify and prepare a collaborative list of eligible state
2 facilities that can be collateralized as part of the lease-purchase
3 agreements for capital construction and transportation projects authorized
4 in this part 13. The total current replacement value of the identified
5 buildings must equal at least two billion dollars.

6 (2) (a) Notwithstanding the provisions of sections 24-82-102
7 (1)(b) and 24-82-801, and pursuant to section 24-36-121, ~~no sooner than~~
8 ~~July 1, 2018,~~ DURING THE 2018-19 STATE FISCAL YEAR the state, acting by
9 and through the state treasurer, shall execute lease-purchase agreements,
10 each for no more than twenty years of annual payments, IN THE AMOUNT
11 OF ONE HUNDRED TWENTY MILLION DOLLARS for the projects described in
12 subsection (4) of this section. ~~The state shall execute the lease-purchase~~
13 ~~agreements only in accordance with the following schedule:~~

14 (I) ~~During the 2018-19 state fiscal year, the state shall execute~~
15 ~~lease-purchase agreements in an amount up to five hundred million~~
16 ~~dollars;~~

17 (II) ~~During the 2019-20 state fiscal year, the state shall execute~~
18 ~~lease-purchase agreements in an amount up to five hundred million~~
19 ~~dollars;~~

20 (III) ~~During the 2020-21 state fiscal year, the state shall execute~~
21 ~~lease-purchase agreements in an amount up to five hundred million~~
22 ~~dollars; and~~

23 (IV) ~~During the 2021-22 fiscal year, the state shall execute~~
24 ~~lease-purchase agreements in an amount up to five hundred million~~
25 ~~dollars.~~

26 (b) The anticipated annual state-funded payments for the principal
27 and interest components of the amount payable under all lease-purchase

1 agreements entered into pursuant to subsection (2)(a) of this section shall
2 not exceed ~~one hundred fifty~~ NINE million dollars.

3 (d) Any lease-purchase agreement executed as required by
4 subsection (2)(a) of this section shall provide that all of the obligations of
5 the state under the agreement are subject to the action of the general
6 assembly in annually making money available for all payments
7 thereunder. Payments under any lease-purchase agreement must be made,
8 subject to ~~annual allocation pursuant to section 43-1-113 by the~~
9 ~~transportation commission created in section 43-1-106 (1) or subject to~~
10 annual appropriation by the general assembly, ~~as applicable,~~ from the
11 following sources of money:

12 (I) ~~First, nine million dollars annually, or any lesser amount that~~
13 ~~is sufficient to make each full payment due, shall be paid from the general~~
14 ~~fund or any other legally available source of money for the purpose of~~
15 ~~fully funding the controlled maintenance and capital construction projects~~
16 ~~in the state to be funded with the proceeds of lease-purchase agreements~~
17 ~~as specified in subsection (4)(a) of this section;~~ (4) OF THIS SECTION.

18 (II) ~~Next, fifty million dollars annually, or any lesser amount that~~
19 ~~is sufficient to make each full payment due, shall be paid from any legally~~
20 ~~available money under the control of the transportation commission solely~~
21 ~~for the purpose of allowing the construction, supervision, and~~
22 ~~maintenance of state highways to be funded with the proceeds of~~
23 ~~lease-purchase agreements as specified in subsection (4)(b) of this section~~
24 ~~and section 43-4-206 (1)(b)(V); and~~

25 (III) ~~The remainder of the amount needed, in addition to the~~
26 ~~amounts specified in subsections (2)(d)(I) and (2)(d)(II) of this section,~~
27 ~~to make each full payment due shall be paid from the general fund or any~~

1 ~~other legally available source of money.~~

2 (3) (a) Before executing a lease-purchase agreement required by
3 subsection (2)(a) of this section, in order to protect against future interest
4 rate increases, the state, acting by and through the state treasurer and at
5 the discretion of the state treasurer, may enter into an interest rate
6 exchange agreement pursuant to article 59.3 of title 11. A lease-purchase
7 agreement executed as required by subsection (2)(a) of this section is a
8 proposed public security for the purposes of article 59.3 of title 11. Any
9 payments made by the state under an agreement entered into pursuant to
10 this subsection (3) must be made solely from money made available to the
11 state treasurer from the execution of a lease-purchase agreement or from
12 money described in ~~subsections (2)(d)(I) and (2)(d)(II)~~ SUBSECTION (2)(d)
13 of this section.

14 (4) Proceeds of lease-purchase agreements executed as required
15 by subsection (2)(a) of this section shall be used as follows:

16 ~~(a) (I) The first one hundred twenty million dollars of the proceeds~~
17 ~~of lease-purchase agreements issued during the 2018-19 state fiscal year~~
18 ~~shall be used for controlled maintenance and capital construction projects~~
19 in the state as follows:

20 ~~(A)~~ (a) Thirteen million six thousand eighty-one dollars for level
21 I controlled maintenance;

22 ~~(B)~~ (b) Sixty million six hundred thirty-seven thousand three
23 hundred five dollars for level II controlled maintenance;

24 ~~(C)~~ (c) Forty million two hundred nine thousand five hundred
25 thirty-five dollars for level III controlled maintenance; and

26 ~~(D)~~ (d) The remainder for capital construction projects as
27 prioritized by the capital development committee.

1 ~~(H) The capital development committee shall post the list of~~
2 ~~specific controlled maintenance projects and the cost of each project~~
3 ~~funded pursuant to subsection (4)(a)(I)(A), (4)(a)(I)(B), or (4)(a)(I)(C) of~~
4 ~~this section on its official website no later than May 11, 2017.~~

5 ~~(b) The remainder of the proceeds shall be credited to the state~~
6 ~~highway fund created in section 43-1-219 and used by the department of~~
7 ~~transportation in accordance with section 43-4-206 (1)(b)(V).~~

8 **SECTION 5.** In Colorado Revised Statutes, 39-26-123, **amend**
9 **(3); and add (3.2) as follows:**

10 **39-26-123. Receipts - disposition - transfers of general fund**
11 **surplus - sales tax holding fund - creation - definitions.** (3) For any
12 state fiscal year commencing on or after ~~July 1, 2013~~ JULY 1, 2018, the
13 state treasurer shall credit eighty-five percent of all net revenue
14 ATTRIBUTABLE TO FILING PERIODS COMMENCING ON OR AFTER JULY 1,
15 2018, THAT IS collected under the provisions of this ~~article~~ ARTICLE 26 to
16 the old age pension fund created in section 1 of article XXIV of the state
17 constitution. The state treasurer shall credit ~~to the general fund~~ the
18 remaining fifteen percent of the net revenue ~~less ten million dollars,~~
19 ~~which the state treasurer shall credit~~ AS FOLLOWS:

20 (a) TEN PERCENT OF THE NET REVENUE TO THE STATE HIGHWAY
21 FUND CREATED IN SECTION 43-1-219;

22 (b) FIVE PERCENT OF THE NET REVENUE LESS TEN MILLION
23 DOLLARS TO THE GENERAL FUND; AND

24 (c) TEN MILLION DOLLARS to the older Coloradans cash fund
25 created in section 26-11-205.5 (5). ~~C.R.S.~~

26 (3.2) THE DEPARTMENT OF TRANSPORTATION SHALL EXPEND ANY
27 MONEY CREDITED TO THE STATE HIGHWAY FUND CREATED IN SECTION

1 43-1-219 IN ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION FIRST TO
2 MAKE PAYMENTS ON TRANSPORTATION REVENUE ANTICIPATION NOTES
3 ISSUED PURSUANT TO SECTION 43-4-705 (13)(b). THE DEPARTMENT SHALL
4 EXPEND ANY OF THE MONEY NOT NEEDED TO MAKE PAYMENTS ON
5 TRANSPORTATION REVENUE ANTICIPATION NOTES AS PROVIDED IN SECTION
6 43-1-220.5.

7 **SECTION 6.** In Colorado Revised Statutes, **add** 43-1-220.5 as
8 follows:

9 **43-1-220.5. State highway fund - use of sales and use tax net**
10 **revenue and net proceeds of additional revenue transportation notes.**

11 ALL STATE SALES AND USE TAX NET REVENUE CREDITED TO THE STATE
12 HIGHWAY FUND PURSUANT TO SECTION 39-26-123 (3)(a) THAT IS NOT
13 EXPENDED TO MAKE PAYMENTS ON ADDITIONAL TRANSPORTATION
14 REVENUE ANTICIPATION NOTES ISSUED PURSUANT TO SECTION 43-4-705
15 (13)(b) AS REQUIRED BY SECTION 39-26-123 (3.2) AND ALL NET PROCEEDS
16 OF SUCH ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES
17 CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-714
18 (2) SHALL BE EXPENDED ONLY FOR QUALIFIED FEDERAL AID
19 TRANSPORTATION PROJECTS THAT ARE INCLUDED IN THE STRATEGIC
20 TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT
21 OF TRANSPORTATION AND THAT ARE DESIGNATED FOR TIER 1 FUNDING AS
22 TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S
23 DEVELOPMENT PROGRAM PROJECT LIST, WITH AT LEAST ONE PROJECT
24 BEING LOCATED IN EACH OF THE FIVE TRANSPORTATION REGIONS OF THE
25 STATE DESIGNATED BY THE DEPARTMENT AND AT LEAST TWENTY-FIVE
26 PERCENT OF THE NET PROCEEDS OF TRANSPORTATION REVENUE
27 ANTICIPATION NOTES BEING USED FOR PROJECTS THAT ARE LOCATED IN

1 COUNTIES WITH POPULATIONS OF FIFTY THOUSAND OR LESS AS OF JULY
2 2015 AS REPORTED BY THE STATE DEMOGRAPHY OFFICE OF THE
3 DEPARTMENT OF LOCAL AFFAIRS; EXCEPT THAT SUCH SALES AND USE TAX
4 NET REVENUE MAY ALSO BE EXPENDED FOR MAINTENANCE OF THE STATE
5 HIGHWAY SYSTEM. NO MORE THAN NINETY PERCENT OF THE NET
6 PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES SHALL BE
7 EXPENDED FOR HIGHWAY PURPOSES OR HIGHWAY-RELATED CAPITAL
8 IMPROVEMENTS, AND AT LEAST TEN PERCENT OF THE NET PROCEEDS SHALL
9 BE EXPENDED FOR TRANSIT PURPOSES OR FOR TRANSIT-RELATED CAPITAL
10 IMPROVEMENTS.

11 **SECTION 7. In Colorado Revised Statutes, 43-1-1401, amend**
12 **(2) as follows:**

13 **43-1-1401. Legislative declaration. (2) The general assembly**
14 **intends that this part 14 authorize the department of transportation to**
15 **enter INTO design-build contracts and to use an adjusted score**
16 **design-build selection and procurement process for particular**
17 **transportation projects regardless of the minimum or maximum cost of**
18 **such projects, based on the individual needs and merits of such projects,**
19 **and subject to approval by the transportation commission. The general**
20 **assembly also intends that the department's use of an adjusted score**
21 **design-build contract process shall DOES not prohibit use of the low bid**
22 **process currently used by the department pursuant to part 1 of article 92**
23 **of title 24 and part 14 of article 30 of title 24. C.R.S. THE GENERAL**
24 **ASSEMBLY FURTHER INTENDS THAT WHEN DETERMINING WHETHER TO USE**
25 **THE LOW BID PROCESS OR THE DESIGN-BUILD PROCESS TO CONTRACT FOR**
26 **A PROJECT THE DEPARTMENT STRONGLY CONSIDER THE EXTENT TO WHICH**
27 **USE OF THE DESIGN-BUILD PROCESS IS LIKELY, BY EXCLUDING**

1 CONTRACTORS THAT LACK THE CAPABILITY OR SIZE TO DO BOTH THE
2 DESIGN AND CONSTRUCTION WORK FOR THE PROJECT, TO REDUCE
3 COMPETITION IN BIDDING FOR THE CONTRACT, INCREASE THE TOTAL COSTS
4 TO THE STATE OF DESIGNING AND BUILDING THE PROJECT, OR BOTH.

5 **SECTION 8.** In Colorado Revised Statutes, 43-4-206, **amend** (1)
6 introductory portion, (1)(b)(V), (2)(b) introductory portion, (2)(b)(III),
7 and (2)(b)(IV) as follows:

8 **43-4-206. State allocation.** (1) Except as otherwise provided in
9 ~~subsections (1)(a)(V)~~, SUBSECTIONS (1)(b)(V), (2), and (3) of this section,
10 after paying the costs of the Colorado state patrol and any other costs of
11 the department, exclusive of highway construction, highway
12 improvements, or highway maintenance, that are appropriated by the
13 general assembly, money in the highway users tax fund shall be paid to
14 the state highway fund and expended for the following purposes:

15 (b) Except as otherwise provided in subsection (2) of this section,
16 all money in the state highway fund not required for the creation,
17 maintenance, and application of the highway anticipation or sinking fund
18 and all money in the state highway supplementary fund are available to
19 pay for:

20 (V) The construction, reconstruction, repairs, improvement,
21 planning, supervision, and maintenance of the state highway system and
22 other public highways, including any county and municipal roads and
23 highways, together with the acquisition of rights-of-way and access rights
24 for the same. ~~Any proceeds of lease-purchase agreements executed as~~
25 ~~required by section 24-82-1303 (2)(a) that are credited to the state~~
26 ~~highway fund pursuant to section 24-82-1303 (4)(b) shall be used only for~~
27 ~~qualified federal aid highway projects that are included in the strategic~~

1 ~~transportation project investment program of the department of~~
2 ~~transportation and that are designated for tier 1 funding as ten-year~~
3 ~~development program projects on the department's development program~~
4 ~~project list, with at least twenty-five percent of the money being used for~~
5 ~~projects that are located in counties with populations of fifty thousand or~~
6 ~~less as of July 2015 as reported by the state demography office of the~~
7 ~~department of local affairs. No more than ninety percent of the proceeds~~
8 ~~shall be expended for highway purposes or highway-related capital~~
9 ~~improvements, and at least ten percent of the proceeds shall be expended~~
10 ~~for transit purposes or for transit-related capital improvements.~~

11 (2) (b) Beginning in 1998, the department of transportation shall
12 report annually to the transportation committee of the senate and the
13 transportation and energy committee of the house of representatives
14 concerning the revenue expended by the department pursuant to
15 subsection (2)(a) of this section and, beginning in ~~2018~~ 2019, any STATE
16 SALES AND USE TAX NET REVENUE THAT IS CREDITED TO THE STATE
17 HIGHWAY FUND PURSUANT TO SECTION 39-26-123 (3) AND EXPENDED BY
18 THE DEPARTMENT PURSUANT TO SECTION 43-1-220.5, AND ANY NET
19 proceeds of ~~lease-purchase agreements executed as required by section~~
20 ~~24-82-1303 (2)(a)~~ ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION
21 NOTES that are credited to the state highway fund pursuant to ~~section~~
22 ~~24-82-1303 (4)(b)~~ SECTION 43-4-714 (2) and expended by the department
23 pursuant to ~~subsection (1)(b)(V) of this section~~ SECTION 43-1-220.5. The
24 department shall present the report at the joint meeting required under
25 section 43-1-113 (9)(a), and the report shall describe for each fiscal year,
26 if applicable:

27 (III) The projected amounts of revenue and net proceeds that the

1 department expects to receive under this subsection (2), ~~and subsection~~
2 ~~(1)(b)(V) of this section~~ SECTION 39-26-123 (3), AND SECTION 43-4-714
3 (2) during the fiscal year;

4 (IV) The amount of revenue and net proceeds that the department
5 has already received under this subsection (2), ~~and subsection (1)(b)(V)~~
6 ~~of this section~~ SECTION 39-26-123 (3), AND SECTION 43-4-714 (2) during
7 the fiscal year; and

8 **SECTION 9.** In Colorado Revised Statutes, 43-4-705, **amend**
9 (13) as follows:

10 **43-4-705. Revenue anticipation notes - repeal.**

11 (13) (a) Notwithstanding any other provision of this part 7 to the
12 contrary, the executive director shall have the authority to issue revenue
13 anticipation notes pursuant to this part 7 only if voters statewide approve
14 the ballot question submitted at the November 1999 statewide election
15 pursuant to section 43-4-703 (1) and only then to the extent allowed under
16 the maximum amounts of debt and repayment cost so approved.

17 (b) (I) SUBJECT TO VOTER APPROVAL OF THE BALLOT ISSUE
18 SUBMITTED AT THE NOVEMBER 2018 GENERAL ELECTION PURSUANT TO
19 SUBSECTION (13)(b)(III) OF THIS SECTION AND THE REPAYMENT FUNDING
20 COMMITMENT REQUIREMENT SPECIFIED IN SUBSECTION (13)(b)(II) OF THIS
21 SECTION, THE EXECUTIVE DIRECTOR SHALL ISSUE ADDITIONAL
22 TRANSPORTATION REVENUE ANTICIPATION NOTES IN A MAXIMUM AMOUNT
23 OF THREE BILLION FIVE HUNDRED MILLION DOLLARS AND WITH A
24 MAXIMUM REPAYMENT COST OF FIVE BILLION DOLLARS. THE EXECUTIVE
25 DIRECTOR SHALL ISSUE AT LEAST ONE-THIRD OF THE MAXIMUM AMOUNT
26 OF NOTES TO BE ISSUED NO LATER THAN JUNE 30, 2019, TWO-THIRDS OF
27 THE MAXIMUM AMOUNT OF NOTES TO BE ISSUED NO LATER THAN JUNE 30,

1 2020, AND ALL REMAINING NOTES TO BE ISSUED BY JUNE 30, 2021. THE
2 MAXIMUM REPAYMENT TERM FOR ANY NOTES ISSUED PURSUANT TO THIS
3 SUBSECTION (13)(b) IS TWENTY YEARS, AND THE CERTIFICATE, TRUST
4 INDENTURE, OR OTHER INSTRUMENT AUTHORIZING THEIR ISSUANCE SHALL
5 PROVIDE THAT THE STATE MAY PAY THE NOTES IN FULL BEFORE THE END
6 OF THE SPECIFIED PAYMENT TERM WITHOUT PENALTY.

7 (II) NOTWITHSTANDING SECTION 43-1-113 (19) AND SUBSECTION
8 (12)(a) OF THIS SECTION, BEFORE ISSUING ANY REVENUE ANTICIPATION
9 NOTES AS AUTHORIZED BY SUBSECTION (13)(b)(I) OF THIS SECTION, THE
10 TRANSPORTATION COMMISSION SHALL ADOPT A RESOLUTION PLEDGING TO
11 ANNUALLY ALLOCATE FROM LEGALLY AVAILABLE MONEY UNDER ITS
12 CONTROL ANY AMOUNT NEEDED FOR PAYMENT OF THE NOTES UNTIL THE
13 NOTES ARE FULLY REPAID.

14 (III) THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED
15 ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE
16 NOVEMBER 2018 GENERAL ELECTION THE FOLLOWING BALLOT ISSUE:
17 "SHALL STATE OF COLORADO DEBT BE INCREASED UP TO \$3,500,000,000,
18 WITH A MAXIMUM REPAYMENT COST OF \$5,000,000,000, THROUGH THE
19 ISSUANCE OF ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION
20 NOTES FOR THE PURPOSE OF ADDRESSING CRITICAL PRIORITY
21 TRANSPORTATION NEEDS IN THE STATE BY FINANCING TRANSPORTATION
22 PROJECTS, SHALL NOTE PROCEEDS AND INVESTMENT EARNINGS ON NOTE
23 PROCEEDS BE EXCLUDED FROM STATE FISCAL YEAR SPENDING LIMITS, AND
24 SHALL AN EXISTING REQUIREMENT THAT THE STATE TREASURER EXECUTE
25 LEASE-PURCHASE AGREEMENTS FOR THE PURPOSE OF FUNDING
26 TRANSPORTATION PROJECTS BE REPEALED?"

27 (IV) WITHIN FORTY-FIVE DAYS OF THE EFFECTIVE DATE OF THIS

1 SUBSECTION (13)(b)(IV), THE DEPARTMENT SHALL PROVIDE TO THE
2 DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL THE MOST RECENT
3 AVAILABLE LIST OF QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS,
4 INCLUDING MULTIMODAL CAPITAL PROJECTS, THAT ARE DESIGNATED FOR
5 TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE
6 DEPARTMENT'S 2018 DEVELOPMENT PROGRAM PROJECT LIST AND THAT
7 THE DEPARTMENT WILL FUND WITH PROCEEDS OF ANY ADDITIONAL
8 TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED
9 BY THIS SUBSECTION (13)(b). IN ORDER TO FULLY INFORM THE VOTERS OF
10 THE STATE CONCERNING THE PROJECTS TO BE FUNDED WITH PROCEEDS OF
11 ANY SUCH ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES
12 BEFORE THE VOTERS VOTE ON THE BALLOT QUESTION SPECIFIED IN
13 SUBSECTION (13)(b)(III) OF THIS SECTION, THE DIRECTOR OF RESEARCH
14 SHALL PUBLISH THE LIST, INCLUDING ANY SUBSEQUENT UPDATES TO THE
15 LIST MADE BEFORE FINAL APPROVAL BY THE LEGISLATIVE COUNCIL OF THE
16 2018 BALLOT INFORMATION BOOKLET PREPARED PURSUANT TO SECTION
17 1-40-124.5, WHICH UPDATES THE DEPARTMENT SHALL EXPEDITIOUSLY
18 PROVIDE TO THE DIRECTOR OF RESEARCH, IN THE BALLOT INFORMATION
19 BOOKLET.

20 (V) (A) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT
21 ISSUE IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "NO/AGAINST",
22 THEN THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2019.

23 (B) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE
24 IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "YES/FOR", THEN THIS
25 SUBSECTION (13)(b)(V) IS REPEALED, EFFECTIVE JANUARY 1, 2019.

26 **SECTION 10.** In Colorado Revised Statutes, **amend** 43-4-714 as
27 follows:

1 **43-4-714. Priority of strategic transportation project**
2 **investment program - additional contract award process**
3 **requirements.** (1) If the executive director issues any revenue
4 anticipation notes in accordance with the provisions of this part 7, the
5 proceeds from the sale of such notes that are not otherwise pledged for
6 the payment of such notes shall be used for the qualified federal aid
7 transportation projects included in the strategic transportation project
8 investment program of the department of transportation.

9 (2) IN ADDITION TO THE REQUIREMENT SPECIFIED IN SUBSECTION
10 (1) OF THIS SECTION, NET PROCEEDS FROM THE SALE OF ANY ADDITIONAL
11 TRANSPORTATION REVENUE ANTICIPATION NOTES THAT THE EXECUTIVE
12 DIRECTOR ISSUES PURSUANT TO SECTION 43-4-705 (13)(b) THAT ARE NOT
13 OTHERWISE PLEDGED FOR THE PAYMENT OF THE NOTES SHALL BE
14 CREDITED TO THE STATE HIGHWAY FUND AND EXPENDED BY THE
15 DEPARTMENT ONLY AS SPECIFIED IN SECTION 43-1-220.5.

16 **SECTION 11. Appropriation.** For the 2017-18 state fiscal year,
17 \$13,930 is appropriated to the department of revenue. This appropriation
18 is from the general fund. To implement this act, the department may use
19 this appropriation for tax administration IT system (GenTax) support.

20 **SECTION 12. Effective date.** (1) Except as otherwise provided
21 in subsection (2) of this section, this act takes effect only if, at the
22 November 2018 general election, a majority of voters approve the ballot
23 issue submitted pursuant to section 43-4-705 (13)(b), Colorado Revised
24 Statutes, as enacted in section 9 of this act, and, in such case, this act
25 takes effect on the date of the official declaration of the vote thereon by
26 the governor.

27 (2) This section 11, and sections 1, 2, 5, 6, 7, 9, and 12 of this act

1 take effect upon passage.

2 **SECTION 13. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, and safety.