A BILL FOR AN ACT

CONCERNING CONTROLLED MAINTENANCE NEEDS OF REAL PROPERTY
ACQUIRED THROUGH A LEASE-PURCHASE AGREEMENT.

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.)

Capital Development Committee. The bill specifies that any real property acquired by a state agency or a state institution of higher education through a lease-purchase agreement is not eligible for state controlled maintenance funding. The bill requires any lease-purchase agreement entered into for the acquisition of real property to include a reserve to be used for the controlled maintenance needs of the real

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.
property in a specified amount designed to ensure that there is sufficient money in the reserve to cover the costs of any controlled maintenance needs of the real property. The bill also requires the state treasurer to advise any state agency or state institution of higher education regarding the controlled maintenance reserve requirement.

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

**SECTION 1.** In Colorado Revised Statutes, 24-30-1303.9, amend (7)(a)(IV) and (7)(a)(V); and add (7)(a)(VI) as follows:

24-30-1303.9. Eligibility for state controlled maintenance funding - legislative declaration. (7) (a) Controlled maintenance funds may not be used for:

- (IV) Any work properly categorized as capital construction; or
- (V) Facilities described in section 23-1-106 (10.2)(a)(III); or
- (VI) Any real property acquired by a state agency or a state institution of higher education through a lease-purchase agreement where the lease-purchase agreement requires authorization set forth in section 24-82-801.

**SECTION 2.** In Colorado Revised Statutes, 24-82-801, amend (1)(a) as follows:

24-82-801. Lease-purchase agreements for acquisition of real or personal property - definition. (1) (a) (I) Except as provided in subsection (6) of this section, and subject to the requirement set forth in subsection (1)(a)(II) of this section, no lease-purchase agreement for real property that requires total payments exceeding five hundred thousand dollars over the term of the agreement shall be entered into unless such agreement is specifically authorized, prior to its execution, by a bill enacted by the general assembly, other than the annual general appropriation act or a supplemental appropriation act.
(II) (A) Each bill enacted by the General Assembly on or after the effective date of this subsection (1)(a)(II), as required in subsection (1)(a)(I) of this section, must include a requirement that the state agency or state institution of higher education entering into the lease-purchase agreement present a plan to the Capital Development Committee, no later than the December of the fourteenth calendar year or the January of the fifteenth calendar year after either the date of the substantial completion of the construction or after the date of acquisition, that details how the state agency or state institution of higher education is prepared to fund the controlled maintenance needs of the real property so that at least an amount equal to an estimation of the sum of one percent of the insured value of the real property for each year starting with the sixteenth year after either the date of the substantial completion of the construction or after the date of acquisition is available for a total period of twenty-five years for the real property’s controlled maintenance needs. The plan presented by the state agency or state institution of higher education may include a request for an additional lease-purchase agreement for such controlled maintenance needs or may include a request for partial or complete state funding of such controlled maintenance needs. The Capital Development Committee shall review the plan presented by the state agency or state institution of higher education. Any approved plan shall be authorized by bill enacted by the General Assembly, other than the annual General Appropriation Act or a supplemental...
APPROPRIATION ACT; EXCEPT THAT IF THE APPROVED PLAN IS FOR A STATE INSTITUTION OF HIGHER EDUCATION TO FUND SUCH CONTROLLED MAINTENANCE NEEDS FROM CASH FUNDS THEN THE PLAN MAY BE APPROVED BY MAJORITY VOTE OF THE CAPITAL DEVELOPMENT COMMITTEE.

(B) FOR PURPOSES OF THIS SECTION, "CONTROLLED MAINTENANCE" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-30-1301 (4); EXCEPT THAT IT MAY INCLUDE ANY MAINTENANCE NEEDS THAT WOULD ORDINARILY BE FUNDED IN A STATE AGENCY'S OR STATE INSTITUTION OF HIGHER EDUCATION'S OPERATING BUDGET. ALSO FOR PURPOSES OF THIS SECTION, "INSURED VALUE" MEANS THE INSURED VALUE OF THE REAL PROPERTY AS DETERMINED THROUGH THE RISK MANAGEMENT PROGRAM ESTABLISHED IN PART 15 OF ARTICLE 30 OF TITLE 24.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.