

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 22-0954.01 Conrad Imel x2313

**HOUSE BILL 22-1400**

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**HOUSE SPONSORSHIP**

**McCluskie and Tipper,**

**SENATE SPONSORSHIP**

**Moreno,**

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**House Committees**  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING MATTERS RELATED TO A PROCEDURAL REQUIREMENT**  
102 **FOR STATE ENTERPRISES.**

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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://leg.colorado.gov>.)*

Under existing law, an institution of higher education (institution) or a group of institutions that is managed by a single governing board and any auxiliary facility or group of auxiliary facilities with similar functions that is managed by the governing body of an institution or by the board of directors of the Auraria higher education center (AHEC) may be designated as an enterprise by the institution's or facility's governing

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.*

HOUSE  
2nd Reading Unamended  
April 29, 2022

body. A number of auxiliary facilities are designated as enterprises in existing law.

The bill permits an institution or an auxiliary facility that was designated as an enterprise as of January 1, 2021, and that subsequently disqualifies as an enterprise, to qualify and be redesignated as an enterprise without voter approval.

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

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

4 (a) Colorado's colleges and universities have been permitted to be  
5 designated as enterprises since 2004, and being designated as an  
6 enterprise gives those institutions flexibility to enhance educational  
7 opportunities for low-income and other under-represented students, as  
8 well as increase overall educational excellence;

9 (b) In order to maintain enterprise status, a college or university  
10 must not receive more than ten percent of its total annual revenues in  
11 grants from all Colorado state and local governments combined;

12 (c) The general assembly supports colleges and universities by  
13 funding capital construction projects, other large-scale projects, and  
14 various other programs, and the amount of that funding contributes to  
15 some institutions, most commonly smaller institutions that serve students  
16 from rural areas, occasionally temporarily losing enterprise status and  
17 later requalifying and being redesignated as enterprises;

18 (d) Small higher education institutions have often temporarily lost  
19 their enterprise status in the past as a result of state capital grants;

20 (e) A college or university losing enterprise status for one year  
21 does not have significant implications for the institutions or the state, but  
22 an institution losing its enterprise status for longer than one year may

1 effect the state because of the impact it has on calculating state revenue  
2 limits;

3 (f) The recent increase in available federal funds related to the  
4 COVID-19 pandemic may result in the state having additional state  
5 money available to allocate to colleges and universities. Because more  
6 state money is available, the general assembly may want to appropriate  
7 additional state money to colleges and universities for capital construction  
8 and other infrastructure upgrades, which may result in institutions,  
9 including community colleges and some four-year institutions,  
10 temporarily losing enterprise status only to requalify for enterprise status  
11 at a later date after the funds are no longer available.

12 (g) Because of the number of colleges and universities in  
13 Colorado and the frequency with which institutions may temporarily lose  
14 enterprise status only to later requalify as an enterprise, requiring a  
15 statewide ballot question for each institution to be redesignated as an  
16 enterprise each time the institution requalifies, will result in frequent and  
17 costly statewide ballot questions decided by voters who may not live and  
18 work near the institution whose enterprise status is the subject of the  
19 ballot question, and may limit the ability of colleges and universities to  
20 provide the best educational services to Colorado students.

21 (2) Therefore, the general assembly determines that it is in the best  
22 interest of Colorado students and colleges and universities to permit  
23 institutions that have already qualified for enterprise status and that lose  
24 enterprise status to later qualify and be redesignated as an enterprise  
25 without voter approval in a manner does not limit the voters' authority to  
26 approve new educational enterprises.

27 **SECTION 2.** In Colorado Revised Statutes, 23-5-101.5, **add** (7)

1 as follows:

2           **23-5-101.5. Enterprise status of auxiliary facilities -**  
3 **definitions.** (7) NOTWITHSTANDING SECTION 24-77-108, AN AUXILIARY  
4 FACILITY, OR GROUP OF AUXILIARY FACILITIES WITH SIMILAR FUNCTIONS,  
5 THAT IS MANAGED BY THE GOVERNING BODY OF AN INSTITUTION OF  
6 HIGHER EDUCATION OR BY THE BOARD OF DIRECTORS OF THE AURARIA  
7 HIGHER EDUCATION CENTER, THAT WAS DESIGNATED AS AN ENTERPRISE  
8 AS OF JANUARY 1, 2021, AND THAT SUBSEQUENTLY DISQUALIFIES AS AN  
9 ENTERPRISE, DOES NOT REQUIRE VOTER APPROVAL IN ORDER TO QUALIFY  
10 AND BE REDESIGNATED AS AN ENTERPRISE.

11           **SECTION 3.** In Colorado Revised Statutes, 23-5-101.7, **add** (6)  
12 as follows:

13           **23-5-101.7. Enterprise status of institutions of higher**  
14 **education.** (6) NOTWITHSTANDING SECTION 24-77-108, AN INSTITUTION  
15 OF HIGHER EDUCATION, OR A GROUP OF INSTITUTIONS OF HIGHER  
16 EDUCATION THAT IS MANAGED BY A SINGLE GOVERNING BOARD, THAT WAS  
17 DESIGNATED AS AN ENTERPRISE AS OF JANUARY 1, 2021, AND THAT  
18 SUBSEQUENTLY DISQUALIFIES AS AN ENTERPRISE, DOES NOT REQUIRE  
19 VOTER APPROVAL IN ORDER TO QUALIFY AND BE REDESIGNATED AS AN  
20 ENTERPRISE.

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