

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

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

LLS NO. 24-0703.01 Alana Rosen x2606

HOUSE BILL 24-1154

HOUSE SPONSORSHIP

Weinberg and McLachlan,

SENATE SPONSORSHIP

Bridges and Lundeen,

House Committees
Education

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING SCHOOL DISTRICT BOARDS' OF EDUCATION VOLUNTARY**
102 **INCLUSION OF INSTITUTE CHARTER SCHOOLS IN DISTRICT**
103 **BALLOT INITIATIVES TO CONTRACT WITH INSTITUTE CHARTER**
104 **SCHOOLS FOR BONDED INDEBTEDNESS.**

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>.)

The bill allows a school district board of education (school district) to submit to the eligible electors of the district the question of contracting a bonded indebtedness for capital construction or land and facilities needs

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

HOUSE
Amended 2nd Reading
March 15, 2024

of an institute charter school located within the school district if:

- The school district, in the school district's sole discretion, has approved support for the institute charter school's capital construction or land and facilities needs; and
- The school district has obtained security or assurances, if any, regarding its interest in the land or facilities of the institute charter school that the school district retains.

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

2 **SECTION 1. Legislative intent.** The intent of this act is to:

3 (1) Clarify and modify the law to allow a school district board of
4 education to voluntarily support institute charter school facilities located
5 within the school district; and

6 (2) Provide clear guidance to a school district board of education
7 that decides to voluntarily support institute charter school facilities
8 located within the school district.

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

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

20 (2) A SCHOOL DISTRICT MAY, IN ITS SOLE DISCRETION, ENGAGE IN
21 DISCUSSIONS WITH AN INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE
22 GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT CONCERNING THE

1 CAPITAL CONSTRUCTION NEEDS OF THE INSTITUTE CHARTER SCHOOL.

2 (3) IN ORDER FOR A SCHOOL DISTRICT TO CONSIDER, IN ITS SOLE
3 DISCRETION, WHETHER TO INCLUDE THE CAPITAL CONSTRUCTION NEEDS
4 OF AN INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE GEOGRAPHIC
5 BOUNDARIES OF THE SCHOOL DISTRICT IN A BALLOT QUESTION PURSUANT
6 TO SUBSECTION (4) OF THIS SECTION, AN INSTITUTE CHARTER SCHOOL
7 MUST SUBMIT A CAPITAL CONSTRUCTION PLAN TO THE BOARD OF
8 EDUCATION IN WHICH IT IS GEOGRAPHICALLY LOCATED. THE CAPITAL
9 CONSTRUCTION PLAN MUST INCLUDE, BUT IS NOT LIMITED TO:

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

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

14 (c) A DESCRIPTION OF THE ARCHITECTURAL, FUNCTIONAL, AND
15 CONSTRUCTION STANDARDS THAT MEET APPLICABLE STATE BUILDING
16 CODE REQUIREMENTS AND THAT WILL BE APPLIED TO EACH FACILITY
17 SUBJECT TO THE CAPITAL CONSTRUCTION PROJECT;

18 (d) AN ESTIMATE OF THE TOTAL COSTS FOR COMPLETING THE
19 CAPITAL CONSTRUCTION THAT WILL BE FINANCED BY THE BONDED
20 INDEBTEDNESS AND, IF ANY MONEY OTHER THAN THE BONDED
21 INDEBTEDNESS PROCEEDS, INCLUDING INVESTMENTS AND INTEREST
22 EARNINGS, WILL BE USED TO FINANCE THE CAPITAL CONSTRUCTION, A
23 BREAKDOWN OF THE MONEY THAT WILL BE USED TO FINANCE THE CAPITAL
24 CONSTRUCTION;

25 (e) AN ESTIMATE OF THE AMOUNT OF TIME NEEDED TO COMPLETE
26 THE CAPITAL CONSTRUCTION PROJECT;

27 (f) A STATEMENT ADDRESSING WHETHER THE CONSTRUCTION OR

1 RENOVATION, PAYMENT OF OVERRUN COSTS, AND OTHER CAPITAL
2 CONSTRUCTION PROJECT ISSUES WILL BE MANAGED BY THE INSTITUTE
3 CHARTER SCHOOL OR THE SCHOOL DISTRICT AND WHETHER COSTS FOR
4 PROJECT MANAGEMENT WILL BE NEGOTIATED BETWEEN THE INSTITUTE
5 CHARTER SCHOOL AND THE SCHOOL DISTRICT;

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

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

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

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

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

1 (b) THE ALLOCATION OF INVESTMENT AND INTEREST EARNINGS ON
2 THE BONDED INDEBTEDNESS PROCEEDS, AND THE ALLOCATION OF THE
3 COST OF SUBMISSION OF THE BOND QUESTION TO THE VOTERS, BETWEEN
4 THE SCHOOL DISTRICT AND THE INSTITUTE CHARTER SCHOOL;

5 (c) ALLOCATION OF THE COSTS TO SUBMIT THE BALLOT QUESTION,
6 WHICH MUST BE BORNE BY BOTH THE SCHOOL DISTRICT AND THE
7 INSTITUTE CHARTER SCHOOL IN PROPORTION TO THE RESPECTIVE PORTIONS
8 OF THE TOTAL BONDED INDEBTEDNESS PROCEEDS THAT ARE TO BE
9 RECEIVED, UNLESS THE SCHOOL DISTRICT AND THE INSTITUTE CHARTER
10 SCHOOL AGREE TO A DIFFERENT COST-SHARING AGREEMENT;

11 (d) AN AGREEMENT THAT IF THE INSTITUTE CHARTER SCHOOL'S
12 CHARTER IS REVOKED OR NOT RENEWED, IF THE INSTITUTE CHARTER
13 SCHOOL BECOMES INSOLVENT AND CAN NO LONGER OPERATE AS AN
14 INSTITUTE CHARTER SCHOOL, OR IF THE INSTITUTE CHARTER SCHOOL
15 OTHERWISE CEASES TO OPERATE, THE SCHOOL DISTRICT HAS PRIORITY IN
16 RECOVERING DEBT OVER ALL OTHER DEBTORS FOR COSTS AND PAYMENTS
17 OF ALL OTHER DEBTS SECURED BY THE CAPITAL CONSTRUCTION AND THAT
18 THE OWNERSHIP OF ANY CAPITAL CONSTRUCTION, LAND, OR FACILITIES
19 FINANCED BY THE BONDED INDEBTEDNESS PROCEEDS AUTOMATICALLY
20 REVERTS TO THE SCHOOL DISTRICT. THE SCHOOL DISTRICT MAY RELEASE
21 ITS INTEREST IN PROPERTY, IN ITS SOLE DISCRETION, AFTER THE BOND
22 INDEBTEDNESS PROCEEDS HAVE BEEN REDEEMED.

23 (e) AN AGREEMENT THAT THE INSTITUTE CHARTER SCHOOL SHALL
24 NOT ENCUMBER ANY CAPITAL CONSTRUCTION FINANCED BY BOND
25 INDEBTEDNESS WITH ANY ADDITIONAL DEBT WITHOUT THE EXPRESS
26 APPROVAL OF THE SCHOOL DISTRICT. IF THE SCHOOL DISTRICT DENIES
27 APPROVAL, THE SCHOOL DISTRICT SHALL PROVIDE WRITTEN REASONS FOR

1 THE DENIAL.

2 SECTION 3. In Colorado Revised Statutes, 22-42-102, amend
3 (2)(a)(VIII); and add (2)(a)(VIII.5) as follows:

4 22-42-102. Bonded indebtedness - elections. (2) (a) The board
5 of education of any school district, at any regular biennial school election
6 or at a special election called for the purpose, shall submit to the eligible
7 electors of the district the question of contracting a bonded indebtedness
8 for one or more of the following purposes:

9 (VIII) For supporting A DISTRICT CHARTER SCHOOL'S charter
10 school capital construction, as defined in section 22-30.5-403 (4), or the
11 land and facilities needs of a DISTRICT charter school, as defined in
12 section 22-30.5-403 (3), without title or ownership of DISTRICT charter
13 school capital assets being held by the school district or ownership or use
14 restrictions BEING placed on the DISTRICT charter school by the school
15 district;

16 (VIII.5) FOR SUPPORTING AN INSTITUTE CHARTER SCHOOL'S
17 CHARTER SCHOOL CAPITAL CONSTRUCTION, AS DEFINED IN SECTION
18 22-30.5-403 (4), OR THE LAND AND FACILITIES NEEDS OF AN INSTITUTE
19 CHARTER SCHOOL, AS DEFINED IN SECTION 22-30.5-403 (5.5), BY
20 INCLUDING THE INSTITUTE CHARTER SCHOOL, LOCATED WITHIN THE
21 SCHOOL DISTRICT, IN A BOND ELECTION CONDUCTED PURSUANT TO
22 SECTION 22-30.5-404.5.

23 SECTION 4. Act subject to petition - effective date. This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly; except
26 that, if a referendum petition is filed pursuant to section 1 (3) of article V
27 of the state constitution against this act or an item, section, or part of this

1 act within such period, then the act, item, section, or part will not take
2 effect unless approved by the people at the general election to be held in
3 November 2024 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.