

CHAPTER 206

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 24-1154

BY REPRESENTATIVE(S) Weinberg and McLachlan, Evans, Lynch, McCluskie;
also SENATOR(S) Bridges and Lundeen, Baisley, Buckner, Coleman, Gardner, Kirkmeyer, Michaelson Jenet, Pelton B., Pelton R.,
Priola, Rich, Simpson, Smallwood, Van Winkle, Will, Zenzinger.

AN ACT

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

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

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

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

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

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

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

(2) A SCHOOL DISTRICT MAY, IN ITS SOLE DISCRETION, ENGAGE IN DISCUSSIONS

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

WITH AN INSTITUTE CHARTER SCHOOL LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT CONCERNING THE CAPITAL CONSTRUCTION NEEDS OF THE INSTITUTE CHARTER SCHOOL.

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

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

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

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

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

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

(f) A STATEMENT ADDRESSING WHETHER THE CONSTRUCTION OR RENOVATION, PAYMENT OF OVERRUN COSTS, AND OTHER CAPITAL CONSTRUCTION PROJECT ISSUES WILL BE MANAGED BY THE INSTITUTE CHARTER SCHOOL OR THE SCHOOL DISTRICT AND WHETHER COSTS FOR PROJECT MANAGEMENT WILL BE NEGOTIATED BETWEEN THE INSTITUTE CHARTER SCHOOL AND THE SCHOOL DISTRICT;

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

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

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

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

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

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

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

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

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

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

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

(VIII) For supporting a DISTRICT CHARTER SCHOOL's charter school capital construction, as defined in section 22-30.5-403 (4), or the land and facilities needs

of a DISTRICT charter school, as defined in section 22-30.5-403 (3), without title or ownership of DISTRICT charter school capital assets being held by the school district or ownership or use restrictions BEING placed on the DISTRICT charter school by the school district;

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

SECTION 4. 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; 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 18, 2024