

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

DRAFT
9.26.17

BILL 11

LLS NO. 18-0229.01 Jennifer Berman x3286

INTERIM COMMITTEE BILL

Water Resources Review Committee

BILL TOPIC: "Expanded Duration For CWRPDA Revolving Loans"

A BILL FOR AN ACT

101 **CONCERNING AN EXPANSION OF THE DURATION FOR WHICH THE**
102 **COLORADO WATER RESOURCES AND POWER DEVELOPMENT**
103 **AUTHORITY MAY MAKE A LOAN UNDER THE AUTHORITY'S**
104 **REVOLVING LOAN PROGRAMS.**

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/>.)

Water Resources Review Committee. Pursuant to the federal clean water act and the federal "Safe Water Drinking Act", the Colorado water resources and power development authority (authority) makes loans

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

under its water pollution control revolving fund and its drinking water revolving fund. Under state law, the duration of any water pollution control loan made by the authority must not exceed 20 years after project completion; however, the federal clean water act now allows for loans up to the lesser of 30 years or the projected useful life of the project, as determined by the state. The bill removes the 20-year limitation on water pollution control loans and authorizes the authority to make loans in compliance with the clean water act and the "Safe Water Drinking Act".

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

2 **SECTION 1.** In Colorado Revised Statutes, 37-95-103, **amend**
3 introductory portion and (4.5) as follows:

4 **37-95-103. Definitions.** As used in this ~~article~~ ARTICLE 95:

5 (4.5) "Clean water act" means the "Federal Water Pollution
6 Control Act Amendments of 1972", Pub.L. 92-500, ~~and any act~~
7 ~~amendatory or supplemental thereto as of April 4, 1988~~ AS AMENDED.

8 **37-95-107.6. Creation and administration of water pollution**
9 **control revolving fund.** (3) (a) The authority may make and contract to
10 make loans to governmental agencies in accordance with and subject to
11 the provisions of this section to finance the cost of wastewater treatment
12 system projects that are on the water pollution control project eligibility
13 list established pursuant to subsection (4) of this section and any other
14 projects authorized under the clean water act and that the governmental
15 agencies may lawfully undertake or acquire under state law, including ~~but~~
16 ~~not limited to~~, applicable provisions of the "Colorado Water Quality
17 Control Act", article 8 of title 25, ~~C.R.S.~~, and for which the governmental
18 agencies are authorized by law to borrow money. The loans may be made
19 subject to such terms and conditions as the authority shall determine to be
20 consistent with the purposes ~~thereof~~ OF THE LOANS. Each loan by the
21 authority and the terms and conditions ~~thereof shall be~~ OF THE LOAN IS

1 subject to financial analysis by the division of local government of the
2 department of local affairs. ~~Such~~ THE financial analysis ~~shall~~ MUST
3 include an analysis of the capacity to repay a loan and the need for
4 financial assistance. Each loan to a local governmental agency ~~shall~~ MUST
5 be evidenced by notes, bonds, or other obligations ~~thereof~~ issued BY THE
6 LOCAL GOVERNMENTAL AGENCY to the authority. In the case of each
7 governmental agency, notes and bonds to be issued to the authority by the
8 local governmental agency shall be authorized and issued as provided by
9 law for the issuance of notes and bonds by the governmental agency, may
10 be sold at private sale to the authority at any price, whether or not less
11 than par value, and ~~shall~~ MUST be subject to redemption prior to maturity
12 at such times and at such prices as the authority and governmental agency
13 may agree. Each loan to a local governmental agency and the notes,
14 bonds, or other obligations thereby issued ~~shall~~ MUST bear interest at ~~such~~
15 A rate or rates per annum at or below THE market interest rate and ~~shall~~
16 MUST be for ~~such~~ terms ~~not to exceed twenty years after project~~
17 ~~completion~~ as THAT ARE AGREED UPON BY the authority and the
18 governmental agency ~~may agree~~ AND ARE IN COMPLIANCE WITH THE
19 CLEAN WATER ACT.

20 **SECTION 2.** In Colorado Revised Statutes, 37-95-107.8, **amend**
21 (3)(a)(III) as follows:

22 **37-95-107.8. Creation and administration of drinking water**
23 **revolving fund.** (3) (a) (III) All notes, bonds, or other obligations
24 evidencing a loan from the authority may be sold at private sale to the
25 authority at any price, whether or not less than par value. The
26 denominations, the times for payment of principal and interest, and the
27 provisions for redemption prior to maturity of ~~such~~ THE notes, bonds, or

1 other obligations are as agreed by the authority and the borrower. Each
2 loan to a governmental agency or private nonprofit entity and the notes,
3 bonds, or other obligations thereby issued must bear interest at ~~such~~ A rate
4 or rates per annum at or below THE market interest rate and be for ~~such~~
5 terms ~~not to exceed twenty years after project completion as~~ THAT ARE
6 AGREED UPON BY the authority and the borrower ~~may agree, except that,~~
7 ~~if the source of the loaned funds is a grant from the United States, the~~
8 ~~loan term may be extended in accordance with the terms of~~ AND ARE IN
9 COMPLIANCE WITH the safe drinking water act. ~~providing for extended~~
10 ~~loan terms.~~

11 **SECTION 3. Act subject to petition - effective date -**
12 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
13 the expiration of the ninety-day period after final adjournment of the
14 general assembly (August 8, 2018, if adjournment sine die is on May 9,
15 2018); except that, if a referendum petition is filed pursuant to section 1
16 (3) of article V of the state constitution against this act or an item, section,
17 or part of this act within such period, then the act, item, section, or part
18 will not take effect unless approved by the people at the general election
19 to be held in November 2018 and, in such case, will take effect on the
20 date of the official declaration of the vote thereon by the governor.

21 (2) This act applies to loans made on or after the applicable
22 effective date of this act.