

An Act

HOUSE BILL 18-1374

BY REPRESENTATIVE(S) Hansen and Esgar, Becker J., Becker K., Gray, Michaelson Jenet, Roberts, Rosenthal, Young, Duran, Arndt, Kraft-Tharp; also SENATOR(S) Kefalas and Baumgardner, Sonnenberg, Tate.

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

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

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

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.



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Kevin J. Grantham
PRESIDENT OF
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Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Effie Ameen
SECRETARY OF
THE SENATE

APPROVED 4:55 PM 5/24/2018



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO