

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 16-0872.01 Brita Darling x2241

SENATE BILL 16-121

SENATE SPONSORSHIP

Tate,

HOUSE SPONSORSHIP

Garnett,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PERCENTAGE OF TUITION REVENUE THAT AN**
102 **INSTITUTION OF HIGHER EDUCATION IS AUTHORIZED TO PLEDGE**
103 **FOR CONTRACTS FOR THE ADVANCEMENT OF MONEY.**

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://www.leg.state.co.us/bills summaries>.)

Under current law, a state institution of higher education or group of institutions may pledge up to 10% of tuition revenues of the institution for purposes of entering into contracts for the advancement of money. The bill allows an institution or group of institutions to pledge up to 100% of tuition revenue if the contract for the advancement of money for

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
February 18, 2016

which it is pledging tuition is not subject to the higher education revenue bond intercept program and the institution is not a party to any existing contracts for the advancement of money that are subject to the higher education revenue bond intercept program.

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

2 **SECTION 1.** In Colorado Revised Statutes, 23-5-103, **amend** (1)
3 as follows:

4 **23-5-103. Pledge of income.** (1) (a) The governing board of any
5 one or more state educational institutions, including, but not limited to,
6 the state colleges under the control and operation of their respective
7 boards of trustees, that enters into such a contract for the advancement of
8 ~~moneys~~ MONEY is authorized, in connection with or as a part of such
9 contract, to pledge the net income derived or to be derived from such land
10 or facilities so constructed, acquired, and equipped as security for the
11 repayment of the ~~moneys~~ MONEY advanced therefor, together with interest
12 thereon, and for the establishment and maintenance of reserves in
13 connection therewith; and, for the same purpose, any such governing
14 board is also authorized, subject to the limitations specified in section
15 23-5-119.5 (5), to pledge the net income derived or to be derived from
16 other facilities that are included in a designated enterprise or, if not
17 included, other facilities that are not acquired and not to be acquired with
18 ~~moneys~~ MONEY appropriated to the institution by the state of Colorado,
19 and to pledge the net income, fees, and revenues derived from such
20 sources, if unpledged, or, if pledged, the net income, fees, and revenues
21 currently in excess of the amount required to meet principal, interest, and
22 reserve requirements in connection with outstanding obligations to which
23 such net income, fees, and revenues have theretofore been pledged.

1 EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (1), a
2 governing board of an institution or group of institutions designated as an
3 enterprise pursuant to section 23-5-101.7 that has entered into a contract
4 for the advancement of money on behalf of such an institution or group
5 of institutions may pledge up to ten percent of tuition revenues of such an
6 enterprise, except for general fund ~~moneys~~ MONEY appropriated by the
7 general assembly, and all or a portion of a facility construction fee that
8 may be imposed as security for the repayment of the ~~moneys~~ MONEY
9 advanced pursuant to said contract. The pledge of tuition revenues or the
10 imposition of a facility construction fee shall include a process for student
11 input consistent with the institutional plan for student fees adopted by the
12 governing board of the applicable institution pursuant to section
13 23-5-119.5.

14 (b) COMMENCING ON AND AFTER THE EFFECTIVE DATE OF THIS
15 PARAGRAPH (b), A GOVERNING BOARD OF AN INSTITUTION OR GROUP OF
16 INSTITUTIONS DESIGNATED AS AN ENTERPRISE PURSUANT TO SECTION
17 23-5-101.7 THAT HAS ENTERED INTO A CONTRACT FOR THE ADVANCEMENT
18 OF MONEY ON BEHALF OF THE INSTITUTION OR GROUP OF INSTITUTIONS
19 MAY PLEDGE UP TO ONE HUNDRED PERCENT OF TUITION REVENUES OF THE
20 ENTERPRISE, EXCEPT FOR GENERAL FUND MONEY APPROPRIATED BY THE
21 GENERAL ASSEMBLY, IF:

22 (I) THE CONTRACT FOR THE ADVANCEMENT OF MONEY FOR WHICH
23 THE INSTITUTION IS PLEDGING TUITION REVENUE IS NOT SUBJECT TO THE
24 HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM SET FORTH IN
25 SECTION 23-5-139; AND

26 (II) THE INSTITUTION IS NOT A PARTY TO ANY EXISTING CONTRACT
27 FOR THE ADVANCEMENT OF MONEY ON BEHALF OF THE INSTITUTION OR

1 GROUP OF INSTITUTIONS THAT IS SUBJECT TO THE HIGHER EDUCATION
2 REVENUE BOND INTERCEPT PROGRAM SET FORTH IN SECTION 23-5-139.

3 **SECTION 2. Act subject to petition - effective date.** This act
4 takes effect at 12:01 a.m. on the day following the expiration of the
5 ninety-day period after final adjournment of the general assembly (August
6 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
7 referendum petition is filed pursuant to section 1 (3) of article V of the
8 state constitution against this act or an item, section, or part of this act
9 within such period, then the act, item, section, or part will not take effect
10 unless approved by the people at the general election to be held in
11 November 2016 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.