

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. 16-0555.01 Esther van Mourik x4215

HOUSE BILL 16-1459

HOUSE SPONSORSHIP

Becker K. and Brown, Vigil, Esgar

SENATE SPONSORSHIP

Sonnenberg and Kefalas, Baumgardner

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN INCREASE IN THE DOLLAR THRESHOLD FOR THE**
102 **REVIEW OF CAPITAL CONSTRUCTION OR CAPITAL RENEWAL**
103 **PROJECTS THAT ARE NOT FOR NEW CONSTRUCTION OR NEW**
104 **ACQUISITIONS OF REAL PROPERTY FOR AUXILIARY AND**
105 **ACADEMIC FACILITIES TO BE FUNDED SOLELY FROM CASH FUNDS**
106 **HELD BY AN INSTITUTION OF HIGHER EDUCATION.**

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/billsummaries>.)

Capital Development Committee. The bill:

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.

HOUSE
2nd Reading Unamended
May 5, 2016

- ! Increases the dollar threshold for when the Colorado commission on higher education (CCHE) is allowed to except projects that are not for new construction from the requirements for program and physical planning;
- ! Increases the dollar threshold for when CCHE has a duty to request from the governing board of each state institution of higher education a 2-year projection of projects that are not for new acquisitions of real property or new construction to be undertaken;
- ! Increases the dollar threshold for the submission to the capital development committee of a 2-year report for capital construction or capital renewal projects that are not for new acquisitions of real property or new construction for auxiliary and academic facilities to be funded solely from cash funds held by an institution of higher education; and
- ! Makes conforming amendments and clarifies the reporting requirements.

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

2 **SECTION 1.** In Colorado Revised Statutes, 23-1-106, **amend** (5)
 3 (b), (6) (b), (7) (c) (I), (9) (d) (II), and (11) (a) (III); and **add** (10.3) (e.5)
 4 as follows:

5 **23-1-106. Duties and powers of the commission with respect**
 6 **to capital construction and long-range planning - legislative**
 7 **declaration - definitions.** (5) (b) The commission may except from the
 8 requirements for program and physical planning any project that requires
 9 ~~less than two million dollars of state moneys~~ OR LESS IF THE CAPITAL
 10 CONSTRUCTION PROJECT IS FOR NEW CONSTRUCTION AND FUNDED SOLELY
 11 FROM CASH FUNDS HELD BY THE INSTITUTION OR THE PROJECT IS FUNDED
 12 THROUGH THE HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM
 13 ESTABLISHED PURSUANT TO SECTION 23-5-139, OR TEN MILLION DOLLARS
 14 OR LESS IF THE PROJECT IS NOT FOR NEW CONSTRUCTION AND IS FUNDED
 15 SOLELY FROM CASH FUNDS HELD BY THE INSTITUTION.

1 (6) (b) The commission shall request annually from the governing
2 board of each state institution of higher education a two-year projection
3 of capital construction projects to be undertaken pursuant to subsection
4 (9) or (10) of this section and estimated to require total project
5 expenditures exceeding two million dollars IF THE CAPITAL
6 CONSTRUCTION PROJECT IS FOR NEW ACQUISITIONS OF REAL PROPERTY OR
7 NEW CONSTRUCTION AND FUNDED SOLELY FROM CASH FUNDS HELD BY THE
8 INSTITUTION OR THE PROJECT IS FUNDED THROUGH THE HIGHER
9 EDUCATION REVENUE BOND INTERCEPT PROGRAM ESTABLISHED PURSUANT
10 TO SECTION 23-5-139, OR EXCEEDING TEN MILLION DOLLARS IF THE
11 PROJECT IS NOT FOR NEW ACQUISITIONS OF REAL PROPERTY OR NEW
12 CONSTRUCTION AND IS FUNDED SOLELY FROM CASH FUNDS HELD BY THE
13 INSTITUTION. The projection must include the estimated cost, the method
14 of funding, and a schedule for project completion for each project. A state
15 institution of higher education shall amend the projection prior to
16 commencing a project that is not included in the institution's most recent
17 projection.

18 (7) (c) (I) (A) The commission annually shall prepare a unified,
19 two-year report for capital construction or capital renewal projects
20 described in subsection (9) ~~or (10)~~ of this section, THAT ARE NOT FOR NEW
21 ACQUISITIONS OF REAL PROPERTY OR NEW CONSTRUCTION, and ARE
22 estimated to require total project expenditures exceeding ~~two~~ TEN million
23 dollars, coordinated with education plans. The commission shall transmit
24 the report to the office of state planning and budgeting, the governor, the
25 capital development committee, and the joint budget committee,
26 consistent with the executive budget timetable.

27 (B) THE COMMISSION ANNUALLY SHALL PREPARE A UNIFIED,

1 TWO-YEAR REPORT FOR CAPITAL CONSTRUCTION PROJECTS FOR NEW
2 ACQUISITIONS OF REAL PROPERTY OR FOR NEW CONSTRUCTION, DESCRIBED
3 IN SUBSECTION (10) OF THIS SECTION, ESTIMATED TO REQUIRE TOTAL
4 PROJECT EXPENDITURES EXCEEDING TWO MILLION DOLLARS,
5 COORDINATED WITH EDUCATION PLANS. THE COMMISSION SHALL
6 TRANSMIT THE REPORT TO THE OFFICE OF STATE PLANNING AND
7 BUDGETING, THE GOVERNOR, THE CAPITAL DEVELOPMENT COMMITTEE,
8 AND THE JOINT BUDGET COMMITTEE, CONSISTENT WITH THE EXECUTIVE
9 BUDGET TIMETABLE.

10 (9) (d) (II) ~~Any~~ A plan for ~~any such~~ A capital construction or
11 capital renewal project ~~that~~ IS NOT SUBJECT TO REVIEW OR APPROVAL BY
12 THE COMMISSION IF SUCH PROJECT IS:

13 (A) Estimated to require total expenditures of two million dollars
14 or less ~~is not subject to review or approval by the commission~~ IF THE
15 CAPITAL CONSTRUCTION PROJECT IS FOR NEW ACQUISITIONS OF REAL
16 PROPERTY OR FOR NEW CONSTRUCTION AND FUNDED SOLELY FROM CASH
17 FUNDS HELD BY THE INSTITUTION OR THE PROJECT IS FUNDED THROUGH
18 THE HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM
19 ESTABLISHED PURSUANT TO SECTION 23-5-139; OR

20 (B) ESTIMATED TO REQUIRE TOTAL EXPENDITURES OF TEN MILLION
21 DOLLARS OR LESS IF THE PROJECT IS NOT FOR NEW ACQUISITIONS OF REAL
22 PROPERTY OR FOR NEW CONSTRUCTION AND IS FUNDED SOLELY FROM
23 CASH FUNDS HELD BY THE INSTITUTION.

24 (10.3) As used in this section, unless the context otherwise
25 requires:

26 (e.5) "REAL PROPERTY" HAS THE SAME MEANING AS SET FORTH IN
27 SECTION 24-30-1301 (15), C.R.S.

1 (11) (a) Each state institution of higher education shall submit to
2 the commission on or before September 1 of each year a list and
3 description of each project for which an expenditure was made during the
4 immediately preceding fiscal year that:

5 (III) Was estimated to require total expenditures of two million
6 dollars or less IF THE CAPITAL CONSTRUCTION PROJECT IS FOR NEW
7 ACQUISITIONS OF REAL PROPERTY OR FOR NEW CONSTRUCTION AND WAS
8 FUNDED SOLELY FROM CASH FUNDS HELD BY THE INSTITUTION OR THE
9 PROJECT WAS FUNDED THROUGH THE HIGHER EDUCATION REVENUE BOND
10 INTERCEPT PROGRAM ESTABLISHED PURSUANT TO SECTION 23-5-139, OR
11 WAS ESTIMATED TO REQUIRE TOTAL EXPENDITURES OF TEN MILLION
12 DOLLARS OR LESS IF THE PROJECT WAS NOT FOR NEW ACQUISITIONS OF
13 REAL PROPERTY OR FOR NEW CONSTRUCTION AND WAS FUNDED SOLELY
14 FROM CASH FUNDS HELD BY THE INSTITUTION; or

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

17 **23-5-103. Pledge of income.** (3) If the pledged net income, fees,
18 and revenues exceed the amount required to meet principal, interest, and
19 reserve requirements in connection with revenue bonds of the institution
20 to which such income has been pledged and exceed the amount necessary
21 for the maintenance and operation of the auxiliary facility plus any
22 amount set aside in a reserve fund for repair and replacement of the
23 facility, the governing board may retain such surplus and utilize the same
24 in such manner as in its judgment is for the best interests of the
25 educational institution; except that, if the governing board uses the
26 surplus moneys on a project ~~requiring total project expenditures that~~
27 ~~exceed two million dollars~~ EXPECTED TO BE PAID FROM CASH FUNDS OR

1 OTHER NONSTATE MONEYS, the project shall be subject to the provisions
2 of section 23-1-106. Use of such surplus shall be reviewed in advance by
3 representatives of the student government at the institution with which the
4 auxiliary facility is associated.

5 **SECTION 3.** In Colorado Revised Statutes, 24-75-303, **amend**
6 (3) as follows:

7 **24-75-303. Appropriation for capital construction.** (3) A
8 capital construction project for a state institution of higher education that
9 is ~~estimated to require total expenditures exceeding two million dollars~~
10 EXPECTED TO BE paid from cash funds or other nonstate moneys held by
11 the institution must be commenced pursuant to section 23-1-106, C.R.S.

12 **SECTION 4. Applicability.** This act applies to the Colorado
13 commission of higher education's submission of two-year reports for
14 capital construction or capital renewal projects on or after the effective
15 date of this act.

16 **SECTION 5. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2016 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.