

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 17-0262.02 Kate Meyer x4348

**HOUSE BILL 17-1005**

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**HOUSE SPONSORSHIP**

**Arndt**, Thurlow

**SENATE SPONSORSHIP**

**Tate**, Kerr, Moreno

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**House Committees**

State, Veterans, & Military Affairs

**Senate Committees**

State, Veterans, & Military Affairs

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**A BILL FOR AN ACT**

101 **CONCERNING MODERNIZATION OF VARIOUS LAWS RELATING TO THE**  
102 **OFFICE OF THE STATE AUDITOR.**

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**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/>.)*

**Statutory Revision Committee.** The bill updates various statutes pertaining to the office of the state auditor (OSA).

Currently, the legislative audit committee (LAC) has the discretion to direct the state auditor to conduct a performance audit of any public highway authority; except that the LAC may not do so in any year during which the interim transportation legislation review committee (TLRC)

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  
3rd Reading Unamended  
February 22, 2017

SENATE  
2nd Reading Unamended  
February 21, 2017

HOUSE  
3rd Reading Unamended  
January 31, 2017

HOUSE  
2nd Reading Unamended  
January 26, 2017

meets. However, the TLRC is statutorily required to meet every year. Consequently, **section 1** of the bill repeals the timing limitation so that such a performance audit can be requested at any time.

The executive director of the department of revenue (DOR) is currently required to account monthly to the state treasurer regarding working capital retained by DOR and to provide copies of this accounting to the governor and the state auditor. Because DOR does not retain working capital, **section 2** repeals this obsolete provision. Additionally, the state treasurer must provide copies of receipts for money transmitted daily from the executive director of DOR to the state auditor, in addition to providing one copy to the executive director and retaining one copy for his or her files. Section 2 also removes the requirement to provide the state auditor these copies.

Pursuant to a statute created in 1881, holders of warrants from counties with more than \$50,000 in floating indebtedness may exchange those warrants for county bonds, if the exchange is approved by election. County bonds so exchanged must be registered with OSA, and a ten-cent fee must be paid to OSA for recording each bond. Because this registration provision is obsolete, **section 3** repeals the registration and recording fee requirements.

**Section 4** repeals an obsolete provision relating to an audit of the estimated actual operating costs of the enhanced emissions inspections program contractor, which audit was required to be completed by the end of 2001.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend 2-3-121** as  
3 follows:

4 **2-3-121. Performance audits of public highway authorities.** At  
5 the discretion of the legislative audit committee, the state auditor shall  
6 conduct or cause to be conducted a performance audit of any public  
7 highway authority created and operating pursuant to part 5 of article 4 of  
8 title 43. C.R.S.; ~~except that the legislative audit committee may not~~  
9 ~~require the state auditor to conduct such a performance audit during any~~  
10 ~~year in which the transportation legislation review committee created in~~  
11 ~~section 43-2-145 (1), C.R.S., is required or authorized to meet.~~ The state

1 auditor shall prepare a report and recommendations on each audit  
2 conducted and shall present the report and recommendations to the  
3 committee. The state auditor shall pay the costs of any audit conducted  
4 pursuant to this section.

5 **SECTION 2.** In Colorado Revised Statutes, **amend** 24-35-106 as  
6 follows:

7 **24-35-106. Deposits by executive director.** The executive  
8 director of the department of revenue, before the close of each business  
9 day, shall deposit with the state treasurer all sums of money collected by  
10 the department of revenue. ~~The executive director may retain for the use~~  
11 ~~of the department of revenue a working capital account in such~~  
12 ~~reasonable amount as may be determined by the executive director and~~  
13 ~~the state treasurer. In the event of disagreement or dispute between them~~  
14 ~~as to the amount of working capital, the question of the reasonable~~  
15 ~~amount of working capital shall be submitted for determination to the~~  
16 ~~governor, whose decision shall be final. The executive director shall~~  
17 ~~account to the state treasurer on or before the first day of each month for~~  
18 ~~the working capital of the department of revenue thus retained, and one~~  
19 ~~copy of such accounting shall be delivered to the governor, one copy to~~  
20 ~~the state treasurer, and one copy to the state auditor. The state treasurer,~~  
21 ~~upon receipt of any money from the executive director, shall give his~~  
22 ~~receipt therefor, execute the same~~ A RECEIPT FOR THE MONEY in triplicate,  
23 ~~and deliver~~ DUPLICATE, DELIVERING one copy of such THE receipt to the  
24 executive director ~~one copy to the state auditor, and shall retain~~  
25 ~~RETAINING~~ the third OTHER copy thereof in his OR HER files.

26 **SECTION 3.** In Colorado Revised Statutes, 30-26-101, **amend**  
27 (5) as follows:

1           **30-26-101. Exchange of warrants for bonds - notice.** (5) No  
2 bond shall be issued of less denomination than fifty dollars and, if issued  
3 for a greater amount, for some multiple of that sum. ~~Such~~ THE bonds shall  
4 bear interest at a rate such that the net effective interest rate of the issue  
5 of bonds does not exceed the maximum net effective interest rate  
6 authorized, the interest to be paid semiannually at the office of the county  
7 treasurer or at the city of New York, at the option of the holders thereof,  
8 upon the production of the proper coupons for the same, ~~such~~ THE bonds  
9 to be payable at the pleasure of the county after ten years from the date of  
10 their issuance, but absolutely due and payable twenty years after the date  
11 of issue. The whole amount of bonds issued under this part 1 shall not  
12 exceed the sum of the county indebtedness at the date of the first  
13 publication of the notice submitting the question of funding the county  
14 indebtedness; and the amount shall be determined by the board of county  
15 commissioners, and a certificate made of the same, and made a part of the  
16 records of the county; and any bond issued in excess of ~~such~~ THAT sum  
17 shall be void. ~~All bonds issued under the provisions of this part 1 shall be~~  
18 ~~registered in the office of the state auditor, to whom a fee of ten cents~~  
19 ~~shall be paid for recording each bond; except that the state auditor by rule~~  
20 ~~or as otherwise provided by law may reduce the amount of the fee if~~  
21 ~~necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the~~  
22 ~~uncommitted reserves of the fund to which all or any portion of the fee is~~  
23 ~~credited. After the uncommitted reserves of the fund are sufficiently~~  
24 ~~reduced, the state auditor by rule or as otherwise provided by law may~~  
25 ~~increase the amount of the fee as provided in section 24-75-402 (4),~~  
26 ~~C.R.S.~~

27           **SECTION 4.** In Colorado Revised Statutes, 42-4-311, **amend**

1 (6)(b) as follows:

2 **42-4-311. Operation of inspection and readjustment stations**  
3 **- inspection-only facilities - fleet inspection stations - motor vehicle**  
4 **dealer test facilities - enhanced inspection centers.** (6) (b) During the  
5 two-year renewal of the contract entered into pursuant to section 42-4-307  
6 (10), the commission shall hold a hearing to determine the maximum fee  
7 that may be charged pursuant to the contract for inspections during any  
8 subsequent renewal term. ~~Such~~ THE maximum fee ~~shall~~ MUST be based  
9 on estimated actual operating costs during the life of the contract,  
10 determined pursuant to the proceeding, ~~and an audit conducted by the~~  
11 ~~office of the state auditor on the contractor,~~ plus a percentage to be  
12 determined by the commission, not to exceed ten percent and not to  
13 exceed twenty-five dollars.

14 **SECTION 5. Act subject to petition - effective date.** This act  
15 takes effect at 12:01 a.m. on the day following the expiration of the  
16 ninety-day period after final adjournment of the general assembly (August  
17 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
18 referendum petition is filed pursuant to section 1 (3) of article V of the  
19 state constitution against this act or an item, section, or part of this act  
20 within such period, then the act, item, section, or part will not take effect  
21 unless approved by the people at the general election to be held in  
22 November 2018 and, in such case, will take effect on the date of the  
23 official declaration of the vote thereon by the governor.