

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

REVISED

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

LLS NO. 18-1011.01 Esther van Mourik x4215

HOUSE BILL 18-1374

HOUSE SPONSORSHIP

Hansen and Esgar, Becker J.

SENATE SPONSORSHIP

Kefalas and Baumgardner, Sonnenberg

House Committees  
Finance

Senate Committees  
Finance

A BILL FOR AN ACT

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

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/>.)*

**Capital Development Committee.** The bill specifies that any real property acquired by a state agency or a state institution of higher education through a lease-purchase agreement is not eligible for state controlled maintenance funding. The bill requires any lease-purchase agreement entered into for the acquisition of real property to include a reserve to be used for the controlled maintenance needs of the real

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

SENATE  
Amended 2nd Reading  
April 25, 2018

HOUSE  
3rd Reading Unamended  
April 20, 2018

HOUSE  
Amended 2nd Reading  
April 19, 2018

property in a specified amount designed to ensure that there is sufficient money in the reserve to cover the costs of any controlled maintenance needs of the real property. The bill also requires the state treasurer to advise any state agency or state institution of higher education regarding the controlled maintenance reserve requirement.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-30-1303.9,  
3 **amend** (7)(a)(IV) and (7)(a)(V); and **add** (7)(a)(VI) as follows:

4           **24-30-1303.9. Eligibility for state controlled maintenance**  
5 **funding - legislative declaration.** (7) (a) Controlled maintenance funds  
6 may not be used for:

7           (IV) Any work properly categorized as capital construction; ~~or~~

8           (V) Facilities described in section 23-1-106 (10.2)(a)(III); OR

9           (VI) ANY REAL PROPERTY ACQUIRED BY A STATE AGENCY OR A  
10 STATE INSTITUTION OF HIGHER EDUCATION THROUGH A LEASE-PURCHASE  
11 AGREEMENT WHERE THE LEASE-PURCHASE AGREEMENT REQUIRES  
12 AUTHORIZATION SET FORTH IN SECTION 24-82-801.

13           **SECTION 2.** In Colorado Revised Statutes, 24-82-801, **amend**  
14 (1)(a) as follows:

15           **24-82-801. Lease-purchase agreements for acquisition of real**  
16 **or personal property - definition.** (1) (a) (I) Except as provided in  
17 subsection (6) of this section, AND SUBJECT TO THE REQUIREMENT SET  
18 FORTH IN SUBSECTION (1)(a)(II) OF THIS SECTION, no lease-purchase  
19 agreement for real property that requires total payments exceeding five  
20 hundred thousand dollars over the term of the agreement shall be entered  
21 into unless such agreement is specifically authorized, prior to its  
22 execution, by a bill enacted by the general assembly, other than the annual  
23 general appropriation act or a supplemental appropriation act.

1 (II) (A) EACH BILL ENACTED BY THE GENERAL ASSEMBLY ON OR  
2 AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(II), AS REQUIRED  
3 IN SUBSECTION (1)(a)(I) OF THIS SECTION, MUST INCLUDE A REQUIREMENT  
4 THAT THE STATE AGENCY OR STATE INSTITUTION OF HIGHER EDUCATION  
5 ENTERING INTO THE LEASE-PURCHASE AGREEMENT PRESENT A PLAN TO  
6 THE CAPITAL DEVELOPMENT COMMITTEE, NO LATER THAN THE DECEMBER  
7 OF THE FOURTEENTH CALENDAR YEAR OR THE JANUARY OF THE FIFTEENTH  
8 CALENDAR YEAR AFTER EITHER THE DATE OF THE SUBSTANTIAL  
9 COMPLETION OF THE CONSTRUCTION OR AFTER THE DATE OF ACQUISITION,  
10 THAT DETAILS HOW THE STATE AGENCY OR STATE INSTITUTION OF HIGHER  
11 EDUCATION IS PREPARED TO FUND THE CONTROLLED MAINTENANCE NEEDS  
12 OF THE REAL PROPERTY SO THAT AT LEAST AN AMOUNT EQUAL TO AN  
13 ESTIMATION OF THE SUM OF ONE PERCENT OF THE INSURED VALUE OF THE  
14 REAL PROPERTY FOR EACH YEAR STARTING WITH THE SIXTEENTH YEAR  
15 AFTER EITHER THE DATE OF THE SUBSTANTIAL COMPLETION OF THE  
16 CONSTRUCTION OR AFTER THE DATE OF ACQUISITION IS AVAILABLE FOR A  
17 TOTAL PERIOD OF TWENTY-FIVE YEARS FOR THE REAL PROPERTY'S  
18 CONTROLLED MAINTENANCE NEEDS. THE PLAN PRESENTED BY THE STATE  
19 AGENCY OR STATE INSTITUTION OF HIGHER EDUCATION MAY INCLUDE A  
20 REQUEST FOR AN ADDITIONAL LEASE-PURCHASE AGREEMENT FOR SUCH  
21 CONTROLLED MAINTENANCE NEEDS OR MAY INCLUDE A REQUEST FOR  
22 PARTIAL OR COMPLETE STATE FUNDING OF SUCH CONTROLLED  
23 MAINTENANCE NEEDS. THE CAPITAL DEVELOPMENT COMMITTEE SHALL  
24 REVIEW THE PLAN PRESENTED BY THE STATE AGENCY OR STATE  
25 INSTITUTION OF HIGHER EDUCATION. ANY APPROVED PLAN SHALL BE  
26 AUTHORIZED BY BILL ENACTED BY THE GENERAL ASSEMBLY, OTHER THAN  
27 THE ANNUAL GENERAL APPROPRIATION ACT OR A SUPPLEMENTAL

1 APPROPRIATION ACT; EXCEPT THAT IF THE APPROVED PLAN IS FOR A STATE  
2 INSTITUTION OF HIGHER EDUCATION TO FUND SUCH CONTROLLED  
3 MAINTENANCE NEEDS FROM CASH FUNDS THEN THE PLAN MAY BE  
4 APPROVED BY MAJORITY VOTE OF THE CAPITAL DEVELOPMENT  
5 COMMITTEE.

6 (B) FOR PURPOSES OF THIS SECTION, "CONTROLLED  
7 MAINTENANCE" HAS THE SAME MEANING AS SET FORTH IN SECTION  
8 24-30-1301 (4); EXCEPT THAT IT MAY INCLUDE ANY MAINTENANCE NEEDS  
9 THAT WOULD ORDINARILY BE FUNDED IN A STATE AGENCY'S OR STATE  
10 INSTITUTION OF HIGHER EDUCATION'S OPERATING BUDGET. ALSO FOR  
11 PURPOSES OF THIS SECTION, "INSURED VALUE" MEANS THE INSURED VALUE  
12 OF THE REAL PROPERTY AS DETERMINED THROUGH THE RISK  
13 MANAGEMENT PROGRAM ESTABLISHED IN PART 15 OF ARTICLE 30 OF TITLE  
14 24.

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16 **SECTION 3. 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 8, 2018, if adjournment sine die is on May 9, 2018); 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 2018 and, in such case, will take effect on the date of the  
25 official declaration of the vote thereon by the governor.