



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

HB 18-1374

# FINAL FISCAL NOTE

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<b>Drafting Number:</b>	LLS 18-1011	<b>Date:</b>	August 6, 2018
<b>Prime Sponsors:</b>	Rep. Hansen; Esgar Sen. Kefalas; Baumgardner	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** CONTROLLED MAINTENANCE FINANCED ACQUIRED PROPERTY

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**Summary of Fiscal Impact:** **No fiscal impact.** This bill eliminates the eligibility of certain buildings to receive state funding for controlled maintenance. It also creates a process to plan for and fund future controlled maintenance needs for these facilities.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the final bill, as recommended by the Capital Development Committee.

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## Summary of Legislation

The bill eliminates the eligibility of buildings financed through lease-purchase agreements, such as certificates of participation (COPs), to receive future state funding for controlled maintenance. The bill requires any future legislation authorizing the issuance of COPs to acquire, construct, or renovate state buildings to include a requirement that a state agency or institution of higher education present a plan for funding future controlled maintenance to the Capital Development Committee. The plan must be presented the December or January before the 16th year after the acquisition or substantial completion of a project financed through a lease-purchase agreement. The plan should assess the controlled maintenance needs of the facility for the next 25 years and may include a request for an additional lease-purchase agreement or a request for state funding. An approved plan must be enacted through a bill, other than the Long Bill or a supplemental bill, unless the plan is from a higher education institution to pay for controlled maintenance from cash funds.

## Background

The Office of the State Architect publishes annual budget instructions limiting requests for state-funded controlled maintenance until the 16th year after a building is purchased or construction is substantially complete. The plan required by this bill — and any subsequent funding approved through a future bill — is consistent with this practice.

## Assessment of No Fiscal Impact

Pursuant to the bill, a future General Assembly may authorize an increase in expenditures for controlled maintenance, beginning in the 16th year after the purchase or substantial completion of a facility financed through a COP issuance. This bill is assessed as having no fiscal impact

because any increase in expenditures for controlled maintenance for facilities financed through a future lease-purchase agreement will be authorized through separate legislation. Additionally, the outstanding deferred maintenance need for state facilities is such that paying controlled maintenance for projects financed through a COP issuance from a future COP issuance is unlikely to decrease the overall outyear spending for controlled maintenance through the regular budget process. However, it should make moneys that might otherwise have been spent on facilities financed through a COP available for controlled maintenance of other state-owned buildings.

**Effective Date**

The bill was signed into law by the Governor and took effect on May 24, 2018.

**State and Local Government Contacts**

Personnel

Treasury