

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

REENGROSSED

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

LLS NO. 21-0842.01 Sarah Lozano x3858

HOUSE BILL 21-1316

HOUSE SPONSORSHIP

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House Committees

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A BILL FOR AN ACT

101 **CONCERNING CHANGES TO THE TERM "LEASE-PURCHASE" AS IT**
102 **RELATES TO STATE OR LOCAL PUBLIC AGREEMENTS TO CLARIFY**
103 **THAT SUCH AGREEMENTS ARE TO BE ACCOUNTED FOR BY THE**
104 **STATE CONTROLLER AS FINANCED PURCHASES OF ASSETS, AND,**
105 **IN CONNECTION THEREWITH, CONFORMING THE COLORADO**
106 **REVISED STATUTES WITH THE CURRENT ACCOUNTING**
107 **STANDARDS SET BY THE GOVERNMENTAL ACCOUNTING**
108 **STANDARDS BOARD.**

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

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.*

HOUSE
3rd Reading Unamended
June 2, 2021

HOUSE
2nd Reading Unamended
June 1, 2021

[http://leg.colorado.gov/.](http://leg.colorado.gov/))

Statutory Revision Committee. The state controller is required to prescribe a unified system of accounts and prepare financial statements based on systems set forth by the governmental accounting standards board (GASB). Statement number 87 by GASB, which affects state and local government fiscal years after June 15, 2021, requires that a contract that transfers ownership of an asset be accounted for and reported as a financed purchase or sale of an asset, regardless of whether the contract is labeled by the parties as a lease.

Effective July 1, 2021, the bill replaces the term "lease-purchase agreement", and, as necessary to effectuate the purpose of the bill, substantially similar terms, with "financed purchase of an asset or certificate of participation agreement", and, as necessary to effectuate the intent of the bill, substantially similar terms, throughout the Colorado Revised Statutes to clarify that, in accordance with GASB requirements, any such state or local public contract is to be accounted for and reported by the state controller as a financed purchase or sale of the underlying asset rather than as a lease.

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

2 **SECTION 1.** In Colorado Revised Statutes, 11-59.7-103, **amend**
3 the introductory portion, (1)(b), (4), (7), (19), (20) introductory portion,
4 (20)(o), (39), and (40); **repeal** (17); and **add** (5.5) and (11.5) as follows:

5 **11-59.7-103. Definitions.** As used in this ~~article~~ ARTICLE 59.7,
6 unless the context otherwise requires:

7 (1) "Ancillary agreement" means any contract, agreement, or other
8 arrangement that a public entity determines is necessary or convenient in
9 connection with a stimulus obligation, including but not limited to any
10 agreement, contract, or other arrangement:

11 (b) Relating to property that is leased or subleased pursuant to a
12 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
13 PARTICIPATION agreement or on which the proceeds of a ~~lease-purchase~~
14 ~~financing~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

1 PARTICIPATION AGREEMENT are spent;

2 (4) "Bond" means any bond, note, interim certificate, contract,
3 evidence of indebtedness, loan, financing agreement, installment purchase
4 or sale agreement, lease, ~~or lease-purchase~~ FINANCED PURCHASE OF AN
5 ASSET AGREEMENT, OR CERTIFICATE OF PARTICIPATION agreement on
6 which payments by a public entity are not subject to annual appropriation
7 by its governing body or any debt or multiple-fiscal year financial
8 obligation issued or entered into by a public entity.

9 (5.5) "CERTIFICATE OF PARTICIPATION" MEANS ANY CERTIFICATE
10 EVIDENCING A PARTICIPATION RIGHT OR A PROPORTIONATE INTEREST IN
11 ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE
12 PAYMENTS FROM THE STATE OR AGENCY DUE UNDER ANY FINANCING
13 AGREEMENT.

14 (7) "Charter school bond issuer" means any public entity that is
15 authorized under state law to finance or refinance a project for the benefit
16 of a charter school through the issuance of bonds or the execution of a
17 loan agreement, financing agreement, ~~or lease-purchase~~ FINANCED
18 PURCHASE OF AN ASSET, OR CERTIFICATE OF PARTICIPATION agreement
19 with a charter school.

20 (11.5) "FINANCED PURCHASE OF AN ASSET AGREEMENT" MEANS A
21 FINANCING AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

22 (17) ~~"Lease-purchase agreement" means any agreement between~~
23 ~~a public entity and any other person:~~

24 (a) ~~That is a lease or lease-purchase agreement under the laws of~~
25 ~~this state;~~

26 (b) ~~Pursuant to which the public entity has agreed to make~~
27 ~~payments in future fiscal years subject to annual appropriation of the~~

1 ~~payments by the governing body of the public entity, and~~

2 ~~(c) That is treated as an installment sale agreement for federal~~
3 ~~income tax purposes.~~

4 (19) "Project" means any property, goods, or services on which
5 the proceeds of a bond or ~~lease-purchase~~ FINANCED PURCHASE OF AN
6 ASSET OR CERTIFICATE OF PARTICIPATION financing are or may be spent,
7 including but not limited to any job training or educational program on
8 which the proceeds of recovery zone economic development bonds may
9 be spent under federal law.

10 (20) "Public entity" means the state, any agency, department, or
11 political subdivision of the state, any quasi-governmental entity, or any
12 other entity created by or pursuant to the constitution or laws of the state
13 that is authorized under state law to issue bonds or enter into a
14 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
15 PARTICIPATION agreement, including but not limited to:

16 (o) A nonprofit corporation organized under the laws of the state
17 that is authorized by law, or a trust created under the laws of the state that
18 is authorized under its governing documents, to issue bonds or enter into
19 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
20 PARTICIPATION agreements on behalf of one or more public entities listed
21 in ~~paragraphs (a) to (n) of this subsection~~ (20) SUBSECTIONS (20)(a) TO
22 (20)(n) OF THIS SECTION.

23 (39) "Stimulus obligation" means any bond or ~~lease-purchase~~
24 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
25 agreement that qualifies as a build America bond, clean renewable energy
26 bond, new clean renewable energy bond, qualified energy conservation
27 bond, qualified school construction bond, qualified zone academy bond,

1 or recovery zone bond.

2 (40) "Stimulus obligation document" means any resolution,
3 ordinance, trust indenture, loan agreement, financing agreement,
4 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET AGREEMENT,
5 CERTIFICATE OF PARTICIPATION agreement, lease, agreement, contract, or
6 other instrument under which a stimulus obligation is issued or entered
7 into or pursuant to which a public entity incurs obligations with respect
8 to a stimulus obligation and any ancillary agreement entered into pursuant
9 to section 11-59.7-104 (2).

10 **SECTION 2.** In Colorado Revised Statutes, 11-59.7-104, **amend**
11 (1) introductory portion, (1)(a), and (1)(b)(II) as follows:

12 **11-59.7-104. Stimulus obligations authorized under state law**
13 **- ancillary agreements.** (1) Public entities may issue or enter into
14 stimulus obligations as authorized by this ~~article~~ ARTICLE 59.7. Except as
15 otherwise provided in this section and section 11-59.7-105, each type of
16 stimulus obligation shall be issued or entered into by a public entity in
17 accordance with a law of the state that authorizes or permits the public
18 entity to issue bonds or enter into a ~~lease-purchase~~ FINANCED PURCHASE
19 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement to finance or
20 refinance a project that may be financed or refinanced with proceeds of
21 the type of stimulus obligation under federal law. Notwithstanding any
22 inconsistent provision of any other law of the state:

23 (a) Any public entity that is authorized or permitted under the laws
24 of the state to issue bonds to finance or refinance a project that under
25 federal law may be financed or refinanced with proceeds of build
26 America bonds may issue the bonds as build America bonds. Any public
27 entity that is authorized or permitted under the laws of the state to enter

1 into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
2 OF PARTICIPATION agreement to finance or refinance a project that may be
3 financed or refinanced under federal law with proceeds of build America
4 bonds may enter into the ~~lease-purchase~~ FINANCED PURCHASE OF AN
5 ASSET OR CERTIFICATE OF PARTICIPATION agreement as a build America
6 bond.

7 (b) (II) Any public entity that is authorized or permitted under the
8 laws of the state to enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN
9 ASSET OR CERTIFICATE OF PARTICIPATION agreement to finance or
10 refinance a project that may be financed or refinanced under federal law
11 with proceeds of a type of stimulus obligation other than a build America
12 bond may:

13 (A) Enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
14 OR CERTIFICATE OF PARTICIPATION agreement to finance or refinance any
15 project that may be financed or refinanced under federal law with
16 proceeds of the type of stimulus obligation; and

17 (B) Enter into the ~~lease-purchase~~ FINANCED PURCHASE OF AN
18 ASSET OR CERTIFICATE OF PARTICIPATION agreement as a stimulus
19 obligation under federal law.

20 **SECTION 3.** In Colorado Revised Statutes, 11-59.7-105, **amend**
21 (5) as follows:

22 **11-59.7-105. Federal tax credits - federal direct payments.**

23 (5) A public entity may identify federal direct payments expected to be
24 received in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN
25 ASSET OR CERTIFICATE OF PARTICIPATION agreement that qualifies as a
26 stimulus obligation as the intended source for payment of any portion of
27 the ~~lease~~ payments under the ~~lease-purchase~~ FINANCED PURCHASE OF AN

1 ASSET OR CERTIFICATE OF PARTICIPATION agreement. Any portion of the
2 ~~lease~~ payments payable under any ~~lease-purchase~~ FINANCED PURCHASE OF
3 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that qualifies as
4 a stimulus obligation may be payable in amounts corresponding to
5 expected federal direct payments, and federal direct payments may be
6 identified as the intended sole source or intended priority source for
7 payment of any portion of the ~~lease~~ payments payable under any
8 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
9 PARTICIPATION agreement that qualifies as a stimulus obligation. If, and
10 to the extent that, a public entity identifies federal direct payments
11 expected to be received in connection with a ~~lease-purchase~~ FINANCED
12 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement as
13 an intended source of payment, ~~of lease payments~~, the federal direct
14 payments that the public entity expects to receive with respect to the
15 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
16 PARTICIPATION agreement shall be netted against and shall reduce the
17 amount of ~~lease~~ payments under the ~~lease-purchase~~ FINANCED PURCHASE
18 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement representing
19 interest, and all other amounts payable by the public entity under or with
20 respect to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
21 CERTIFICATE OF PARTICIPATION agreement, for purposes of applying any
22 limitation or restriction under the state constitution, any state law, any
23 ballot question or ballot issue, any ancillary agreement, or any ordinance
24 or resolution of the governing body of the public entity relating to the
25 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
26 PARTICIPATION agreement, including but not limited to any limitation on
27 interest or any other amount payable under the ~~lease-purchase~~ FINANCED

1 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and
2 any determination as to the reasonableness of the lease payments under
3 the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
4 PARTICIPATION agreement.

5 **SECTION 4.** In Colorado Revised Statutes, **amend** 11-59.7-106
6 as follows:

7 **11-59.7-106. Qualified school construction bond volume cap.**

8 (1) The state qualified school construction bond volume cap shall be
9 allocated to the public school capital construction assistance board,
10 which, subject to the provisions of subsections (3) and (4) of this section,
11 shall use the volume cap to enter into ~~lease-purchase~~ FINANCED PURCHASE
12 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to assist the
13 financing or refinancing of projects pursuant to article 43.7 of title 22.

14 ~~C.R.S.~~

15 (2) Any portion of the school district qualified school construction
16 bond volume cap for a calendar year that is allocated to a school district
17 that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED
18 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
19 entered into by the school district or for which a contract to purchase
20 bonds or instruments evidencing interests in a ~~lease-purchase~~ FINANCED
21 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has
22 not been entered into on or before November 10 of the calendar year
23 shall, on November 11 of the calendar year, automatically by law and
24 without any action by the school district be reallocated by the school
25 district to the public school capital construction assistance board. If a
26 contract to purchase has been entered into on or before November 10 of
27 the calendar year but the related bonds or ~~lease-purchase~~ FINANCED

1 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is
2 not issued or entered into on or before November 30 of the calendar year,
3 the volume cap shall automatically revert to the public school capital
4 construction assistance board on December 1 of the calendar year.

5 (3) If the public school capital construction assistance board
6 determines that it cannot use, or that a school district or a charter school
7 bond issuer can make better use of, any portion of the state qualified
8 school construction bond volume cap for a calendar year or any portion
9 of the school district qualified school construction bond volume cap for
10 a calendar year that is reallocated to the board pursuant to subsection (2)
11 of this section, the board may allocate the portion of the volume cap to the
12 school district or charter school bond issuer for the purpose of financing
13 or refinancing a project approved by the board. Any volume cap allocated
14 to a school district or charter school bond issuer pursuant to this
15 subsection (3) that has not been used on bonds issued or a ~~lease-purchase~~
16 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
17 agreement entered into or for which a contract to purchase bonds or
18 instruments evidencing interests in a ~~lease-purchase~~ FINANCED PURCHASE
19 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has not been
20 entered into on or before November 10 of any calendar year shall, on
21 November 11 of the calendar year, automatically revert to the public
22 school capital construction assistance board. If a contract to purchase has
23 been entered into on or before November 10 of the calendar year but the
24 related bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
25 CERTIFICATE OF PARTICIPATION agreement is not issued or entered into on
26 or before November 30 of the calendar year, the volume cap shall
27 automatically revert to the public school capital construction assistance

1 board on December 1 of the calendar year. The public school capital
2 construction assistance board may use or reallocate to any school district
3 or charter school bond issuer, for the purpose of financing or refinancing
4 a project approved by the board, any volume cap that reverts to the board
5 pursuant to this subsection (3) or may carry the volume cap forward
6 pursuant to subsection (4) of this section. Any volume cap that is
7 reallocated to a school district or charter school bond issuer pursuant to
8 this subsection (3) that has not been used on bonds issued or a
9 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
10 PARTICIPATION agreement entered into by noon, prevailing Denver time,
11 on December 31 of a calendar year shall, at 12:01 p.m., prevailing Denver
12 time, on December 31 of the calendar year, automatically revert to the
13 public school capital construction assistance board.

14 (4) The public school capital construction assistance board shall
15 carry forward to the next calendar year any portion of the qualified school
16 construction bond volume cap that has not been used on bonds issued or
17 a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
18 PARTICIPATION agreement entered into by the end of a calendar year. In
19 selecting projects to assist the financing or refinancing of pursuant to
20 article 43.7 of title 22, ~~C.R.S.~~, and in selecting projects of school districts
21 for the purpose of allocating the qualified school construction bond
22 volume cap pursuant to this section, the public school capital construction
23 assistance board shall prioritize projects that are ready to be financed or
24 refinanced and that are most consistent with the purpose of this ~~article~~
25 ARTICLE 59.7 described in section 11-59.7-102 (1)(b). The public school
26 capital construction assistance board shall use or allocate the qualified
27 school construction bond volume cap in a manner consistent with federal

1 law and the purpose of this ~~article~~ ARTICLE 59.7 described in section
2 11-59.7-102 (1)(b) to minimize the qualified school construction bond
3 volume cap that has not been used on bonds issued or one or more
4 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
5 PARTICIPATION agreements entered into on or before the expiration of the
6 qualified school construction bond program. A school district to which
7 the school district qualified school construction bond volume cap has
8 been allocated under federal law or a school district or charter school
9 bond issuer to which the qualified school construction bond volume cap
10 has been allocated pursuant to this section may, at any time, relinquish the
11 volume cap to the public school capital construction assistance board.
12 Any volume cap relinquished may be used by the public school capital
13 construction assistance board to enter into ~~lease-purchase~~ FINANCED
14 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to
15 assist the financing or refinancing of projects pursuant to article 43.7 of
16 title 22 ~~C.R.S.~~, may be reallocated by the board to a school district or
17 charter school bond issuer for the purpose of financing or refinancing a
18 project approved by the board, or may be carried forward to the next
19 calendar year. The public school capital construction assistance board
20 may promulgate rules in accordance with article 4 of title 24 ~~C.R.S.~~,
21 regarding the manner in which the qualified school construction bond
22 volume cap will be allocated.

23 **SECTION 5.** In Colorado Revised Statutes, 11-59.7-107, **amend**
24 (3) and (4) as follows:

25 **11-59.7-107. Qualified energy conservation bond volume cap.**
26 (3) Any portion of the qualified energy conservation bond volume cap
27 for a calendar year that is allocated to a large local government pursuant

1 to subsection (1) of this section that has not been used on bonds issued or
2 a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
3 PARTICIPATION agreement entered into or for which a contract to purchase
4 bonds or instruments evidencing interests in a ~~lease-purchase~~ FINANCED
5 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has
6 not been entered into on or before November 10 of the calendar year
7 shall, on November 11 of the calendar year, automatically revert to the
8 Colorado energy office. If a contract to purchase has been entered into on
9 or before November 10 of the calendar year but the related bonds or
10 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
11 PARTICIPATION agreement is not issued or entered into on or before
12 November 30 of the calendar year, the volume cap shall automatically
13 revert to the Colorado energy office on December 1 of the calendar year.
14 The Colorado energy office may reallocate to any public entity for the
15 purpose of financing or refinancing a project approved by the office, or
16 carry forward pursuant to subsection (4) of this section, any volume cap
17 that reverts to the office pursuant to this subsection (3). Any volume cap
18 that is reallocated to a public entity pursuant to this subsection (3) that has
19 not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE
20 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into
21 by noon, prevailing Denver time, on December 31 of a calendar year
22 shall, at 12:01 p.m., prevailing Denver time, on December 31 of the
23 calendar year, automatically revert to the Colorado energy office.

24 (4) The Colorado energy office shall carry forward to the next
25 calendar year any portion of the qualified energy conservation bond
26 volume cap that has not been used on bonds issued or a ~~lease-purchase~~
27 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION

1 agreement entered into by the end of a calendar year. In selecting projects
2 for the purpose of allocating the qualified energy conservation bond
3 volume cap, the Colorado energy office shall prioritize projects that are
4 ready to be financed or refinanced and that are most consistent with the
5 purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102
6 (1)(b). The Colorado energy office shall allocate the qualified energy
7 conservation bond volume cap in a manner consistent with federal law
8 and the purpose of this ~~article~~ ARTICLE 59.7 described in section
9 11-59.7-102 (1)(b) to minimize the qualified energy conservation bond
10 volume cap that has not been used on bonds issued or a ~~lease-purchase~~
11 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
12 agreement entered into on or before the expiration of the qualified energy
13 conservation bond program. The Colorado energy office may allocate the
14 qualified energy conservation bond volume cap to the state pursuant to
15 this section in anticipation of the enactment by the general assembly of
16 legislation authorizing a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
17 OR CERTIFICATE OF PARTICIPATION agreement. The state, any large local
18 government, or any other public entity to which the qualified energy
19 conservation bond volume cap has been allocated pursuant to this section
20 may, at any time, relinquish the volume cap to the Colorado energy office.
21 Any volume cap relinquished may be reallocated by the Colorado energy
22 office to any public entity to finance or refinance a project approved by
23 the office or may be carried forward to the next calendar year. The
24 department of local affairs, in consultation with the Colorado energy
25 office, may promulgate rules in accordance with article 4 of title 24
26 ~~C.R.S.~~, regarding the manner in which the qualified energy conservation
27 bond volume cap will be allocated.

1 **SECTION 6.** In Colorado Revised Statutes, 11-59.7-108, **amend**
2 (3), (4), (5), and (6) as follows:

3 **11-59.7-108. Recovery zone economic development bond**
4 **volume cap - recovery zone facility bond volume cap.** (3) Except as
5 otherwise provided in subsection (5) of this section, any portion of the
6 recovery zone economic development bond volume cap or recovery zone
7 facility bond volume cap allocated to a county or a large municipality
8 pursuant to subsection (2) of this section that has not been used on bonds
9 issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
10 CERTIFICATE OF PARTICIPATION agreement entered into to finance or
11 refinance a project that is located in a recovery zone, is approved by the
12 commission on higher education, and either is or is to be owned or used
13 by one or more public institutions of higher education or is expected to
14 increase economic development in the vicinity of a facility that is or is to
15 be owned or used by one or more public institutions of higher education
16 in a manner that is complementary to the use of such higher education
17 facility or for which a contract to purchase bonds or instruments
18 evidencing interests in a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
19 OR CERTIFICATE OF PARTICIPATION agreement has not been entered into
20 on or before November 10 of any calendar year shall, on November 11 of
21 the calendar year, automatically revert to the commission. If a contract to
22 purchase has been entered into on or before November 10 of the calendar
23 year but the related bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN
24 ASSET OR CERTIFICATE OF PARTICIPATION agreement is not issued or
25 entered into on or before November 30 of the calendar year, the volume
26 cap shall automatically revert to the commission on higher education on
27 December 1 of the calendar year. The commission on higher education

1 may reallocate any recovery zone economic development bond volume
2 cap or recovery zone facility bond volume cap that reverts to the
3 commission pursuant to this subsection (3) to any public entity for the
4 purpose of financing or refinancing a project that is located in a recovery
5 zone, is approved by the commission, and either is or is to be owned or
6 used by one or more public institutions of higher education or is expected
7 to increase economic development in the vicinity of a facility that is or is
8 to be owned or used by one or more public institutions of higher
9 education in a manner that is complementary to the use of such higher
10 education facility or may carry the volume cap forward pursuant to
11 subsection (4) of this section. Any recovery zone economic development
12 bond volume cap or recovery zone facility bond volume cap that is
13 reallocated to a public entity pursuant to this subsection (3) that has not
14 been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN
15 ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into to
16 finance or refinance a project that is located in a recovery zone, is
17 approved by the commission on higher education, and either is or is to be
18 owned or used by one or more public institutions of higher education or
19 is expected to increase economic development in the vicinity of a facility
20 that is or is to be owned or used by one or more public institutions of
21 higher education in a manner that is complementary to the use of such
22 higher education facility by noon, prevailing Denver time, on December
23 31 of a calendar year, shall, at 12:01 p.m., prevailing Denver time, on
24 December 31 of the calendar year, automatically revert to the
25 commission.

26 (4) The commission on higher education shall carry forward to the
27 next calendar year any portion of the recovery zone economic

1 development bond volume cap or recovery zone facility bond volume cap
2 that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED
3 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
4 entered into by the end of a calendar year.

5 (5) Notwithstanding any other provision of this section, if any
6 portion of the recovery zone economic development bond volume cap or
7 the recovery zone facility bond volume cap, including any portion that has
8 been carried forward pursuant to subsection (4) of this section, has not
9 been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN
10 ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the
11 ninetieth day preceding the date on which the recovery zone economic
12 development bond program or recovery zone facility bond program, as
13 applicable, is to expire under federal law, the remaining volume cap shall
14 be allocated by the department of local affairs to public entities for the
15 purpose of financing or refinancing any project that is located in a
16 recovery zone and that qualifies for financing or refinancing with
17 recovery zone economic development bonds or recovery zone facility
18 bonds, as applicable. Any portion of any volume cap so allocated that has
19 not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE
20 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into
21 by the fifteenth day preceding the date on which the recovery zone
22 economic development bond program or recovery zone facility bond
23 program, as applicable, is to expire under federal law shall revert to the
24 department of local affairs, which shall reallocate the volume cap to
25 public entities for the purpose of financing or refinancing any project that
26 is located in a recovery zone and that qualifies for financing or
27 refinancing with recovery zone economic development bonds or recovery

1 zone facility bonds, as applicable.

2 (6) In selecting projects for the purpose of allocating the recovery
3 zone economic development bond volume cap or recovery zone facility
4 bond volume cap, the commission on higher education and the
5 department of local affairs shall prioritize projects that are ready to be
6 financed or refinanced and that are most consistent with the purpose of
7 this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b). The
8 commission on higher education and the department of local affairs shall
9 allocate the recovery zone economic development bond volume cap and
10 the recovery zone facility bond volume cap in a manner consistent with
11 federal law and the purpose of this ~~article~~ ARTICLE 59.7 described in
12 section 11-59.7-102 (1)(b) to minimize the volume cap that has not been
13 used on bonds issued or one or more ~~lease-purchase~~ FINANCED PURCHASE
14 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into
15 at the expiration of the recovery zone economic development bond
16 program or the recovery zone facility bond program, as applicable, under
17 federal law. Any county or large municipality to which the recovery zone
18 economic development bond volume cap or recovery zone facility bond
19 volume cap has been allocated pursuant to this section may, at any time,
20 relinquish the volume cap to the commission on higher education or, in
21 the circumstances described in subsection (5) of this section, the
22 department of local affairs. Any volume cap relinquished may be
23 reallocated by the commission on higher education to any public entity for
24 the purpose of financing or refinancing a project that is located in a
25 recovery zone, has been approved by the commission, and either is or is
26 to be owned or used by one or more public institutions of higher
27 education or is expected to increase economic development in the vicinity

1 of a facility that is or is to be owned or used by one or more public
2 institutions of higher education in a manner that is complementary to the
3 use of such higher education facility, may be carried forward to the next
4 calendar year, or, if the circumstances described in subsection (5) of this
5 section apply, may be reallocated by the department of local affairs for
6 the purpose of financing or refinancing any project that is located in a
7 recovery zone and that qualifies for financing or refinancing with
8 recovery zone economic development bonds or recovery zone facility
9 bonds, as applicable. The commission on higher education and the
10 department of local affairs may promulgate rules in accordance with
11 article 4 of title 24 ~~C.R.S.~~, regarding the manner in which the recovery
12 zone economic development bond volume cap and the recovery zone
13 facility bond volume cap that they are respectively responsible for
14 allocating pursuant to this section will be allocated.

15 **SECTION 7.** In Colorado Revised Statutes, 11-59.7-109, **amend**
16 (2), (3), and (4) as follows:

17 **11-59.7-109. Qualified zone academy bond volume cap.**

18 (2) Any portion of the qualified zone academy bond volume cap for a
19 calendar year that is allocated to a school district pursuant to subsection
20 (1) of this section and that has not been used on bonds issued or a
21 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
22 PARTICIPATION agreement entered into or for which a contract to purchase
23 bonds or instruments evidencing interests in a ~~lease-purchase~~ FINANCED
24 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has
25 not been entered into on or before November 10 of the calendar year
26 shall, on November 11 of the calendar year, automatically revert to the
27 public school capital construction assistance board. If a contract to

1 purchase has been entered into on or before November 10 of the calendar
2 year but the related bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN
3 ASSET OR CERTIFICATE OF PARTICIPATION agreement is not issued or
4 entered into on or before November 30 of the calendar year, the volume
5 cap shall automatically revert to the public school capital construction
6 assistance board on December 1 of the calendar year. The public school
7 capital construction assistance board may reallocate to any school district
8 for the purpose of financing or refinancing a project approved by the
9 board any volume cap that reverts to the board pursuant to this subsection
10 (2) or may carry the volume cap forward pursuant to subsection (3) of this
11 section. Any volume cap that is reallocated to a school district pursuant
12 to this subsection (2) that has not been used on bonds issued or a
13 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
14 PARTICIPATION agreement entered into by noon, prevailing Denver time,
15 on December 31 of a calendar year shall, at 12:01 p.m., prevailing Denver
16 time, on December 31 of the calendar year, automatically revert to the
17 public school capital construction assistance board.

18 (3) The public school capital construction assistance board shall
19 carry forward to the next calendar year any portion of the qualified zone
20 academy bond volume cap that has not been used on bonds issued or a
21 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
22 PARTICIPATION agreement entered into by the end of a calendar year.

23 (4) In selecting projects for the purpose of allocating the qualified
24 zone academy bond volume cap, the public school capital construction
25 assistance board shall prioritize projects that are ready to be financed or
26 refinanced and that are most consistent with the purpose of this ~~article~~
27 ARTICLE 59.7 described in section 11-59.7-102 (1)(b). The public school

1 capital construction assistance board shall allocate the qualified zone
2 academy bond volume cap in a manner consistent with federal law and
3 the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102
4 (1)(b) to minimize the qualified zone academy bond volume cap that has
5 not been used on bonds issued or ~~lease-purchase~~ FINANCED PURCHASE OF
6 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into by
7 the expiration of the qualified zone academy bond program. Any school
8 district to which the qualified zone academy bond volume cap has been
9 allocated pursuant to this section may, at any time, relinquish the volume
10 cap to the public school capital construction assistance board. Any
11 volume cap relinquished may be reallocated by the public school capital
12 construction assistance board to a school district to finance or refinance
13 a project approved by the board or may be carried forward to the next
14 calendar year. The public school capital construction assistance board
15 may promulgate rules in accordance with article 4 of title 24 ~~C.R.S.~~;
16 regarding the manner in which the qualified zone academy bond volume
17 cap will be allocated.

18 **SECTION 8.** In Colorado Revised Statutes, 11-59.7-110, **amend**
19 (2)(e), (3)(a), (6), and (7) as follows:

20 **11-59.7-110. Recovery and reinvestment act finance**
21 **authorities.** (2) The contract pursuant to which a recovery and
22 reinvestment act finance authority is created shall specify:

23 (e) The term of the contract creating the authority, which may be
24 continued for a definite term or until rescinded or terminated, and the
25 method, if any, by which it may be rescinded or terminated; except that
26 the contract may not be rescinded or terminated so long as the authority
27 has bonds or one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN

1 ASSET OR CERTIFICATE OF PARTICIPATION agreements outstanding unless
2 provision for full payment of the bonds or ~~lease-purchase~~ FINANCED
3 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or
4 agreements, by escrow or otherwise, has been made pursuant to the terms
5 of the bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
6 CERTIFICATE OF PARTICIPATION agreement or agreements;

7 (3) The general powers of a recovery and reinvestment finance
8 authority shall include the following powers:

9 (a) To issue or enter into bonds and ~~lease-purchase~~ FINANCED
10 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
11 that qualify as the type or types of stimulus obligations identified in the
12 contract;

13 (6) The contracting public entities may provide in the contract
14 creating a recovery and reinvestment act financing authority for payment
15 to the authority of ~~moneys~~ MONEY from any legally available source to be
16 used for payment of the bonds, ~~lease-purchase~~ FINANCED PURCHASE OF AN
17 ASSET OR CERTIFICATE OF PARTICIPATION agreements, and contractual and
18 other obligations and liabilities of the authority.

19 (7) (a) To carry out the purposes for which a recovery and
20 reinvestment act finance authority was created, the authority may issue
21 bonds and enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
22 CERTIFICATE OF PARTICIPATION agreements payable solely from amounts
23 paid to the authority from the contracting public entities, amounts paid to
24 the authority by other persons, and any other available ~~moneys~~ MONEY of
25 the authority. The terms, conditions, and details of the bonds or
26 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
27 PARTICIPATION agreements and the procedures related thereto shall be set

1 forth in the stimulus obligation documents authorizing the bonds or
2 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
3 PARTICIPATION agreements. The terms, conditions, and details of the
4 bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
5 CERTIFICATE OF PARTICIPATION agreements shall, as nearly as may be
6 practicable and subject to the provisions of sections 11-59.7-104 and
7 11-59.7-105, be substantially the same as those provided in part 6 of
8 article 4 of title 43 C.R.S., relating to regional transportation authorities.
9 Bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
10 CERTIFICATE OF PARTICIPATION agreements issued or entered into under
11 this subsection (7) shall not constitute a debt of a recovery and
12 reinvestment act finance authority or a debt or multiple-fiscal year
13 financial obligation of the state or any of the contracting public entities
14 within the meaning of any constitutional or statutory limitations or
15 provisions. Each bond or ~~lease-purchase~~ FINANCED PURCHASE OF AN
16 ASSET OR CERTIFICATE OF PARTICIPATION agreement issued or entered into
17 under this subsection (7) shall recite in substance that the bond or
18 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
19 PARTICIPATION agreement, including the interest thereon, is payable solely
20 from the revenues and other available funds of the recovery and
21 reinvestment act finance authority pledged for the payment thereof and
22 that the bond or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
23 CERTIFICATE OF PARTICIPATION agreement does not constitute a debt of
24 the authority or a debt or multiple-fiscal year financial obligation of the
25 state or any of the contracting public entities within the meaning of any
26 constitutional or statutory limitations or provisions.

27 (b) The stimulus obligation documents under which bonds are

1 issued or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
2 CERTIFICATE OF PARTICIPATION agreements are entered into pursuant to
3 ~~paragraph (a) of this subsection (7)~~ SUBSECTION (7)(a) OF THIS SECTION
4 shall constitute a contract with the holders thereof and may contain such
5 provisions as are determined by the board of the recovery and
6 reinvestment act finance authority to be appropriate and necessary in
7 connection therewith and to provide security for the payment thereof,
8 including, without limitation, any mortgage or other security interest in
9 any revenues, funds, rights, or properties of the authority.

10 **SECTION 9.** In Colorado Revised Statutes, 13-32-101, **amend**
11 (7)(a) and (7)(c) as follows:

12 **13-32-101. Docket fees in civil actions - judicial stabilization**
13 **cash fund - justice center cash fund - justice center maintenance fund**
14 **- created - legislative declaration - report.** (7) (a) There is hereby
15 created in the state treasury the justice center cash fund, referred to in this
16 subsection (7) as the "fund", that shall consist of all fees required by law
17 to be deposited in the fund and any lease payments received by the
18 judicial department from agencies occupying the state justice center. The
19 ~~moneys~~ MONEY in the fund shall be subject to annual appropriation by the
20 general assembly for the expenses related to the design, construction,
21 maintenance, operation, and interim accommodations for the state justice
22 center, including but not limited to payments on any ~~lease-purchase~~
23 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
24 agreements entered into pursuant to the provisions of section 2 of Senate
25 Bill 08-206, as enacted at the second regular session of the sixty-sixth
26 general assembly, collectively referred to in this subsection (7) as
27 "~~lease-purchase~~ "FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

1 PARTICIPATION agreements". Any ~~moneys~~ MONEY in the fund not
2 expended for the purpose of this subsection (7) may be invested by the
3 state treasurer as provided in section 24-36-113. ~~C.R.S.~~ All interest and
4 income derived from the investment and deposit of ~~moneys~~ MONEY in the
5 fund shall be credited to the fund. Any unexpended and unencumbered
6 ~~moneys~~ MONEY remaining in the fund at the end of any fiscal year shall
7 remain in the fund and shall not be credited or transferred to the general
8 fund or any other fund.

9 (c) (I) For the fiscal year commencing July 1, 2014, and each
10 fiscal year thereafter so long as there are any payments due under any
11 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
12 PARTICIPATION agreements, the executive director of the department of
13 personnel shall calculate the net savings to the state by locating the
14 department of law and any other executive branch agency in the new state
15 justice center.

16 (II) For the fiscal year commencing July 1, 2014, and each year
17 thereafter so long as there are payments due on any ~~lease-purchase~~
18 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
19 agreements, the general assembly shall appropriate from the general fund
20 to the fund the amount of savings calculated by the executive director of
21 the department of personnel pursuant to ~~subparagraph (I) of this~~
22 ~~paragraph (c)~~ SUBSECTION (7)(c)(I) OF THIS SECTION. Any ~~moneys~~ MONEY
23 received in the fund pursuant to this ~~paragraph (c)~~ SUBSECTION (7)(c)
24 shall be used to prepay any obligations due pursuant to any ~~lease-purchase~~
25 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
26 agreement.

27 **SECTION 10.** In Colorado Revised Statutes, 17-24-106, **amend**

1 the introductory portion and (1)(f)(II) as follows:

2 **17-24-106. General powers of the division.** (1) In addition to
3 any other powers granted to the division by this ~~article~~ ARTICLE 24, the
4 division shall have the following powers:

5 (f) (II) To sell such goods to ~~lessors~~ ENTITIES who have entered
6 into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
7 PARTICIPATION agreements with any public entity enumerated in
8 ~~subparagraph (f) of this paragraph (f)~~ SUBSECTION (1)(f)(I) OF THIS
9 SECTION pursuant to which such goods are ~~leased to and~~ used by such
10 public entity;

11 **SECTION 11.** In Colorado Revised Statutes, 17-24-111, **amend**
12 (1)(a) as follows:

13 **17-24-111. Purchasing requirement.** (1) (a) The director is
14 hereby authorized to develop programs that produce goods and services,
15 including capital construction items, which are used by agencies financed
16 in whole or in part by the state, any political subdivision thereof, or the
17 federal government and to develop programs that produce goods,
18 including capital construction items, which are used by public entities
19 involved in ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
20 CERTIFICATE OF PARTICIPATION agreements as provided in section
21 17-24-106 (1)(f)(II). The director shall also develop programs to market
22 goods and services to distributor networks, nonprofit organizations,
23 private sector retailers, and the general public. The state and its
24 institutions, agencies, and departments may purchase through the
25 department of personnel or purchasing agency authorized by section
26 24-102-302 (2) such goods and services as are produced by the division,
27 unless similar goods and services can be obtained at or below the amount

1 established for small purchases which are exempt from the
2 invitation-for-bids requirements of the "Procurement Code" contained in
3 part 2 of article 103 of title 24. Goods and services produced by the
4 division shall be provided at a price comparable to the current market
5 price for similar goods and services. State agencies may purchase goods
6 and services from sources other than the division; except that office
7 furniture and office systems shall be purchased from the division. Printing
8 services shall be purchased from the division unless a state agency
9 operates its own printing operation. If the division is not able to provide
10 its goods or services at a price or level of quality which is comparable to
11 that provided by the private sector or provide them in a timely manner,
12 which price, level of quality, or timeliness is determined by the
13 department of personnel, the department of personnel shall make a
14 certification to that effect, and the state agency purchasing such goods or
15 services shall not be required to purchase them from the division.

16 **SECTION 12.** In Colorado Revised Statutes, 22-32-108.5,
17 **amend** (2)(a) as follows:

18 **22-32-108.5. Board of education - distribution of additional**
19 **mill levy revenue - definitions - legislative declaration.** (2) As used in
20 this section, unless the context otherwise requires:

21 (a) "Additional mill levy revenue" means the amount of property
22 tax revenue that a school district collects from mills that are authorized
23 by voters before, on, or after June 2, 2017, and that a school district levies
24 in addition to the school district's total program mill levy established in
25 section 22-54-106 (2) or (2.1), whichever is applicable, not including
26 mills that a school district may levy for purposes of incurring or repaying
27 bonded indebtedness or for paying amounts due pursuant to installment

1 sales agreements, ~~or lease-purchase~~ FINANCED PURCHASE OF AN ASSET
2 AGREEMENTS, OR CERTIFICATE OF PARTICIPATION agreements entered into
3 as of June 2, 2017, for which additional mill levy revenue was
4 contractually committed as of June 2, 2017.

5 **SECTION 13.** In Colorado Revised Statutes, 22-32-127, **amend**
6 (4) as follows:

7 **22-32-127. Leases or installment purchases for periods**
8 **exceeding one year.** (4) The principal amount of any indebtedness
9 incurred by a school district by means of installment purchase, ~~or~~
10 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET, OR CERTIFICATE OF
11 PARTICIPATION, or ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN
12 ASSET OR CERTIFICATE OF PARTICIPATION agreements having terms of
13 more than one year shall be subject to the limitation imposed by law on
14 the amount of bonded indebtedness that may be incurred by a school
15 district.

16 **SECTION 14.** In Colorado Revised Statutes, 22-43.7-102,
17 **amend** (2)(b), (2)(c), and (2)(d) as follows:

18 **22-43.7-102. Legislative findings and declarations.** (2) The
19 general assembly further finds and declares that:

20 (b) It is necessary and appropriate for the state to build excellent
21 schools today by assisting school districts, boards of cooperative services,
22 and charter schools in completing needed public school facility capital
23 construction projects more quickly by:

24 (I) Entering into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
25 OR CERTIFICATE OF PARTICIPATION agreements for the purpose of
26 financing such projects; and

27 (II) Subject to the annual appropriation of such ~~moneys~~ MONEY by

1 the general assembly, using a portion of the rental income and royalties
2 derived from state school lands and, unless and until the state treasurer,
3 pursuant to section 22-43.7-104 (2)(b)(I)(B), provides written notice to
4 the joint budget committee of the general assembly that the state treasurer
5 has determined that the use of interest or income earned on the deposit
6 and investment of ~~moneys~~ MONEY in the public school fund to make lease
7 payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
8 CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section
9 22-43.7-110 (2) will prevent the interest component of the ~~lease~~ payments
10 from qualifying for exemption from federal income taxation and at any
11 time after the state treasurer, pursuant to section 22-43.7-104 (2)(b)(I)(C),
12 has rescinded any such determination, interest, and other income, other
13 than land sale proceeds, derived from state school lands, as well as certain
14 other available state ~~moneys~~ MONEY and matching ~~moneys~~ MONEY
15 provided by school districts, boards of cooperative services, and charter
16 schools, to make ~~lease~~ payments payable under the terms of the
17 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
18 PARTICIPATION agreements.

19 (c) It is also necessary and appropriate for the state to use a
20 portion of such rental income and royalties and, unless and until the state
21 treasurer, pursuant to section 22-43.7-104 (2)(b)(I)(B), provides written
22 notice to the joint budget committee of the general assembly that the state
23 treasurer has determined that the use of interest or income earned on the
24 deposit and investment of ~~moneys~~ MONEY in the public school fund to
25 make ~~lease~~ payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN
26 ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant
27 to section 22-43.7-110 (2) will prevent the interest component of the ~~lease~~

1 payments from qualifying for exemption from federal income taxation
2 and at any time after the state treasurer, pursuant to section 22-43.7-104
3 (2)(b)(I)(C), has rescinded any such determination, interest and other
4 income, as well as certain other available state ~~moneys~~ MONEY to
5 continue to provide financial assistance to school districts, boards of
6 cooperative services, and charter schools in the form of cash funding for
7 school renovation and controlled maintenance projects.

8 (d) In accordance with the decision of the Colorado court of
9 appeals in the case denominated *Colorado Criminal Justice Reform*
10 *Coalition v. Ortiz*, Case No. 04 CA 0879 (April 7, 2005), the
11 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
12 PARTICIPATION agreements to be entered into by the state pursuant to this
13 ~~article~~ ARTICLE 43.7 do not constitute a multiple-fiscal year direct or
14 indirect district debt or other financial obligation whatsoever for purposes
15 of section 20 (4)(a) of article X of the state constitution.

16 **SECTION 15.** In Colorado Revised Statutes, 22-43.7-104,
17 **amend** (2)(b) introductory portion, (2)(b)(I), (2)(b)(II), (2)(b)(IV), (3.5),
18 (4), (5), and (6) as follows:

19 **22-43.7-104. Public school capital construction assistance fund**
20 **- creation - crediting of money to fund - use of fund - emergency**
21 **reserve - creation - reserve account - creation and use.** (2) (b) For
22 each fiscal year commencing on or after July 1, 2008, the following
23 ~~moneys~~ MONEY shall be credited to the assistance fund:

24 (I) (A) Unless and until the state treasurer, pursuant to
25 ~~sub-subparagraph (B) of this subparagraph (I)~~ SUBSECTION (2)(b)(I)(B)
26 OF THIS SECTION, provides written notice to the joint budget committee of
27 the general assembly that the state treasurer has determined that the use

1 of interest or income earned on the deposit and investment of ~~moneys~~
2 MONEY in the public school fund to make ~~lease~~ payments under a
3 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
4 PARTICIPATION agreement entered into pursuant to section 22-43.7-110
5 (2) will prevent the interest component of the ~~lease~~ payments from
6 qualifying for exemption from federal income taxation, the greater of
7 thirty-five percent of the gross amount of public school lands income
8 received during the fiscal year or forty million dollars. The ~~moneys~~
9 MONEY required to be credited to the assistance fund pursuant to this
10 ~~sub-subparagraph (A)~~ SUBSECTION (2)(b)(I)(A) may be taken from any
11 single source or combination of sources of public school lands income.

12 (B) Except as otherwise provided in ~~sub-subparagraph (C)~~ of this
13 ~~subparagraph (F)~~ SUBSECTION (2)(b)(I)(C) OF THIS SECTION, if the state
14 treasurer determines during any fiscal year that the use of interest or
15 income earned on the deposit and investment of ~~moneys~~ MONEY in the
16 public school fund to make ~~lease~~ payments under a ~~lease-purchase~~
17 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
18 agreement will prevent the interest component of the ~~lease~~ payments from
19 qualifying for exemption from federal income taxation and provides
20 written notice to the joint budget committee of the general assembly of
21 the determination, for the portion of the fiscal year beginning on the date
22 the written notice is provided to the joint budget committee and for each
23 subsequent fiscal year, the greater of fifty percent of the gross amount of
24 public school lands income other than interest or income earned on the
25 deposit and investment of ~~moneys~~ MONEY in the public school fund
26 received during the fiscal year or forty million dollars. The ~~moneys~~
27 MONEY required to be credited to the assistance fund pursuant to this

1 ~~sub-subparagraph (B)~~ SUBSECTION (2)(b)(I)(B) may be taken from any
2 single source or combination of sources of public school lands income
3 other than interest or income earned on the deposit and investment of
4 ~~moneys~~ MONEY in the public school fund.

5 (C) If, after making a determination and providing notice pursuant
6 to ~~sub-subparagraph (B) of this subparagraph (F)~~ SUBSECTION (2)(b)(I)(B)
7 OF THIS SECTION, the state treasurer makes a new determination during
8 any fiscal year that the use of interest or income earned on the deposit and
9 investment of ~~moneys~~ MONEY in the public school fund to make ~~lease~~
10 payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
11 CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section
12 22-43.7-110 (2) will not prevent the interest component of the ~~lease~~
13 payments from qualifying for exemption from federal income taxation
14 and the state treasurer provides written notice to the joint budget
15 committee of the general assembly that the state treasurer has made a new
16 determination and is rescinding the determination made pursuant to ~~said~~
17 ~~sub-subparagraph (B)~~ SUBSECTION (2)(b)(I)(B) OF THIS SECTION as of the
18 date the written notice is provided, for the portion of the fiscal year
19 beginning on the date the written notice is provided to the joint budget
20 committee and for each subsequent fiscal year, the greater of thirty-five
21 percent of the gross amount of public school lands income received
22 during the fiscal year or forty million dollars. The ~~moneys~~ MONEY
23 required to be credited to the assistance fund pursuant to this
24 ~~sub-subparagraph (C)~~ SUBSECTION (2)(b)(I)(C) may be taken from any
25 single source or combination of sources of public school lands income.

26 (II) The net proceeds made available to the state from the sale of
27 instruments evidencing rights to receive ~~lease~~ payments made and to be

1 made under the terms of any ~~lease-purchase~~ FINANCED PURCHASE OF AN
2 ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant
3 to section 22-43.7-110 (2), unless otherwise required by the documents
4 pursuant to which the instruments are issued;

5 (IV) Matching ~~moneys~~ MONEY paid to the state for use by the state
6 in making scheduled payments payable by the state under the terms of
7 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
8 PARTICIPATION agreements entered into pursuant to section 22-43.7-110
9 (2);

10 (3.5) In determining the amount of financial assistance that it
11 provides and in so doing managing the balance of the assistance fund, the
12 board shall ensure that, effective June 30, 2013, and effective each June
13 30 thereafter, the balance of the assistance fund, not including the
14 amounts credited to the charter school facilities assistance account
15 pursuant to ~~paragraph (d) of subsection (2)~~ SUBSECTION (2)(d) of this
16 section, is at least equal to the total amount of payments to be made by the
17 state during the next fiscal year under the terms of any ~~lease-purchase~~
18 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
19 agreements entered into pursuant to section 22-43.7-110 (2) less the
20 amount of any school district matching ~~moneys~~ MONEY and any federal
21 ~~moneys~~ MONEY to be received for the purpose of making the payments.

22 (4) For each fiscal year commencing on or after July 1, 2008, an
23 emergency reserve of at least one million dollars shall be maintained in
24 the assistance fund; except that an emergency reserve need not be
25 maintained in any fiscal year in which the amount of either public school
26 lands income or public school lands income other than interest or income
27 earned on the deposit and investment of ~~moneys~~ MONEY in the public

1 school fund, or both, credited to the assistance fund pursuant to
2 ~~subparagraph (I) of paragraph (b) of subsection (2)~~ SUBSECTION (2)(b)(I)
3 of this section is an amount equal to the difference between the total
4 amount of ~~lease~~ payments to be made by the state under the terms of
5 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
6 PARTICIPATION agreements entered into pursuant to section 22-43.7-110
7 (2) and the total amount of matching ~~moneys~~ MONEY to be paid to the
8 state as ~~lease~~ payments under the terms of ~~sublease-purchase~~ FINANCED
9 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
10 entered into pursuant to section 22-43.7-110 (2) rather than, to the extent
11 applicable, thirty-five percent of the gross amount of public school lands
12 income received by the state during the fiscal year or fifty percent of the
13 gross amount of public school lands income other than interest or income
14 earned on the deposit and investment of ~~moneys~~ MONEY in the public
15 school fund received by the state during the fiscal year. The board may
16 expend ~~moneys~~ MONEY from the emergency reserve only to provide
17 emergency financial assistance to address a public school facility
18 emergency in accordance with section 22-43.7-109 (8).

19 (5) If the state treasurer, pursuant to ~~sub-subparagraph (B) of~~
20 ~~subparagraph (I) of paragraph (b) of subsection (2)~~ SUBSECTION
21 (2)(b)(I)(B) of this section, provides written notice to the joint budget
22 committee of the general assembly that the state treasurer has determined
23 that the use of interest or income earned on the deposit and investment of
24 ~~moneys~~ MONEY in the public school fund to make ~~lease~~ payments under
25 a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
26 PARTICIPATION agreement entered into pursuant to section 22-43.7-110
27 (2) will prevent the interest component of the ~~lease~~ payments from

1 qualifying for exemption from federal income taxation, any such interest
2 or income credited to the assistance fund before the treasurer provides the
3 written notice shall be segregated into a separate restricted account of the
4 assistance fund. All interest and income earned on the deposit and
5 investment of ~~moneys~~ MONEY in the restricted account shall be credited
6 to the restricted account. ~~Moneys~~ MONEY in the restricted account shall
7 not be commingled with other ~~moneys~~ MONEY in the assistance fund.
8 Notwithstanding any other provision of law, ~~moneys~~ MONEY in the
9 restricted account shall not be used and shall not be available to pay ~~lease~~
10 payments under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
11 CERTIFICATE OF PARTICIPATION agreements entered into pursuant to
12 section 22-43.7-110 (2) unless and until the state treasurer, pursuant to
13 ~~sub-subparagraph (C) of subparagraph (I) of paragraph (b) of subsection~~
14 ~~(2) SUBSECTION (2)(b)(I)(C)~~ of this section, provides written notice to the
15 joint budget committee of the general assembly that the state treasurer is
16 rescinding the determination made pursuant to ~~sub-subparagraph (B) of~~
17 ~~said subparagraph (I) SUBSECTION (2)(b)(I)(B)~~ OF THIS SECTION as of the
18 date the written notice is provided. ~~Moneys~~ MONEY in the restricted
19 account may be used for the other purposes for which ~~moneys~~ MONEY in
20 the assistance fund may be used under this ~~article~~ ARTICLE 43.7.

21 (6) If the amount of ~~moneys~~ MONEY in the assistance fund that,
22 subject to the limitations set forth in subsection (5) of this section, is
23 available to pay ~~lease~~ payments under any ~~lease-purchase~~ FINANCED
24 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
25 entered into pursuant to section 22-43.7-110 (2) will be insufficient to
26 cover the full amount of the ~~lease~~ payments required by the
27 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

1 PARTICIPATION agreements, the general assembly may appropriate or
2 transfer from any legally available source to the assistance fund sufficient
3 ~~moneys~~ MONEY to make the ~~lease~~ payments.

4 **SECTION 16.** In Colorado Revised Statutes, 22-43.7-106,
5 **amend** (2) introductory portion, (2)(g), and (2)(h) as follows:

6 **22-43.7-106. Public school capital construction assistance**
7 **board - creation - general powers and duties - rules.** (2) The function
8 of the board is to protect the health and safety of students, teachers, and
9 other persons using public school facilities and maximize student
10 achievement by ensuring that the condition and capacity of public school
11 facilities are sufficient to provide a safe and uncrowded environment that
12 is conducive to students' learning. In performing its function, the board
13 shall ensure the most equitable, efficient, and effective use of state
14 revenues dedicated to provide financial assistance for capital construction
15 projects pursuant to the provisions of this ~~article~~ ARTICLE 43.7 by
16 assessing public school capital construction needs throughout the state
17 and providing expert recommendations based on objective criteria to the
18 state board regarding the appropriate prioritization and allocation of such
19 financial assistance. To further the performance of its function, the board,
20 in addition to any other powers and duties specified in this ~~article~~ ARTICLE
21 43.7, has the following powers and duties:

22 (g) To authorize the state treasurer to enter into ~~lease-purchase~~
23 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
24 agreements on behalf of the state as authorized by this ~~article~~ ARTICLE
25 43.7 in order to finance public school facility capital construction;

26 (h) To enter into ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF
27 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of the

1 state to ~~sublease~~ SUB-FINANCE public school facilities financed by the
2 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
3 PARTICIPATION agreements to applicants; and

4 **SECTION 17.** In Colorado Revised Statutes, 22-43.7-109,
5 **amend** (1) introductory portion, (1)(a), (3), (4)(f), (7), (9) introductory
6 portion, (9)(a)(VII), and (9)(b)(VII) as follows:

7 **22-43.7-109. Financial assistance for public school capital**
8 **construction - application requirements - evaluation criteria - local**
9 **match requirements - technology grants - career and technical**
10 **education capital construction grants - rules - definition.** (1) For
11 fiscal years commencing on or after July 1, 2008, the board, with the
12 support of the division and subject to the approval of the state board and,
13 in the case of financial assistance that involves ~~lease-purchase~~ FINANCED
14 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements,
15 subject to both the preliminary approval of the state board and the final
16 approval of the capital development committee, regarding financial
17 assistance awards as specified in this section, shall provide financial
18 assistance as specified in this section subject to the following limitations:

19 (a) The board may only provide financial assistance for a capital
20 construction project for a public school facility that the applicant owns or
21 will have the right to own in the future under the terms of a
22 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
23 PARTICIPATION agreement with the owner of the facility or a
24 ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
25 OF PARTICIPATION agreement with the state entered into pursuant to
26 section 22-43.7-110 (2).

27 (3) A charter school that chooses to apply for financial assistance

1 must apply directly to the board. A charter school shall notify its
2 authorizer if the charter school applies for financial assistance. The
3 authorizer for an applying charter school may submit a letter to the board
4 stating its position on the application. The Colorado school for the deaf
5 and blind shall also apply for financial assistance directly. Financial
6 assistance awarded to a charter school as a matching cash grant shall be
7 provided to the authorizer, which shall distribute all financial assistance
8 received as a grant to the charter school and may not retain any portion of
9 such ~~moneys~~ MONEY for any purpose. All other financial assistance shall
10 be provided in the form of ~~lease~~ payments made by the board directly to
11 a lessor or trustee as required by the terms of the applicable
12 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
13 PARTICIPATION agreement.

14 (4) Applications for financial assistance submitted to the board
15 must be in a form prescribed by the board and must include:

16 (f) A statement regarding the means by which the applicant
17 intends to provide matching money required for the projects, including
18 but not limited to means such as voter-approved multiple-fiscal year debt
19 or other financial obligations; utility cost savings associated with any
20 utility costs-savings contract, as defined in section 24-30-2001 (6); gifts,
21 grants, donations, a loan obtained pursuant to section 22-43.7-110.5, or
22 any other means of financing permitted by law; or the intent of the
23 applicant to seek a waiver of the matching money requirement pursuant
24 to subsection (10) of this section. If an applicant that is a school district
25 or a board of cooperative services with a participating school district
26 intends to raise matching money by obtaining voter approval to enter into
27 a ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR

1 CERTIFICATE OF PARTICIPATION agreement that constitutes an
2 indebtedness of the district as authorized by section 22-32-127, it shall
3 indicate whether it has received the required voter approval or, if the
4 election has not already been held, the anticipated date of the election.

5 (7)(a) Pursuant to the timelines established pursuant to subsection
6 (2) of this section for any fiscal year for which financial assistance is to
7 be awarded, and after prioritizing public school facility capital
8 construction projects as specified in subsection (5) of this section, the
9 board shall submit to the state board a prioritized list of projects for which
10 the board recommends the provision of financial assistance. The
11 prioritized list must include the board's recommendation as to the amount
12 and type of financial assistance to be provided and a statement of the
13 source and amount of applicant matching ~~moneys~~ MONEY for each
14 recommended project based upon information provided by the applicant.
15 The board may recommend that any specific project only receive financial
16 assistance if another higher priority project or group of projects becomes
17 ineligible for financial assistance due to the inability of an applicant to
18 raise required matching ~~moneys~~ MONEY by a deadline prescribed by the
19 board as a condition of a financial assistance award for the higher priority
20 project or group of projects. If an applicant is approved for an award of
21 financial assistance as an alternate award recipient and the applicant
22 successfully raises required matching ~~moneys~~ MONEY through
23 voter-approval of a ballot question for contracting bonded indebtedness
24 but does not actually receive financial assistance because all primary
25 award recipients or higher priority alternate award recipients also
26 successfully raised required matching ~~moneys~~ MONEY, the alternate award
27 recipient may resubmit its application for financial assistance as

1 previously approved during the next application cycle. If the board, in
2 consultation with the state treasurer, determines that the combination of
3 matching ~~moneys~~ MONEY raised by the alternate award recipient, plus
4 either unspent proceeds from completed ~~lease-purchase~~ FINANCED
5 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements or
6 ~~moneys~~ MONEY to be raised through entry into an additional
7 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
8 PARTICIPATION agreement that the state has the capacity to execute, or
9 both, are sufficient to fund the applicant's project, the board may award
10 financial assistance to the applicant and, if necessary, order the state
11 treasurer to enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
12 OR CERTIFICATE OF PARTICIPATION agreement on behalf of the state. The
13 state board shall review and make decisions regarding the prioritized list
14 no later than June 20 of each year and may approve, disapprove, or
15 modify the provision of financial assistance for any project recommended
16 by the board if the state board concludes that the board misinterpreted the
17 results of the prioritization assessment conducted pursuant to section
18 22-43.7-108 or misapplied the prioritization criteria specified in
19 subsection (5) of this section. The state board shall specifically explain in
20 writing its reasons for finding that the board misinterpreted the results of
21 the priority assessment or misapplied the prioritization criteria when
22 disapproving or modifying any financial assistance award recommended
23 by the board.

24 (b) No later than June 25 of each year, the state board shall submit
25 to the capital development committee a revised prioritized list that
26 includes only those projects for which the state board is recommending
27 awards of financial assistance that involve ~~lease-purchase~~ FINANCED

1 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.
2 The state board shall submit with the list the information regarding the
3 details of the financing of the listed projects that the board submitted to
4 the state board as required by ~~paragraph (a) of this subsection (7)~~
5 SUBSECTION (7)(a) OF THIS SECTION. No later than July 15 of each year,
6 the capital development committee may approve the list or may
7 disapprove the list if the committee concludes that the inclusion of one or
8 more of the projects on the list will unreasonably increase the cost of
9 providing financial assistance that involves ~~lease-purchase~~ FINANCED
10 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for
11 all of the projects on the list. If the capital development committee does
12 not approve or disapprove the list by July 15, it is deemed to have
13 approved the list as submitted.

14 (c) If the capital development committee disapproves the revised
15 prioritized list, it shall provide its reasons for doing so in writing to the
16 board no later than July 20. No later than August 1, the board may
17 resubmit the list with modifications or additional information, or both,
18 that address the committee's concerns. No later than August 15, the
19 capital development committee may approve the entire resubmitted list
20 or may disapprove one or more projects on the resubmitted list if the
21 committee again concludes that the inclusion of the project or projects
22 will unreasonably increase the cost of providing financial assistance that
23 involves ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
24 CERTIFICATE OF PARTICIPATION agreements for all of the projects on the
25 list. If the capital development committee disapproves a project on the
26 resubmitted list, the project shall not receive financial assistance that
27 involves ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR

1 CERTIFICATE OF PARTICIPATION agreements, and the remaining projects
2 on the resubmitted list shall receive such financial assistance as
3 recommended by the state board. If the capital development committee
4 does not approve or disapprove the resubmitted list by August 15, it is
5 deemed to have approved the list as resubmitted.

6 (9) Except as otherwise provided in subsection (10) of this
7 section, the board may recommend, and the state board may approve
8 financial assistance that does not involve a ~~lease-purchase~~ FINANCED
9 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for
10 or recommend to the capital development committee the approval of
11 financial assistance that involves a ~~lease-purchase~~ FINANCED PURCHASE
12 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for a public
13 school facility capital construction project only if the applicant provides
14 matching ~~moneys~~ MONEY in an amount equal to a percentage of the total
15 financing for the project determined by the board after consideration of
16 the applicant's financial capacity, as determined by the following factors:

17 (a) With respect to a school district's application for financial
18 assistance:

19 (VII) The amount of effort put forth by the school district to
20 obtain voter approval for a ballot question for bonded indebtedness,
21 including but not limited to a ballot question for entry by the district into
22 a ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR
23 CERTIFICATE OF PARTICIPATION agreement of the type that constitutes an
24 indebtedness of the district pursuant to section 22-32-127, during the ten
25 years preceding the year in which the district submitted the application,
26 which factor may be used only to reduce the percentage of matching
27 ~~moneys~~ MONEY required from a district that has put forth such effort and

1 not to increase the amount of matching ~~moneys~~ MONEY required from any
2 district;

3 (b) With respect to a board of cooperative services' application for
4 financial assistance:

5 (VII) The amount of effort put forth by the members of the board
6 of cooperative services to obtain voter approval for a ballot question for
7 bonded indebtedness, including but not limited to a ballot question for
8 entry by any member into a ~~sublease-purchase~~ SUB-FINANCED PURCHASE
9 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement of the type that
10 constitutes an indebtedness of the member pursuant to section 22-32-127,
11 during the ten years preceding the year in which the board of cooperative
12 services submitted the application. This factor may be used only to reduce
13 the percentage of matching ~~moneys~~ MONEY required from a board of
14 cooperative services if one or more of its members have put forth such
15 effort and may not be used to increase the amount of matching ~~moneys~~
16 MONEY required from any board of cooperative services.

17 **SECTION 18.** In Colorado Revised Statutes, 22-43.7-110,
18 **amend** (2) introductory portion, (2)(a) introductory portion, (2)(b)(I),
19 (2)(c), (2)(d), (2)(e), (2)(f), (2)(g), and (2)(h) as follows:

20 **22-43.7-110. Financial assistance - grants - financed purchase**
21 **of an asset agreements.** (2) Subject to the following requirements and
22 limitations, the board may also instruct the state treasurer to enter into
23 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
24 PARTICIPATION agreements on behalf of the state to provide financial
25 assistance to applicants by financing public school facility capital
26 construction projects for which the state board has recommended and the
27 capital development committee has authorized the provision of financial

1 assistance that involves a ~~lease-purchase~~ FINANCED PURCHASE OF AN
2 ASSET OR CERTIFICATE OF PARTICIPATION agreement pursuant to section
3 22-43.7-109 (7):

4 (a) Subject to the limitation specified in subsection (2)(b) of this
5 section, the maximum total amount of annual ~~lease~~ payments payable by
6 the state during any fiscal year under the terms of all outstanding
7 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
8 PARTICIPATION agreements entered into by the state treasurer as instructed
9 by the board pursuant to this subsection (2) is:

10 (b) (I) The state treasurer may enter into ~~lease-purchase~~ FINANCED
11 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for
12 which the aggregate annual ~~lease~~ payments of principal or interest for any
13 fiscal year exceed one-half of the maximum total amount of annual ~~lease~~
14 payments permitted for the fiscal year pursuant to ~~paragraph (a) of this~~
15 ~~subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION only if the aggregate
16 amount of matching ~~moneys~~ MONEY expected to be credited to the
17 assistance fund pursuant to ~~paragraph (c) of this subsection (2)~~
18 SUBSECTION (2)(c) OF THIS SECTION and section 22-43.7-104 (2)(b)(IV)
19 and any interest or income derived from the deposit and investment of the
20 matching ~~moneys~~ MONEY is at least equal to the annual ~~lease~~ payments of
21 principal and interest that exceed one-half of said maximum total amount.

22 (c) Whenever the state treasurer enters into a ~~lease-purchase~~
23 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
24 agreement on behalf of the state pursuant to this subsection (2) to finance
25 a public school facility, the board shall enter into a ~~sublease-purchase~~
26 SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
27 agreement for the facility on behalf of the state with the applicant that

1 will use the facility. The ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF
2 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall require the
3 applicant to perform for the state all duties of the state to maintain and
4 operate the public school facility that are required by the ~~lease-purchase~~
5 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
6 agreement and to make periodic rental payments to the state, which
7 payments shall be credited to the assistance fund as matching ~~moneys~~
8 MONEY of the applicant. The ~~sublease-purchase~~ SUB-FINANCED PURCHASE
9 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall also
10 provide for the transfer of ownership of the public school facility from the
11 state to the applicant upon the fulfillment of both the state's obligations
12 under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
13 CERTIFICATE OF PARTICIPATION agreement and the applicant's obligations
14 under the ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR
15 CERTIFICATE OF PARTICIPATION agreement. A ~~sublease-purchase~~
16 SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
17 agreement may provide that the legal obligation of an applicant to make
18 periodic rental payments is subject to the annual appropriation of ~~moneys~~
19 MONEY for that purpose by the applicant if the absence of such a
20 provision would create a district multiple-year fiscal obligation without
21 voter approval in advance in violation of section 20 (4)(b) of article X of
22 the state constitution.

23 (d) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
24 CERTIFICATE OF PARTICIPATION agreement entered into by the state
25 treasurer on behalf of the state pursuant to this subsection (2) shall
26 provide that all payment obligations of the state under the agreement are
27 subject to annual appropriation by the general assembly and that

1 obligations shall not be deemed or construed as creating an indebtedness
2 of the state within the meaning of any provision of the state constitution
3 or the laws of the state concerning or limiting the creation of indebtedness
4 by the state.

5 (e) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
6 CERTIFICATE OF PARTICIPATION agreement entered into by the state
7 treasurer on behalf of the state pursuant to this subsection (2) may contain
8 such terms, provisions, and conditions as the state treasurer may deem
9 appropriate. The provisions shall allow the state to receive title to the real
10 and personal property that is the subject of the agreement on or prior to
11 the expiration of the entire term of the agreement, including all optional
12 renewal terms. Such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
13 OR CERTIFICATE OF PARTICIPATION agreement may further provide for the
14 issuance, distribution, and sale of instruments evidencing rights to receive
15 rentals and other payments made and to be made under the agreement.
16 Such instruments shall not be notes, bonds, or any other evidence of
17 indebtedness of the state within the meaning of any provision of the state
18 constitution or the laws of the state concerning or limiting the creation of
19 indebtedness by the state. Interest paid under a ~~lease-purchase~~ FINANCED
20 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement,
21 including interest represented by such instruments, shall be exempt from
22 Colorado income tax.

23 (f) The board may only enter into a ~~sublease-purchase~~
24 SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
25 agreement on behalf of the state pursuant to this subsection (2) if the state
26 treasurer has reviewed the agreement and provided written authorization
27 to the board to enter into the agreement.

1 (g) If the state treasurer deems it to be necessary or advisable, the
2 state treasurer may enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN
3 ASSET OR CERTIFICATE OF PARTICIPATION agreement on behalf of the state
4 for only a portion of a public school facility for which financial assistance
5 is being provided or for all or a portion of a different public school
6 facility or other property of a school district.

7 (h) Notwithstanding the authority of the board to instruct the state
8 treasurer to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
9 OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state, in
10 order to ensure that ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
11 CERTIFICATE OF PARTICIPATION agreements are entered into under
12 favorable financial market conditions, the state treasurer shall have sole
13 discretion to determine the timing of the state treasurer's entry into any
14 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
15 PARTICIPATION agreement on behalf of the state pursuant to this
16 subsection (2).

17 **SECTION 19.** In Colorado Revised Statutes, 22-43.7-110.5,
18 **amend** (2)(b), (4)(b), and (4)(c) as follows:

19 **22-43.7-110.5. Charter school matching money loan program**
20 **- rules - definitions.** (2) (b) The board shall direct the state treasurer to
21 include the amount of a loan approved pursuant to this section in the
22 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
23 PARTICIPATION agreement entered into pursuant to section 22-43.7-110
24 (2) to provide financial assistance to the eligible charter school for which
25 the loan is approved.

26 (4) To receive a loan through the loan program, an eligible charter
27 school shall:

1 (b) Pay an interest rate on the loan that is equal to the interest rate
2 paid by the state treasurer on the ~~lease-purchase~~ FINANCED PURCHASE OF
3 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into
4 pursuant to section 22-43.7-110 to provide financial assistance to the
5 eligible charter school for which the loan is approved;

6 (c) Amortize the loan payments over the same period in years as
7 the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
8 PARTICIPATION agreement entered into pursuant to section 22-43.7-110
9 to provide financial assistance to the eligible charter school for which the
10 loan is approved; except that the eligible charter school may pay the full
11 amount of the loan early without incurring a prepayment penalty; and

12 **SECTION 20.** In Colorado Revised Statutes, 22-43.7-111,
13 **amend** (1)(a)(I), (1)(a)(II), and (1)(e) as follows:

14 **22-43.7-111. Reporting requirements - auditing by state**
15 **auditor.** (1) Notwithstanding section 24-1-136 (1)(a)(I), no later than
16 February 15, 2010, and no later than each February 15 thereafter, the
17 board shall present a written report to the education and finance
18 committees of the house of representatives and the senate and the capital
19 development committee, or any successor committees, regarding the
20 provision of financial assistance to applicants pursuant to this article 43.7.
21 The report must include, at a minimum:

22 (a) An accounting of the financial assistance provided through the
23 prior fiscal year that includes:

24 (I) A statement of the aggregate amount of financial assistance
25 awarded through the prior fiscal year, including statements of the amount
26 of grants provided, and the amount of payments made and payments
27 committed to be made but not yet made in connection with ~~lease-purchase~~

1 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
2 agreements;

3 (II) A statement of the aggregate amount of financial assistance
4 provided as grants and the aggregate amount of payments made in
5 connection with ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
6 CERTIFICATE OF PARTICIPATION agreements during the prior fiscal year;

7 (e) An estimate, to the extent feasible, of the total amounts of
8 revenues to be credited to the assistance fund during the current fiscal
9 year and the next fiscal year and financial assistance to be awarded during
10 the next fiscal year, including separate estimates of the total amounts of
11 financial assistance to be awarded as cash grants and under the terms of
12 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
13 PARTICIPATION agreements entered into pursuant to section 22-43.7-110
14 (2).

15 **SECTION 21.** In Colorado Revised Statutes, 22-44-105, **amend**
16 (1)(c.5) as follows:

17 **22-44-105. Budget - contents - mandatory.** (1) The budget shall
18 be presented in the standard budget report format established by the state
19 board of education by rule pursuant to subsection (5) of this section. The
20 standard budget report format established by the state board shall be
21 substantially consistent from year to year and shall adhere to the
22 following guidelines:

23 (c.5) The budget shall ensure that the school district holds
24 unrestricted general fund or cash fund emergency reserves in the amount
25 required under the provisions of section 20 (5) of article X of the state
26 constitution; except that, if a board of education provides for a district
27 emergency reserve in the general fund for the budget year, established at

1 an amount equal to at least three percent of the amount budgeted to the
2 general fund, the board may:

3 (I) Designate real property owned by the district as all or a portion
4 of the reserve required by section 20 (5) of article X of the state
5 constitution so long as the board has filed with the state treasurer and the
6 department of education a letter of intent that expresses the intent of the
7 board to increase the liquidity of such property upon the occurrence of a
8 declared emergency within the meaning of section 20 (5) of article X of
9 the state constitution by entering into one or more ~~lease-purchase~~
10 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
11 agreements with respect to such property or by other means acceptable to
12 the state treasurer; or

13 (II) Secure a letter of credit from an investment-grade bank as all
14 or a portion of the reserve required by section 20 (5) of article X of the
15 state constitution so long as the board has filed with the state treasurer
16 and the department of education a letter of intent that expresses the intent
17 of the board to satisfy its obligation to reimburse the bank for ~~moneys~~
18 MONEY drawn on the letter of credit upon the occurrence of a declared
19 emergency within the meaning of section 20 (5) of article X of the state
20 constitution that are not reimbursed to the bank within the same fiscal
21 year by entering into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
22 CERTIFICATE OF PARTICIPATION agreements with respect to real property
23 owned by the district.

24 **SECTION 22.** In Colorado Revised Statutes, 22-45-112, **amend**
25 (2)(a)(II) and (2)(a)(III) as follows:

26 **22-45-112. Sale of assets.** (2) (a) Prior to July 1, 2005, a school
27 district may sell land, buildings, or land and buildings and deposit in and

1 expend from its general fund the proceeds, less costs, of the sale if:

2 (II) The school district sells the property to ~~a lessor~~ AN ENTITY,
3 including but not limited to the state treasurer pursuant to section
4 22-54-110 (2)(d), who, at the time of the sale, ~~leases all of the property~~
5 ~~back to the district pursuant to a lease-purchase~~ ENTERS INTO A FINANCED
6 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
7 WITH THE DISTRICT COVERING ALL OF THE PROPERTY that is subject to
8 annual appropriation by the school district and has a term of no more than
9 one year; and

10 (III) The state treasurer approves in writing the terms of the sale
11 and ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
12 PARTICIPATION agreements.

13 **SECTION 23.** In Colorado Revised Statutes, 22-54-110, **amend**
14 (2)(d)(II), (2)(d)(III), and (2)(d)(V) as follows:

15 **22-54-110. Loans to alleviate cash flow deficits - financed**
16 **purchase of an asset agreements.** (2) (d) (II) Such sale may only be
17 made if:

18 (A) At the same time of the sale, the state treasurer ~~leases back all~~
19 ~~of the property to the district pursuant to a lease-purchase~~ ENTERS INTO A
20 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
21 agreement WITH THE DISTRICT COVERING ALL OF THE PROPERTY that is
22 subject to annual appropriation by the school district;

23 (B) The district pays any legal or other transaction costs incurred
24 by the state treasurer related to the sale of the property and the
25 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
26 PARTICIPATION agreement; and

27 (C) The state treasurer agrees to the sale of the property and the

1 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
2 PARTICIPATION agreement.

3 (III) The provisions of ~~paragraph (c) of this subsection (2)~~
4 SUBSECTION (2)(c) OF THIS SECTION shall not apply to the ~~lease-purchase~~
5 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
6 agreement, and no lien shall attach to any district tax revenues in order to
7 secure the district's ~~lease~~ payments. The ~~lease-purchase~~ FINANCED
8 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
9 shall not authorize the district to receive fee title to the property that is the
10 subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
11 CERTIFICATE OF PARTICIPATION agreement prior to the expiration of the
12 terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
13 CERTIFICATE OF PARTICIPATION agreement.

14 (V) If a district defaults in the payment of rent required by the
15 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
16 PARTICIPATION agreement, it shall have thirty days to cure ~~such~~ THE
17 default. If after thirty days the district has not cured the default and if the
18 district remains in possession of the property, the state treasurer shall
19 recover possession of the property pursuant to the provisions of article 40
20 of title 13. ~~C.R.S.~~ If a court enters a judgment in favor of the state
21 treasurer and issues a writ of restitution pursuant to section 13-40-115,
22 ~~C.R.S.~~, the state treasurer shall liquidate the property to the best
23 advantage of the state.

24 **SECTION 24.** In Colorado Revised Statutes, 23-1-106.3, **amend**
25 (1)(a), (1)(b)(I), (1)(b)(II), (1)(b)(IV), (1)(b)(V), (2), (3), (4)(a), (5)(a),
26 and (5)(c) as follows:

27 **23-1-106.3. Duties and powers of the commission - capital**

1 **construction projects - federal mineral lease revenues fund - higher**
2 **education institutions financed purchase of an asset cash fund.**

3 (1) (a) As soon as possible after May 12, 2008, the commission, after
4 consultation with the appropriate governing boards of state-supported
5 institutions of higher education, shall submit to the office of state
6 planning and budgeting and to the capital development committee of the
7 general assembly, established pursuant to section 2-3-1302, ~~C.R.S.~~, a
8 prioritized list of capital construction projects at the state-supported
9 institutions of higher education to be constructed using ~~lease-purchase~~
10 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
11 agreements funded through the higher education federal mineral lease
12 revenues fund established pursuant to section 23-19.9-102 (1) and
13 referred to in this section as the "revenues fund". As soon as possible
14 after receipt of the list from the commission, the office of state planning
15 and budgeting shall submit to the capital development committee a
16 prioritized list of capital construction projects at state-supported
17 institutions of higher education to be constructed using ~~lease-purchase~~
18 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
19 agreements funded through the revenues fund.

20 (b) (I) As soon as possible after receipt of the prioritized list from
21 the office of state planning and budgeting, the capital development
22 committee shall review the prioritized lists submitted by the commission
23 and the office of state planning and budgeting and shall submit to the
24 joint budget committee of the general assembly a prioritized list of capital
25 construction projects at state-supported institutions of higher education
26 to be constructed using ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
27 OR CERTIFICATE OF PARTICIPATION agreements funded through the

1 revenues fund.

2 (II) As soon as possible after receipt of the prioritized list from the
3 capital development committee, the joint budget committee shall review
4 the prioritized list submitted by the capital development committee and
5 shall sponsor a joint resolution specifying a prioritized list of capital
6 construction projects at state-supported institutions of higher education
7 to be constructed using ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
8 OR CERTIFICATE OF PARTICIPATION agreements funded through the
9 revenues fund. The resolution shall contain a listing of the maximum
10 amount of principal to be raised through ~~lease-purchase~~ FINANCED
11 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to
12 be paid from the revenues fund, the minimum amount of principal to be
13 contributed by the institution, and the total anticipated cost of the project.

14 (IV) The anticipated annual state-funded payments for the
15 principal and interest components of amount payable under all
16 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION agreements on the projects listed in the joint resolution
18 adopted and approved pursuant to this ~~paragraph (b)~~ SUBSECTION (1)(b)
19 entered into during the fiscal year commencing July 1, 2008, shall not
20 exceed an average of sixteen million two hundred thousand dollars per
21 year for the first ten years of payments and sixteen million eight hundred
22 thousand dollars per year during the second ten years of payments.

23 (V) To the extent that any projects on the prioritized list contained
24 in the joint resolution introduced and approved pursuant to this subsection
25 (1) are not the subject of ~~lease-purchase~~ FINANCED PURCHASE OF AN
26 ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into
27 pursuant to subsection (3) of this section and to the extent that the state

1 treasurer determines that there is sufficient money in the revenues fund
2 to enter into an additional ~~lease-purchase~~ FINANCED PURCHASE OF AN
3 ASSET OR CERTIFICATE OF PARTICIPATION agreement or agreements during
4 the fiscal year commencing July 1, 2009, the remaining projects on the
5 prioritized list in the joint resolution shall be the prioritized list for
6 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
7 PARTICIPATION agreements entered into during the fiscal year
8 commencing July 1, 2009.

9 (2) (a) On or before August 15, 2009, and on or before August 15
10 of each year thereafter through August 15, 2015, the state treasurer shall
11 notify the commission, the office of state planning and budgeting, the
12 capital development committee, and the joint budget committee of the
13 amount of money in the revenues fund and whether the treasurer
14 determines that there ~~are~~ IS sufficient ~~moneys~~ MONEY in the revenues
15 fund to enter into additional ~~lease-purchase~~ FINANCED PURCHASE OF AN
16 ASSET OR CERTIFICATE OF PARTICIPATION agreements to be funded from
17 the revenues fund. On and after April 14, 2016, the state shall not enter
18 into any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
19 CERTIFICATE OF PARTICIPATION agreements to be funded from the
20 revenues fund.

21 (b) After the notification required by ~~paragraph (a) of this~~
22 ~~subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION is received, and the
23 treasurer has determined that there ~~are~~ IS sufficient ~~moneys~~ MONEY in the
24 revenues fund to enter into additional ~~lease-purchase~~ FINANCED
25 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements,
26 the commission, the office of state planning and budgeting, the capital
27 development committee, and the joint budget committee, pursuant to the

1 procedures established in subsection (1) of this section, may promptly
2 consider a new prioritized list of capital construction projects at
3 state-supported institutions of higher education to be constructed using
4 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
5 PARTICIPATION agreements funded through the revenues fund. A joint
6 resolution introduced pursuant to this ~~paragraph (b)~~ SUBSECTION (2)(b)
7 shall also include a statement of the maximum average anticipated
8 state-funded payments under all ~~lease-purchase~~ FINANCED PURCHASE OF
9 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to be authorized
10 through the joint resolution.

11 (3) (a) (I) Notwithstanding the provisions of sections 24-82-102
12 (1)(b) and 24-82-801, ~~C.R.S.~~, the state of Colorado, acting by and through
13 the state treasurer, is authorized to execute ~~lease-purchase~~ FINANCED
14 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
15 each for no more than twenty years of annual payments on the projects
16 listed in the joint resolution adopted and approved pursuant to ~~paragraph~~
17 ~~(b) of subsection (1) of this section or paragraph (b) of subsection (2)~~
18 SUBSECTION (1)(b) OR (2)(b) of this section. The ~~lease-purchase~~
19 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
20 agreements authorized pursuant to this ~~paragraph (a)~~ SUBSECTION (3)(a)
21 may be for the total amount of the project cost as reflected in the joint
22 resolution. A state-supported institution of higher education may either
23 contribute the full amount of its share of the cost of the project at the
24 commencement of the project or may have its share of the cost of the
25 project included in the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
26 OR CERTIFICATE OF PARTICIPATION agreement. Based upon the total
27 amount of money that one or more ~~lease-purchase~~ FINANCED PURCHASE

1 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements is able to
2 raise, the treasurer shall enter into ~~lease-purchase~~ FINANCED PURCHASE OF
3 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in the order of
4 the prioritized list contained in the joint resolution; except that, if, after
5 funding all previous projects on the list, the amount of money is
6 insufficient to fund the entire project that is next on the list, the treasurer
7 may enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
8 CERTIFICATE OF PARTICIPATION agreement on the next project or projects
9 on the list that may be completely funded.

10 (II) The state treasurer shall ensure that each state-supported
11 institution of higher education submits a certificate of completion no later
12 than August 1, 2012, for each project funded in whole or in part by the
13 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
14 PARTICIPATION agreement entered into by the state treasurer in 2008
15 pursuant to this section. After such certificates of completion are received
16 by the state treasurer, the state treasurer and the state controller shall
17 calculate the amount of unspent proceeds raised through the 2008
18 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
19 PARTICIPATION agreement. The state treasurer and the state controller
20 shall also calculate the amount of the unspent institutional shares of the
21 total project costs. The state treasurer and state controller shall provide
22 these amounts to the capital development committee in writing no later
23 than August 15, 2012. No later than thirty days after receiving such
24 amounts, the capital development committee shall hold a public meeting
25 during the interim between the second regular session of the sixty-eighth
26 general assembly and the first regular session of the sixty-ninth general
27 assembly to decide, by majority vote, what the unspent proceeds raised

1 through the 2008 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
2 CERTIFICATE OF PARTICIPATION agreement and the unspent institutional
3 shares of the total project costs should be used to fund. The capital
4 development committee's decision shall be limited to funding capital
5 construction projects at state-supported institutions of higher education
6 or, so long as such projects are identified as eligible by bond counsel,
7 controlled maintenance projects at state-supported institutions of higher
8 education. The capital development committee shall communicate the
9 decision to the state treasurer in writing, and the state treasurer shall
10 ensure that the approved project or projects are funded from the unspent
11 proceeds raised through the 2008 ~~lease-purchase~~ FINANCED PURCHASE OF
12 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and the unspent
13 institutional shares of the total project costs as soon as possible.

14 (b) (I) The state of Colorado, acting by and through the state
15 treasurer, at the state treasurer's sole discretion, may enter into one or
16 more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
17 OF PARTICIPATION agreements authorized by ~~paragraph (a) of this~~
18 ~~subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION with any for-profit or
19 nonprofit corporation, trust, or commercial bank as a trustee, as lessor,
20 including but not limited to the Colorado educational and cultural
21 facilities authority created pursuant to section 23-15-104.

22 (II) (A) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
23 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
24 ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION
25 shall provide that all of the obligations of the state under the agreement
26 shall be subject to the action of the general assembly in annually making
27 ~~moneys~~ MONEY available for all payments thereunder. Payments under

1 any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
2 PARTICIPATION agreement shall be made from the revenues fund and any
3 money in the higher education institutions ~~lease-purchase~~ FINANCED
4 PURCHASE OF AN ASSET cash fund established in subsection (4) of this
5 section.

6 (B) Each agreement ~~shall~~ MUST also provide that the obligations
7 of the state shall not be deemed or construed as creating an indebtedness
8 of the state within the meaning of any provision of the state constitution
9 or the laws of the state of Colorado concerning or limiting the creation of
10 indebtedness by the state of Colorado and shall not constitute a multiple
11 fiscal-year direct or indirect debt or other financial obligation of the state
12 within the meaning of section 20 (4) of article X of the state constitution.
13 In the event the state of Colorado does not renew a ~~lease-purchase~~
14 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
15 agreement authorized pursuant to ~~paragraph (a) of this subsection (3)~~
16 SUBSECTION (3)(a) OF THIS SECTION, the sole security available to the
17 ~~lessor~~ SELLER shall be the property that is the subject of the nonrenewed
18 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
19 PARTICIPATION agreement.

20 (III) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
21 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
22 ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION
23 may contain such terms, provisions, and conditions as the state treasurer,
24 acting on behalf of the state of Colorado, may deem appropriate,
25 including all optional terms; except that each ~~lease-purchase~~ FINANCED
26 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
27 shall specifically authorize the state of Colorado or the governing board

1 of the applicable state-supported institution of higher education to receive
2 fee title to all real and personal property that is the subject of the
3 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
4 PARTICIPATION agreement on or prior to the expiration of the terms of the
5 agreement. Any title to such property received by the state on or prior to
6 the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF
7 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall be held for
8 the benefit and use of such governing board.

9 (IV) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
10 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
11 ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION
12 may provide for the issuance, distribution, and sale of instruments
13 evidencing rights to receive rentals and other payments made and to be
14 made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
15 CERTIFICATE OF PARTICIPATION agreement. The instruments may be
16 issued, distributed, or sold only by the ~~lessor~~ SELLER or any person
17 designated by the ~~lessor~~ SELLER and not by the state. The instruments
18 shall not create a relationship between the purchasers of the instruments
19 and the state or create any obligation on the part of the state to the
20 purchasers. The instruments shall not be notes, bonds, or any other
21 evidence of indebtedness of the state within the meaning of any provision
22 of the state constitution or the law of the state concerning or limiting the
23 creation of indebtedness of the state and shall not constitute a multiple
24 fiscal-year direct or indirect debt or other financial obligation of the state
25 within the meaning of section 20 (4) of article X of the state constitution.

26 (V) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF
27 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized

1 pursuant to ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS
2 SECTION, including interest represented by the instruments, shall be
3 exempt from Colorado income tax.

4 (VI) The state of Colorado, acting through the state treasurer and
5 the governing board of the institutions of higher education, is authorized
6 to enter into ancillary agreements and instruments as are deemed
7 necessary or appropriate in connection with a ~~lease-purchase~~ FINANCED
8 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement,
9 including but not limited to deeds, ground leases, sub-leases, easements,
10 or other instruments relating to the real property on which the facilities
11 are located or an agreement entered into pursuant to subsection (5) of this
12 section.

13 (c) The provisions of section 24-30-202 (5)(b) ~~C.R.S.~~, shall not
14 apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
15 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
16 ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION
17 or any ancillary agreement or instrument entered into pursuant to
18 ~~paragraph (b) of this subsection (3)~~ SUBSECTION (3)(b) OF THIS SECTION.
19 The state controller or his or her designee shall waive any provision of the
20 fiscal rules promulgated pursuant to section 24-30-202 (1) and (13)
21 ~~C.R.S.~~, that the state controller deems to be incompatible or inapplicable
22 with respect to said ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
23 CERTIFICATE OF PARTICIPATION agreements or any such ancillary
24 agreement or instrument.

25 (4) (a) A local government or the governing board of a
26 state-supported institution of higher education may pay to the state
27 treasurer an amount to assist the state in making payments on any

1 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
2 PARTICIPATION agreement entered into pursuant to ~~paragraph (a) of~~
3 ~~subsection (3)~~ SUBSECTION (3)(a) of this section. State-supported
4 institutions of higher education, including but not limited to the Auraria
5 higher education center and its constituent institutions, are authorized to
6 transfer ~~moneys~~ MONEY to the state treasurer pursuant to this subsection
7 (4) for the projects for which the state treasurer executes a ~~lease-purchase~~
8 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
9 agreement pursuant to subsection (3) of this section without an
10 appropriation from the general assembly. The state treasurer shall credit
11 any ~~moneys~~ MONEY received pursuant to this subsection (4) to the higher
12 education institutions ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
13 cash fund, referred to in this subsection (4) as the "fund", which fund is
14 hereby created in the state treasury. Except as provided in ~~subparagraph~~
15 ~~(H) of paragraph (a) of subsection (3)~~ SUBSECTION (3)(a)(II) of this
16 section, ~~moneys~~ MONEY in the fund ~~are~~ IS continuously appropriated to
17 the state treasurer to make payments on ~~lease-purchase~~ FINANCED
18 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
19 executed pursuant to ~~paragraph (a) of subsection (3)~~ SUBSECTION (3)(a)
20 of this section. Any ~~moneys~~ MONEY in the fund not expended for the
21 purpose of this section shall be invested by the state treasurer as provided
22 by law. All interest and income derived from the investment and deposit
23 of ~~moneys~~ MONEY in the fund shall be credited to the fund. Except as
24 provided in ~~paragraph (b) of this subsection (4)~~ SUBSECTION (4)(b) OF
25 THIS SECTION, any unexpended and unencumbered ~~moneys~~ MONEY
26 remaining in the fund at the end of a fiscal year shall remain in the fund
27 and shall not be credited or transferred to the general fund or another

1 fund.

2 (5) (a) Prior to executing a ~~lease-purchase~~ FINANCED PURCHASE
3 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement pursuant to
4 subsection (3) of this section, in order to protect against future interest
5 rate increases, the state of Colorado, acting by and through the state
6 treasurer and at the discretion of the state treasurer, may enter into an
7 interest rate exchange agreement pursuant to article 59.3 of title 11.
8 ~~C.R.S.~~ A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
9 CERTIFICATE OF PARTICIPATION agreement entered into pursuant to
10 subsection (3) of this section shall be a proposed public security for the
11 purposes of article 59.3 of title 11. ~~C.R.S.~~ Any payments made by the
12 state under an agreement entered into pursuant to this subsection (5) shall
13 be made solely from ~~moneys~~ MONEY made available to the state treasurer
14 from the execution of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
15 OR CERTIFICATE OF PARTICIPATION agreement or from ~~moneys~~ MONEY
16 appropriated from the revenues fund or the higher education institutions
17 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
18 PARTICIPATION cash fund created pursuant to subsection (4) of this
19 section.

20 (c) Any ~~moneys~~ MONEY received by the state under an agreement
21 entered into pursuant to this subsection (5) shall be used to make
22 payments on ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
23 CERTIFICATE OF PARTICIPATION agreements entered into pursuant to
24 subsection (3) of this section or to pay the costs of the project for which
25 a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
26 PARTICIPATION agreement was executed.

27 **SECTION 25.** In Colorado Revised Statutes, 23-15-107, **amend**

1 (1) introductory portion and (1)(g) as follows:

2 **23-15-107. General powers of the authority.** (1) In addition to
3 any other powers granted to the authority by this ~~article~~ ARTICLE 15, the
4 authority shall have the following powers:

5 (g) To ~~lease to~~ ENTER INTO AN AGREEMENT WITH a participating
6 institution of postsecondary education or cultural institution COVERING
7 any or all of the facilities upon such terms and conditions as the authority
8 shall deem proper, including, but not limited to, renewable, one-year
9 leases with institutions of postsecondary education supported in whole or
10 in part by state funds if authorized pursuant to section 23-1-106 or section
11 24-82-709, ~~C.R.S.~~, or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
12 OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
13 sections 24-82-102 (1)(b) and 24-82-801; ~~C.R.S.~~; to charge and collect
14 rent therefor and to terminate any such ~~lease~~ AGREEMENT upon the failure
15 of the ~~lessee~~ BUYER to comply with any of the obligations thereof; and to
16 include in any such ~~lease~~ AGREEMENT, if desired, provisions that the
17 ~~lessee~~ BUYER thereof shall have options to renew the term of the ~~lease~~
18 AGREEMENT for such period or periods, at such rent, and upon such terms
19 or conditions as shall be determined by the authority or to purchase any
20 or all of the facilities or to include, if desired, provisions that, upon
21 payment of all of the indebtedness incurred by the authority for the
22 financing of such facilities, the authority will convey any or all of the
23 facilities to the ~~lessee~~ BUYER or ~~lessees~~ BUYERS thereof with or without
24 consideration;

25 **SECTION 26.** In Colorado Revised Statutes, 23-20-136, **amend**
26 (3.5)(a) and (5) as follows:

27 **23-20-136. Fitzsimons trust fund - creation - legislative**

1 **declaration - repeal.** (3.5) (a) For the 2016-17 fiscal year and for each
2 fiscal year thereafter in which the state receives ~~moneys~~ MONEY pursuant
3 to the master settlement agreement, and in which money is due to a lessor
4 under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
5 OF PARTICIPATION agreement authorized pursuant to section 3 of House
6 Bill 03-1256, enacted in 2003, the state treasurer shall transfer to the
7 capital construction fund and the state controller shall transfer from the
8 capital construction fund to the Fitzsimons trust fund, except as otherwise
9 provided in section 24-75-1104.5 (5), ~~C.R.S.~~, eight percent of the total
10 amount received by the state pursuant to the master settlement agreement,
11 other than attorney fees and costs, during the preceding fiscal year.

12 (5) ~~Moneys~~ MONEY in the Fitzsimons trust fund may be
13 appropriated to pay for capital construction projects for the university of
14 Colorado health sciences center at the former Fitzsimons Army base that
15 have received the prior approval of the board of regents of the university
16 of Colorado, the Colorado commission on higher education, the capital
17 development committee, the general assembly, and the joint budget
18 committee or for ~~lease~~ payments on any ~~lease-purchase~~ FINANCED
19 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
20 authorized pursuant to section 3 of House Bill 03-1256, as enacted at the
21 first regular session of the sixty-fourth general assembly.

22 **SECTION 27.** In Colorado Revised Statutes, 23-31-901, **amend**
23 (1)(b)(II) introductory portion and (2)(i) introductory portion as follows:

24 **23-31-901. Legislative declaration.** (1) The general assembly
25 hereby finds and declares that:

26 (b) It is important to sustain and grow the national western stock
27 show in Denver for the next one hundred years so that the state can

1 continue to realize the benefits that it provides and additional benefits
2 estimated to accrue from its transformational redevelopment, which
3 include but are not limited to:

4 (II) The following significant economic impacts, which an
5 economic analysis by strategic advisory group estimates, of developing
6 the Colorado state university facilities at the national western center based
7 upon the current ten-year build-out of the site without the use of
8 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
9 PARTICIPATION agreements:

10 (2) The general assembly further finds and declares that:

11 (i) It is necessary, appropriate, and in the best interests of the state
12 to authorize the state, acting by and through the state treasurer, to enter
13 into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
14 PARTICIPATION agreements for the purpose of providing financing for the
15 construction of facilities for Colorado state university at the national
16 western center and on-campus affiliated facilities, and such financing is
17 contingent upon approval, through established state executive and
18 legislative branch capital construction project review and approval
19 processes, of specific projects to be financed and the voters of the city
20 and county of Denver approving an extension of the lodging and car
21 rental taxes or another similar tax, which would generate necessary
22 funding for the national western center. Further, it is in the best interests
23 of the state to accelerate the development of the Colorado state university
24 educational facilities resulting in the following economic benefits to the
25 state:

26 **SECTION 28.** In Colorado Revised Statutes, 23-31-902, **amend**
27 (2) and (3) as follows:

1 **23-31-902. Annual project report - national western center**

2 **trust fund - creation - use.** (2) The national western center trust fund is
3 created in the state treasury. The trust fund consists of ~~moneys~~ MONEY
4 transferred from the general fund to the trust fund pursuant to subsection
5 (3) of this section. Interest and income derived from the deposit and
6 investment of the trust fund is credited to the trust fund. All unexpended
7 and unencumbered ~~moneys~~ MONEY in the trust fund at the end of a fiscal
8 year remains in the trust fund and shall not be credited to the general fund
9 or any other fund. Subject to annual appropriation by the general
10 assembly, the board of governors of Colorado state university may expend
11 money from the trust fund to make ~~lease~~ payments payable under the
12 terms of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
13 CERTIFICATE OF PARTICIPATION agreements entered into as authorized by
14 section 23-31-903. The principal and interest of the trust fund shall not be
15 expended or appropriated for any other purpose.

16 (3) If, in order to contribute to the financing of the phased
17 development of the national western center, the state enters into one or
18 more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
19 OF PARTICIPATION agreements as authorized by section 23-31-903, on July
20 1 of any fiscal year commencing on or after July 1, 2019, for which
21 money is due to a ~~lessor~~ SELLER under such a ~~lease-purchase~~ FINANCED
22 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, the
23 state treasurer shall transfer from the general fund to the national western
24 center trust fund the lesser of twenty million dollars or the amount due to
25 any ~~lessor~~ SELLER during the fiscal year.

26 **SECTION 29.** In Colorado Revised Statutes, 23-31-903, **amend**
27 (1), (2)(a), (2)(b)(I) introductory portion, (2)(b)(I)(A), (2)(b)(II), (2)(c),

1 (2)(d), (2)(e), and (3) as follows:

2 **23-31-903. Authorization for financed purchase of an asset or**
3 **certificate of participation agreements.** (1) (a) Subject to the
4 requirements specified in ~~paragraph (c) of this subsection (1)~~ SUBSECTION
5 (1)(c) OF THIS SECTION, the state of Colorado, acting by and through the
6 state treasurer, may execute one or more ~~lease-purchase~~ FINANCED
7 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for
8 up to twenty years of principal and interest payments for the state to
9 finance the construction of facilities for Colorado state university at the
10 national western center and affiliated facilities at the Colorado state
11 university campus. The total amount of the principal component of said
12 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
13 PARTICIPATION agreement shall not exceed two hundred fifty million
14 dollars, plus reasonable and necessary administrative, monitoring, and
15 closing costs and interest, including capitalized interest.

16 (b) Enactment of this part 9 satisfies the requirements of sections
17 24-82-102 (1)(b) and 24-82-801, ~~C.R.S.~~, which require authorization of
18 a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
19 PARTICIPATION agreement by a bill other than an annual general
20 appropriation bill or a supplemental appropriation bill.

21 (c) The state shall not enter into a ~~lease-purchase~~ FINANCED
22 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement as
23 authorized by this section unless the specific facilities to be financed by
24 the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
25 PARTICIPATION agreement have been included in the unified, five-year
26 capital improvements report prepared and transmitted by the Colorado
27 commission on higher education pursuant to section 23-1-106, prioritized

1 for funding by the office of state planning and budgeting in its submission
2 to the capital development committee made pursuant to section 24-37-304
3 (1)(c.3)(I)(C), ~~C.R.S.~~, recommended for funding by the capital
4 development committee pursuant to section 2-3-1305, ~~C.R.S.~~, and
5 included in the governor's annual executive budget proposed to the
6 general assembly pursuant to section 24-37-301. ~~C.R.S.~~ Prior to closing,
7 the state controller must approve all agreements relating to the financing
8 of the facilities, and the voters of the city and county of Denver must
9 approve an extension of the lodging and car rental taxes or another similar
10 tax.

11 (2) (a) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
12 CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of
13 this section must provide that all of the obligations of the state under the
14 agreement are subject to the action of the general assembly in annually
15 making ~~moneys~~ MONEY available for all payments thereunder. Payments
16 under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
17 CERTIFICATE OF PARTICIPATION agreement shall be made only from such
18 action of the general assembly. No ~~lease-purchase~~ FINANCED PURCHASE
19 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in
20 subsection (1) of this section creates any liability or indebtedness of
21 Colorado state university. Such an agreement must also provide that the
22 obligations do not create an indebtedness of the state within the meaning
23 of any provision of the state constitution or the laws of the state of
24 Colorado concerning or limiting the creation of indebtedness by the state
25 of Colorado and do not constitute a multiple fiscal-year direct or indirect
26 debt or other financial obligation of the state within the meaning of
27 section 20 (4) of article X of the state constitution. If the state of

1 Colorado does not renew a ~~lease-purchase~~ FINANCED PURCHASE OF AN
2 ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in
3 subsection (1) of this section, the sole security available to the lessor
4 SELLER is the real property that is the subject of the nonrenewed
5 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
6 PARTICIPATION agreement.

7 (b) (I) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
8 CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of
9 this section may contain such terms, provisions, and conditions as the
10 state treasurer may deem appropriate, including all optional terms; except
11 that the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
12 OF PARTICIPATION agreement must specifically authorize the state of
13 Colorado to:

14 (A) Receive fee title to all real and personal property that is the
15 subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
16 CERTIFICATE OF PARTICIPATION agreement on or prior to the expiration of
17 the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
18 CERTIFICATE OF PARTICIPATION agreement; and

19 (II) Any title to property received by the state on or prior to the
20 expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN
21 ASSET OR CERTIFICATE OF PARTICIPATION agreement will be held by the
22 state for the benefit and use of Colorado state university.

23 (c) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
24 CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of
25 this section may provide for the issuance, distribution, and sale of
26 instruments evidencing rights to receive ~~rentals and other~~ payments made
27 and to be made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN

1 ASSET OR CERTIFICATE OF PARTICIPATION agreement. The instruments
2 may be issued, distributed, or sold only by the lessor SELLER or any person
3 designated by the lessor SELLER and not by the state. The instruments do
4 not create a relationship between the purchasers of the instruments and
5 the state or create any obligation on the part of the state to the purchasers.
6 The instruments are not notes, bonds, or any other evidence of
7 indebtedness of the state within the meaning of any provision of the state
8 constitution or the law of the state concerning or limiting the creation of
9 indebtedness of the state and do not constitute a multiple fiscal-year direct
10 or indirect debt or other financial obligation of the state within the
11 meaning of section 20 (4) of article X of the state constitution.

12 (d) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF
13 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in
14 subsection (1) of this section, including interest represented by the
15 instruments, is exempt from state tax.

16 (e) The state of Colorado, acting through the state treasurer, is
17 authorized to enter into such ancillary agreements and instruments as are
18 deemed necessary or appropriate in connection with the ~~lease-purchase~~
19 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
20 agreements, including but not limited to ground leases, easements, or
21 other instruments relating to the facilities to be purchased.

22 (3) The provisions of section 24-30-202 (5)(b) ~~C.R.S.~~, do not
23 apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
24 CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of
25 this section or to any ancillary agreement entered into pursuant to
26 ~~paragraph (c) of subsection (2)~~ SUBSECTION (2)(c) of this section. The
27 state controller or his or her designee may waive any provision of the

1 fiscal rules promulgated pursuant to section 24-30-202 (1) and (13)
2 ~~C.R.S.~~, that the state controller deems to be incompatible or inapplicable
3 with respect to such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
4 OR CERTIFICATE OF PARTICIPATION agreement or ancillary agreement.

5 **SECTION 30.** In Colorado Revised Statutes, 24-1-136.5, **amend**
6 (7) as follows:

7 **24-1-136.5. Long-range planning for capital construction,**
8 **controlled maintenance, capital renewal - policy - heads of principal**
9 **departments.** (7) Any acquisition or utilization of real property by a
10 department that is conditional upon or requires expenditures of state
11 funds or federal funds is subject to the approval of the executive director
12 and the office of the state architect, regardless of whether the acquisition
13 is by lease, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET,
14 CERTIFICATE OF PARTICIPATION, purchase, gift, or otherwise.

15 **SECTION 31.** In Colorado Revised Statutes, 24-30-202, **amend**
16 (5)(b) and (5.5) as follows:

17 **24-30-202. Procedures - vouchers, warrants, and checks -**
18 **rules - penalties - definitions.** (5) (b) If a state department, institution,
19 or agency enters into a contract to purchase real property or any interest
20 therein that has a total purchase price of more than one hundred thousand
21 dollars, the contract must contain a contingency clause that requires the
22 state to secure an appraisal of the subject real property or interest therein
23 prior to closing by an independent appraiser licensed in the state of
24 Colorado to substantiate the purchase price and that makes the closing of
25 the purchase contingent on the approval of the contract by the state
26 controller. When the state department, institution, or agency entering into
27 the contract receives the appraisal, the state department, institution, or

1 agency shall provide a copy of the appraisal to the state controller. This
2 ~~paragraph (b)~~ SUBSECTION (5)(b) shall not apply to the acquisition of
3 property by the department of transportation for the construction,
4 maintenance, or supervision of the public highways of this state, nor shall
5 it apply to any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN
6 ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant
7 to the master lease program authorized by part 7 of article 82 of this ~~title~~
8 TITLE 24.

9 (5.5) Any commitment voucher that provides that the financial
10 obligations of the state in subsequent fiscal years are contingent upon
11 funds for that purpose being appropriated, budgeted, and otherwise made
12 available shall not be deemed to create any state multiple-fiscal year
13 direct or indirect debt or other financial obligation whatsoever for
14 purposes of section 20 (4)(b) of article X of the state constitution. If a
15 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
16 PARTICIPATION agreement is subject to the requirement of specific
17 authorization by the general assembly under part 8 of article 82 of this
18 ~~title~~ TITLE 24, such committees shall make a recommendation to the
19 general assembly concerning whether to authorize the ~~lease-purchase~~
20 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
21 agreement. ~~involving the issuance of certificates of participation or other~~
22 ~~instruments~~. The department of personnel and the Colorado commission
23 on higher education shall maintain comparative data which will assist in
24 determining the relative costs to the state, over the entire term of the
25 arrangement, of financing the purchase or lease of property through
26 pay-as-you-go methods, certificates of participation, or other
27 arrangements.

1 **SECTION 32.** In Colorado Revised Statutes, 24-30-1303.9,
2 **amend** (7)(a)(VI) as follows:

3 **24-30-1303.9. Eligibility for state controlled maintenance**
4 **funding - legislative declaration.** (7) (a) Controlled maintenance funds
5 may not be used for:

6 (VI) Any real property acquired by a state agency or a state
7 institution of higher education through a ~~lease-purchase~~ FINANCED
8 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
9 where the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
10 CERTIFICATE OF PARTICIPATION agreement requires authorization set forth
11 in section 24-82-801.

12 **SECTION 33.** In Colorado Revised Statutes, 24-30-1310, **amend**
13 (2)(c) introductory portion as follows:

14 **24-30-1310. Funding for capital construction, controlled**
15 **maintenance, or capital renewal - definitions.** (2) Except for the
16 2020-21 annual general appropriation act, for every appropriation in the
17 capital construction section of the 2015-16 annual general appropriation
18 act and every appropriation in the capital construction section of each
19 annual general appropriation act thereafter, not including appropriations
20 for information technology projects, additional funding must be set aside
21 as follows:

22 (c) If the funding source for the appropriation is a financing
23 arrangement, including a ~~lease-purchase~~ FINANCED PURCHASE OF AN
24 ASSET OR CERTIFICATE OF PARTICIPATION agreement allowed pursuant to
25 section 24-82-802, and the source of the funding for the financing
26 payment is:

27 **SECTION 34.** In Colorado Revised Statutes, 24-30-1502, **amend**

1 (4.5) as follows:

2 **24-30-1502. Definitions.** As used in this part 15, unless the
3 context otherwise requires:

4 (4.5) "Property" means both real property as defined in section
5 39-1-102 (14) ~~C.R.S.~~, and personal property as defined in section
6 39-1-102 (11). ~~C.R.S.~~ For purposes of the self-insured property fund,
7 "personal property" means personal property owned by the state of
8 Colorado or personal property leased by the state of Colorado for which
9 the state is required to provide insurance under the terms of a lease, ~~or~~
10 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET, OR CERTIFICATE OF
11 PARTICIPATION agreement. For purposes of the self-insured property fund,
12 "personal property" does not include aircraft owned by the state of
13 Colorado or vehicles licensed for use on highways or roads. For purposes
14 of the self-insured property fund, "real property" means buildings owned
15 by the state of Colorado or buildings leased by the state of Colorado for
16 which the state is required to provide insurance under the terms of a lease
17 or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreement, OR
18 CERTIFICATE OF PARTICIPATION.

19 **SECTION 35.** In Colorado Revised Statutes, 24-30-2003, **amend**
20 (3) and (4) as follows:

21 **24-30-2003. Energy cost-savings contracts.** (3) An energy
22 cost-savings contract may include appropriate ~~lease-purchase~~ FINANCED
23 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION or other
24 authorized financing agreements.

25 (4) The legislative authorization required by section 24-82-801 (1)
26 shall not apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
27 CERTIFICATE OF PARTICIPATION agreement in an energy cost-savings

1 contract and no subsequent legislative authorization shall be required for
2 any payment made pursuant to such an agreement.

3 **SECTION 36.** In Colorado Revised Statutes, 24-36-121, **amend**
4 (1)(g), (3)(a)(I)(A), (3)(c)(I), and (4)(a)(II) as follows:

5 **24-36-121. Authority to manage state public financing - state**
6 **public financing cash fund - rules - legislative declaration -**
7 **definitions.** (1) The general assembly hereby finds, determines, and
8 declares that:

9 (g) Senate Bill 12-150, enacted in 2012, is not intended to grant
10 the state treasurer any authority that supersedes a state agency's authority
11 to enter into or incur a financial obligation, nor is Senate Bill 12-150
12 intended to affect other state laws regarding the general assembly's
13 approval of any ~~capital lease or lease-purchase~~ FINANCED PURCHASE OF
14 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement over five hundred
15 thousand dollars.

16 (3) As used in this section, unless the context otherwise requires:

17 (a) (I) "Financial obligation" means any financial contract, note,
18 warrant, check, bond, certificate, instrument, debenture, or other security,
19 the principal amount of which is one million dollars or more, that is
20 authorized to be issued or entered into by the state acting by and through
21 a state agency under the laws of this state, that is fully or partially secured
22 by any state revenues, and that is directly or indirectly related to the state's
23 credit rating. "Financial obligation" includes, but is not limited to:

24 (A) Any ~~capital lease or lease-purchase~~ FINANCED PURCHASE OF
25 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement the principal
26 amount of which is one million dollars or more authorized pursuant to
27 section 24-82-102 and part 8 of article 82 of this ~~title~~ TITLE 24; and

1 (c) (I) "State agency" means a department, board, bureau,
2 commission, division, institution, quasi-governmental entity, or other
3 agency or instrumentality of the state, including a state institution of
4 higher education. "State agency" also includes an enterprise, as defined
5 in section 24-77-102 (3), a nonprofit corporation organized under the
6 laws of this state and created solely for the purpose of issuing financial
7 obligations on behalf of the state acting by and through a state agency,
8 and a trust that may be formed by the state or a state agency to implement
9 ~~capital lease or lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
10 CERTIFICATE OF PARTICIPATION financing.

11 (4) (a) (II) For a state institution of higher education, for the
12 2012-13 state fiscal year and each state fiscal year thereafter, the state
13 treasurer shall act as the issuing manager, subject to the criteria
14 established in the state public financing policy promulgated as specified
15 in subsection (5) of this section, for any ~~lease-purchase~~ FINANCED
16 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
17 similar to those authorized in section 23-1-106.3, ~~C.R.S.~~, and any
18 financial contract, note, warrant, check, bond, certificate, instrument,
19 debenture, or other security, the principal amount of which is one million
20 dollars or more, that is authorized under the laws of this state to be issued
21 or entered into by the state acting by and through a state agency other than
22 a state institution of higher education and that finances improvements that
23 benefit a state institution of higher education. The state treasurer has the
24 sole discretion to manage the issuance or incurrence of such financial
25 obligations for a state institution of higher education and shall manage the
26 issuance or incurrence of such financial obligations in accordance with
27 the duties set forth in ~~sub-subparagraphs (A) to (E) of subparagraph (I)~~

1 of this paragraph (a) SUBSECTIONS (4)(a)(I)(A) TO (4)(a)(I)(E) OF THIS
2 SECTION. The state treasurer shall not act as the issuing manager for any
3 bonds subject to the higher education revenue bond intercept program
4 established in section 23-5-139. ~~C.R.S.~~

5 **SECTION 37.** In Colorado Revised Statutes, 24-38.5-106,
6 **amend** (3)(a) introductory portion, (3)(a)(III)(A), (3)(b), (3)(c), (3)(d),
7 (3)(e), (3)(f), (3)(g), (3)(h), and (4) as follows:

8 **24-38.5-106. Financing of capital projects to make state**
9 **government more energy efficient - financed purchase of asset**
10 **agreements - legislative declaration - definition.** (3) (a) Upon receipt
11 of the letter from the capital development committee regarding its review
12 pursuant to subsection (2) of this section, the state treasurer may enter
13 into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
14 CERTIFICATE OF PARTICIPATION agreements on behalf of the state in order
15 to generate the proceeds needed to complete the projects. A
16 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION agreement:

18 (III) Shall include provisions that:

19 (A) Specify that all payment obligations of the state under the
20 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
21 PARTICIPATION agreement are subject to annual appropriation by the
22 general assembly and that obligations shall not be deemed or construed
23 as creating an indebtedness of the state within the meaning of any
24 provision of the state constitution or the laws of the state concerning or
25 limiting the creation of indebtedness by the state;

26 (b) Only a building or facility subject to an energy performance
27 contract, as defined in section 24-30-2001 (1), that is under consideration

1 by the office of the state architect as of thirty days following June 10,
2 2010, may be the subject of a ~~lease-purchase~~ FINANCED PURCHASE OF AN
3 ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the
4 state treasurer pursuant to this subsection (3).

5 (c) The state, acting by and through the state treasurer, may enter
6 into ancillary agreements and instruments deemed necessary or
7 appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF
8 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized
9 pursuant to this subsection (3), including but not limited to deeds, leases,
10 subleases, easements, or other instruments relating to the real property on
11 which the facilities are located.

12 (d) The provisions of section 24-30-202 (5)(b) shall not apply to
13 a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
14 PARTICIPATION agreement or any ancillary agreement or instrument
15 authorized pursuant to this subsection (3). Any provision of the fiscal
16 rules promulgated pursuant to section 24-30-202 (1) and (13) that the
17 state controller deems to be incompatible or inapplicable with respect to
18 such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
19 OF PARTICIPATION agreement or ancillary agreement or instrument may
20 be waived by the controller or his or her designee within the office of the
21 state controller.

22 (e) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF
23 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including interest
24 represented by such instruments, shall be exempt from state income tax.

25 (f) Notwithstanding the authority of the capital development
26 committee of the general assembly to authorize, after approval by the
27 office of state planning and budgeting, the state treasurer to enter into

1 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
2 PARTICIPATION agreements on behalf of the state, in order to ensure that
3 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
4 PARTICIPATION agreements are entered into under favorable financial
5 market conditions, the state treasurer shall have sole discretion to
6 determine the timing of the state treasurer's entry into any ~~lease-purchase~~
7 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
8 agreement on behalf of the state pursuant to this subsection (3).

9 (g) The state treasurer shall coordinate with the office of state
10 planning and budgeting in regard to the schedule of ~~lease~~ payments
11 required in connection with any ~~lease-purchase~~ FINANCED PURCHASE OF
12 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

13 (h) Once a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
14 CERTIFICATE OF PARTICIPATION agreement has been executed, the state
15 treasurer shall submit the schedule for annual payments to the office of
16 state planning and budgeting and the joint budget committee of the
17 general assembly. The office of state planning and budgeting shall submit
18 a budget request to the joint budget committee to reduce any
19 corresponding operating appropriations for state capital facilities realizing
20 utility cost savings from projects financed by ~~lease-purchase~~ FINANCED
21 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
22 and to appropriate annual payments in the capital construction section of
23 the budget for those facilities for which operation and maintenance is
24 funded in whole or in part with ~~moneys~~ MONEY that ~~are~~ IS subject to state
25 appropriation. Upon receipt of the budget request from the office of state
26 planning and budgeting, the joint budget committee shall recommend to
27 the general assembly an appropriation for annual payments in the capital

1 construction section of the budget and a reduction of the same amount in
2 the applicable utilities line item of the operating budget. The office of
3 state planning and budgeting and the joint budget committee
4 recommendation shall also include an appropriation of the original
5 funding sources of the utility line item equal to the identified savings for
6 transfer to the energy efficiency project proceeds fund created in
7 subsection (4) of this section unless such transfer is prohibited by the
8 requirements of the original funding source. It is the intent of the general
9 assembly that the utilities line item reduction be permanent, and that any
10 future appropriated increases be defended in relation to the balance for
11 utilities that remain in the line.

12 (4) The energy efficiency project proceeds fund is hereby created
13 in the state treasury. The principal of the fund shall consist of ~~moneys~~
14 MONEY received by the state in connection with any ~~lease-purchase~~
15 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
16 agreements entered into pursuant to subsection (3) of this section and any
17 other legally available ~~moneys~~ MONEY that may be appropriated or
18 transferred to the fund. All interest and income derived from the deposit
19 and investment of ~~moneys~~ MONEY in the fund shall be credited to the
20 fund. Any unexpended and unencumbered ~~moneys~~ MONEY remaining in
21 the fund at the end of a fiscal year shall remain in the fund and shall not
22 be credited or transferred to the general fund or any other fund. ~~Moneys~~
23 MONEY in the fund that ~~were~~ WAS received by the state in connection
24 with any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
25 CERTIFICATE OF PARTICIPATION agreement and that ~~are~~ IS trustee funds
26 may be expended by the state treasurer, and other ~~moneys~~ MONEY in the
27 fund not identified for funding annual payments or to be used to defray

1 any incremental costs incurred by the state controller in managing
2 accounting and reporting requirements related to ~~lease-purchase~~
3 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
4 agreements entered into pursuant to subsection (3) of this section ~~are~~ IS
5 hereby continuously appropriated to the state treasurer, for the purpose of
6 making disbursements necessary to complete projects associated with
7 current utility cost-savings contracts that are authorized to be financed
8 through ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
9 OF PARTICIPATION agreements entered into by the state treasurer on behalf
10 of the state pursuant to subsection (3) of this section. ~~Moneys~~ MONEY in
11 the fund shall also be subject to appropriation by the general assembly for
12 the purpose of paying the principal of and interest on and defraying any
13 incremental costs incurred by the state controller in managing accounting
14 and reporting requirements related to such ~~lease-purchase~~ FINANCED
15 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.

16 **SECTION 38.** In Colorado Revised Statutes, 24-48.5-312,
17 **amend** (3)(a)(II)(A), (3)(a)(III) introductory portion, and (3)(a)(III)(D)
18 as follows:

19 **24-48.5-312. Art in public places program - allocations from**
20 **capital construction costs - guidelines - fund created - definitions.**

21 (3) (a) (II) (A) Except as provided in subsection (3)(a)(III) of this
22 section, commencing after August 11, 2010, any capital construction
23 project that is the subject of a ~~lease-purchase~~ FINANCED PURCHASE OF AN
24 ASSET OR CERTIFICATE OF PARTICIPATION agreement, as defined in section
25 24-82-801 (4), that provides for ~~lease~~ payments from money that has been
26 appropriated in full or in part by the state must include as a nondeductible
27 item in the project budget an allocation of not less than one percent of the

1 state-funded portion of the total construction costs to be used for the
2 acquisition of works of art.

3 (III) The requirements specified in this ~~paragraph (a)~~ SUBSECTION
4 (3)(a) do not apply to:

5 (D) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
6 CERTIFICATE OF PARTICIPATION agreements entered into by the state
7 treasurer on behalf of the state pursuant to article 43.7 of title 22; ~~C.R.S.;~~

8 **SECTION 39.** In Colorado Revised Statutes, 24-75-108, **amend**
9 (3)(b) and (12) as follows:

10 **24-75-108. Intradepartmental transfers between**
11 **appropriations - repeal.** (3) (b) Any savings realized from an energy
12 cost-savings contract pursuant to section 24-30-2003 may be transferred
13 to an operating expense item for the purpose of making an annual
14 payment on a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
15 CERTIFICATE OF PARTICIPATION agreement under such contract.

16 (12) As used in this section, "utilities" means water, sewer service,
17 electricity, or other fuel sources, equipment purchased for the purpose of
18 utility cost savings, payments made to private companies for services
19 rendered or equipment installed for the purpose of reducing utility costs,
20 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
21 PARTICIPATION payments to private companies for the purpose of
22 reducing utility costs, and all heating fuels.

23 **SECTION 40.** In Colorado Revised Statutes, 24-75-112, **amend**
24 (1)(b) and (1)(r); **repeal** (1)(h); and **add** (1)(b.5) and (1)(c.5) as follows:

25 **24-75-112. Annual general appropriation act - headnote**
26 **definitions - general provisions - footnotes.** (1) As used in the annual
27 general appropriation act, the following definitions and general provisions

1 shall apply for the headnote terms preceding and specifying the purpose
2 of certain line items of appropriation:

3 (b) "Centralized appropriation" means the appropriation of funds
4 to an executive director of a department or a central administrative
5 program intended for subsequent allocation and expenditure at and among
6 a department's divisions, programs, agencies, or long bill groups in order
7 to reflect the amount of such resources actually used in each program or
8 division. Such centralized appropriations may include salary survey, merit
9 pay or anniversary increases, senior executive service, shift differential,
10 group health and life insurance, capital outlay, ADP capital outlay,
11 information technology asset maintenance, legal services, purchase of
12 services from computer center, multiuse network payments, vehicle lease
13 payments, leased space, ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET,
14 CERTIFICATE OF PARTICIPATION, payment to risk management and
15 property funds, short-term disability insurance, utilities, communications
16 services payments, amortization equalization disbursements,
17 supplemental amortization equalization disbursements, administrative law
18 judge services, and centralized ADP. As provided in ~~paragraph (1)~~ of this
19 ~~subsection (1)~~ SUBSECTION (1)(1) OF THIS SECTION, capital outlay is
20 included within the appropriation for "operating expenses".

21 (b.5) "CERTIFICATE OF PARTICIPATION" MEANS ANY CERTIFICATE
22 EVIDENCING A PARTICIPATION RIGHT OR A PROPORTIONATE INTEREST IN
23 ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE
24 PAYMENTS FROM THE STATE OR AN AGENCY DUE UNDER ANY FINANCING
25 AGREEMENT.

26 (c.5) "FINANCED PURCHASE OF AN ASSET" MEANS A FINANCING
27 AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

1 (h) "~~Lease purchase~~" means a capital lease as defined in the
2 generally accepted accounting principles issued by the governmental
3 accounting standards board that the controller prescribes for the state as
4 specified in section 24-30-202 (12).

5 (r) "Vehicle lease payments" means the annual payments to the
6 department of personnel for the cost of administration, repayment of a
7 loan from the state treasury, and ~~lease-purchase~~ FINANCED PURCHASE OF
8 AN ASSET OR CERTIFICATE OF PARTICIPATION payments for new and
9 replacement vehicles.

10 **SECTION 41.** In Colorado Revised Statutes, 24-75-302, **amend**
11 (3.5) as follows:

12 **24-75-302. Capital construction fund - capital assessment fees**
13 **- calculation - information technology capital account.** (3.5) There is
14 hereby created a special account within the capital construction fund
15 established pursuant to subsection (1) of this section to be known as the
16 "~~lease-purchase~~ "FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION servicing account" for the benefit of the department of
18 personnel. The state treasurer shall deposit into the ~~lease-purchase~~
19 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
20 servicing account all ~~moneys~~ MONEY transferred or received pursuant to
21 section 24-82-802 (9). ~~Moneys~~ MONEY in the ~~lease-purchase~~ FINANCED
22 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION servicing
23 account ~~are~~ IS subject to annual appropriation and may only be used to
24 pay annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
25 CERTIFICATE OF PARTICIPATION payments, as defined in section 24-82-802
26 (1)(a), for ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
27 CERTIFICATE OF PARTICIPATION agreements authorized pursuant to section

1 24-82-802 or for operating, maintenance, and controlled maintenance
2 costs and to establish a reserve for controlled maintenance costs for the
3 buildings subject to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
4 OR CERTIFICATE OF PARTICIPATION agreements. All interest and income
5 derived from the investment and deposit of ~~moneys~~ MONEY in the account
6 shall be credited to the account. All ~~moneys~~ MONEY remaining in the
7 account at the end of a fiscal year that ~~are~~ IS unexpended or
8 unencumbered must remain in the account.

9 **SECTION 42.** In Colorado Revised Statutes, 24-75-303, **amend**
10 (5)(a) introductory portion as follows:

11 **24-75-303. Appropriation for capital construction.**

12 (5) (a) Except for an appropriation for a ~~lease-purchase~~ FINANCED
13 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment,
14 except as provided in subsection (5)(b) of this section, and unless
15 otherwise noted in a footnote in an appropriation act, an appropriation for
16 a capital construction budget item or an information technology capital
17 project, including capital construction, controlled maintenance, or capital
18 renewal projects, as such terms are defined in section 24-30-1301,
19 included in:

20 **SECTION 43.** In Colorado Revised Statutes, 24-75-307, **amend**
21 (2) introductory portion and (2)(a) as follows:

22 **24-75-307. Capitol complex master plan implementation fund**
23 **- creation - transfers for fund.** (2) On July 1, 2019, and on July 1 of
24 each succeeding fiscal year, the state treasurer, upon the request of the
25 capital development committee, may make a transfer from the general
26 fund to the capitol complex master plan implementation fund in an
27 amount equal to twenty million dollars less the amount transferred to the

1 national western center trust fund pursuant to section 23-31-902 (3),
2 ~~C.R.S.~~, subject to the following limitations:

3 (a) If the state has not entered into one or more ~~lease-purchase~~
4 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
5 agreements as authorized by section 23-31-903, ~~C.R.S.~~, and no transfer
6 is made to the national western center trust fund pursuant to section
7 23-31-902, ~~C.R.S.~~, ten million dollars may be transferred to the capitol
8 complex master plan implementation fund and ten million dollars may be
9 transferred to the controlled maintenance trust fund created in section
10 24-75-302.5 (2)(a); and

11 **SECTION 44.** In Colorado Revised Statutes, 24-75-601, **amend**
12 (2) as follows:

13 **24-75-601. Definitions.** As used in this part 6, unless the context
14 otherwise requires:

15 (2) "Public funds" means any funds in the custody, possession, or
16 control of a public entity; any funds over which a public entity has
17 investment control; any funds over which a public entity would have
18 investment control but for the entity's delegation of that control to another
19 person; and any funds over which another person exercises investment
20 control on behalf of or for the benefit of a public entity. "Public funds"
21 includes, but is not limited to, proceeds of the sale of securities of a
22 public entity and proceeds of certificates of participation or other
23 securities evidencing rights in payments to be made by a public entity
24 under a lease, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
25 AGREEMENT, CERTIFICATE OF PARTICIPATION agreement, or other similar
26 arrangement, regardless of whether such proceeds are held by the public
27 entity, a third-party trustee, or any other person. "Public funds" shall not

1 include funds invested by the public employees' retirement association
2 created in article 51 of this ~~title~~ TITLE 24 or any other funds invested for
3 employee retirement or pensions. "Public funds" shall also not include
4 trusts managed on behalf of the board of education of a school district
5 coterminous with a city and county for the benefit of a retiree's health
6 insurance and teacher compensation.

7 **SECTION 45.** In Colorado Revised Statutes, 24-75-601.1,
8 **amend** (1)(h), (1)(h.5), and (1)(l)(III)(B) as follows:

9 **24-75-601.1. Legal investments of public funds - definition.**

10 (1) It is lawful to invest public funds in any of the following securities:

11 (h) Any security of the investing public entity or any certificate of
12 participation or other security evidencing rights in payments to be made
13 by the investing public entity under a lease, ~~lease-purchase~~ FINANCED
14 PURCHASE OF AN ASSET agreement, or similar arrangement;

15 (h.5) Any certificate of participation or other security evidencing
16 rights in payments to be made by a school district under a lease,
17 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreement, or similar
18 arrangement if the security, at the time of purchase, carries at least two
19 credit ratings from NRSROs and is rated at or above "A- or A3" or its
20 equivalent by all such organizations that have provided a rating;

21 (l) (III) (B) Contracts or agreements with a maturity period greater
22 than three years shall only be purchased with proceeds of the sale of
23 securities of a public entity and proceeds of certificates of participation
24 or other securities evidencing rights in payments to be made by a public
25 entity under a lease, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
26 agreement, or other similar arrangement or if purchased by revenues
27 pledged to the payment of such securities or certificates; except that no

1 contract or agreement may be purchased pursuant to this ~~paragraph (f)~~
2 SUBSECTION (1)(l) with the proceeds of any of the foregoing that are held
3 in an escrow or otherwise for the purpose of refunding bonds or other
4 obligations of a public entity.

5 **SECTION 46.** In Colorado Revised Statutes, 24-82-102, **amend**
6 (1)(a), (1)(b), and (1)(f) as follows:

7 **24-82-102. State authorized to acquire property - disposition.**

8 (1) (a) On behalf of the state of Colorado and with the approval of the
9 governor, the executive director of the department of personnel is
10 authorized to acquire fee simple title, or any lesser interest therein, to any
11 real property for present or future use by the state. Title to such property
12 may be acquired by purchase, donation, ~~or lease-purchase~~ FINANCED
13 PURCHASE OF AN ASSET AGREEMENTS, OR CERTIFICATE OF PARTICIPATION
14 agreements or by the exercise of the power of eminent domain through
15 condemnation proceedings in accordance with law from funds
16 appropriated by the general assembly or from funds donated to the state
17 for the purpose. In the event that the executive director plans to acquire
18 any real property by any of the means authorized by this ~~paragraph (a)~~
19 SUBSECTION (1)(a), except for easements or rights-of-way, or to sell or
20 otherwise dispose of such property, the executive director shall first
21 submit a report to the capital development committee which outlines the
22 anticipated use of the real property, the maintenance costs related to the
23 property, the current value of the property, any conditions or limitations
24 which may restrict the use of the property, and, in the event real property
25 is acquired, the potential liability to the state which will result from such
26 acquisition. The capital development committee shall review the reports
27 submitted by the executive director and make recommendations to the

1 executive director concerning the disposition of the real property. The
2 executive director shall not acquire, sell, or otherwise dispose of any real
3 property without considering the recommendations of the capital
4 development committee.

5 (b) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
6 CERTIFICATE OF PARTICIPATION agreement that is entered into pursuant to
7 ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION
8 shall comply with the requirements of section 24-82-801.

9 (f) As used in this section: "~~lease-purchase~~

10 (I) "CERTIFICATE OF PARTICIPATION AGREEMENT" MEANS ANY
11 CERTIFICATE EVIDENCING A PARTICIPATION RIGHT OF A PROPORTIONATE
12 INTEREST IN ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE
13 PROPORTIONATE PAYMENTS FROM THE STATE OR AN AGENCY DUE UNDER
14 ANY FINANCING AGREEMENT.

15 (II) "FINANCED PURCHASE OF AN ASSET agreement" means a
16 ~~capital lease as defined in the generally accepted accounting principles~~
17 ~~issued by the governmental accounting standards board that the controller~~
18 ~~prescribes for the state as specified in section 24-30-202 (12)~~ FINANCING
19 AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

20 **SECTION 47.** In Colorado Revised Statutes, 24-82-103, **amend**
21 (4)(b) as follows:

22 **24-82-103. Off-street parking - financing.**

23 (4) (b) Notwithstanding ~~the provisions of paragraph (a) of this subsection~~
24 ~~(4)~~ SUBSECTION (4)(a) OF THIS SECTION, the department of personnel is
25 authorized, subject to appropriation by the general assembly, to expend
26 ~~moneys~~ MONEY in the special account described in ~~paragraph (a) of this~~
27 ~~subsection (4)~~ SUBSECTION (4)(a) OF THIS SECTION for the purpose of

1 demolishing the state-owned buildings in the capitol complex at 1550
2 Lincoln street and making payments on a ~~lease-purchase~~ FINANCED
3 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for
4 a parking structure on the southeast corner of fourteenth avenue and
5 Lincoln street in the capitol complex.

6 **SECTION 48.** In Colorado Revised Statutes, 24-82-701, **amend**
7 (1), (3), and (4); **repeal** (3.5); and **add** (3.3) as follows:

8 **24-82-701. Definitions.** As used in this part 7, unless the context
9 otherwise requires:

10 (1) "Additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
11 OR CERTIFICATE OF PARTICIPATION agreement" means any transaction
12 entered into on or after July 1, 1987, in which the state, acting by and
13 through the department of personnel as provided by this part 7, is the
14 lessee of real or personal property, which shall be used by the state and
15 in which the state has an option to purchase such real or personal
16 property.

17 (3) "Existing ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
18 CERTIFICATE OF PARTICIPATION agreement" means any ~~lease-purchase~~
19 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
20 agreement entered into prior to July 1, 1987, in which the state is the
21 lessee of real or personal property which shall be used by the state and in
22 which the state has an option to purchase such real or personal property.

23 (3.3) "FINANCED PURCHASE OF ASSET" MEANS A FINANCING
24 AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

25 (3.5) "~~Lease purchase~~" ~~means a capital lease as defined in the~~
26 ~~generally accepted accounting principles issued by the governmental~~
27 ~~accounting standards board that the controller prescribes for the state as~~

1 ~~specified in section 24-30-202 (12):~~

2 (4) "Master ~~lease~~ FINANCING program" means the refinancing,
3 revising, replacement, or consolidation of any existing or additional
4 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
5 PARTICIPATION agreement or agreements.

6 **SECTION 49.** In Colorado Revised Statutes, 24-82-702, **amend**
7 (1) as follows:

8 **24-82-702. Financed purchase of an asset or certificate of**
9 **participation agreements.** (1) If the director determines that the state
10 will realize economic or other benefits by revising or replacing existing
11 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
12 PARTICIPATION agreements, or by entering into additional ~~lease-purchase~~
13 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
14 agreements, or by combining all or any portion of existing or additional
15 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
16 PARTICIPATION agreements authorized by appropriations made by the
17 general assembly, the director may develop a master ~~lease~~ FINANCING
18 program and execute such agreements. Any additional ~~lease-purchase~~
19 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
20 agreement executed by the director pursuant to this part 7 may include
21 personal property ~~which~~ THAT is the subject of an existing ~~lease-purchase~~
22 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
23 agreement or personal property for which an appropriation has been made
24 by the general assembly for the fiscal year commencing July 1, 1987, and
25 any fiscal year thereafter. An additional ~~lease-purchase~~ FINANCED
26 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
27 executed by the director pursuant to this part 7 may include real property

1 only if the initial acquisition of such property by means of a
2 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
3 PARTICIPATION agreement was specifically authorized by a separate bill
4 enacted by the general assembly pursuant to section 24-82-801. For the
5 purposes of this subsection (1), appropriations made by the general
6 assembly do not include continuing appropriations made by permanent
7 statute.

8 **SECTION 50.** In Colorado Revised Statutes, 24-82-703, **amend**
9 (1) and (2)(a) as follows:

10 **24-82-703. Seller.** (1) The ~~lessor~~ SELLER under any additional
11 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
12 PARTICIPATION agreement entered into by the director pursuant to the
13 provisions of this part 7 shall be any for-profit or nonprofit corporation,
14 trust, or commercial bank as trustee.

15 (2) On and after August 11, 2010:

16 (a) The director is authorized to execute on behalf of the nonprofit
17 corporation abolished by Senate Bill 10-122, enacted in 2010, any
18 documents related to any additional ~~lease-purchase~~ FINANCED PURCHASE
19 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for which said
20 nonprofit corporation was the ~~lessor~~ SELLER pursuant to ~~the provisions of~~
21 this part 7;

22 **SECTION 51.** In Colorado Revised Statutes, **amend** 24-82-704
23 as follows:

24 **24-82-704. Payment obligations subject to annual**
25 **appropriation by the general assembly.** Every additional ~~lease-purchase~~
26 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
27 agreement authorized by the director pursuant to ~~the provisions of~~ this

1 part 7 shall provide that all payment obligations of the state under such
2 additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
3 CERTIFICATE OF PARTICIPATION agreement are subject to annual
4 appropriation by the general assembly and that such obligations shall not
5 be deemed or construed as creating an indebtedness of the state within the
6 meaning of any provision of the Colorado constitution or the laws of the
7 state of Colorado concerning or limiting the creation of indebtedness by
8 the state of Colorado.

9 **SECTION 52.** In Colorado Revised Statutes, **amend** 24-82-705
10 as follows:

11 **24-82-705. Terms and conditions of financed purchase of an**
12 **asset or certificate of participation agreements.** Any additional
13 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
14 PARTICIPATION agreement entered into by the director pursuant to ~~the~~
15 ~~provisions~~ of this part 7 may contain such terms, provisions, and
16 conditions as the director may deem appropriate. Such provisions may
17 allow the state to receive fee title to the real and personal property which
18 is the subject of such additional ~~lease-purchase~~ FINANCED PURCHASE OF
19 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on or prior to the
20 expiration of the entire term of the agreement, including all optional
21 renewal terms. Any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN
22 ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant
23 to ~~the provisions~~ of this part 7 may further provide for the issuance,
24 distribution, and sale of instruments evidencing rights to receive rentals
25 and other payments made and to be made under such additional
26 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
27 PARTICIPATION agreement, but only if and after a court of competent

1 jurisdiction renders a final decision as to the constitutionality of the
2 issuance of certificates of participation or other instruments evidencing
3 the commitment of a district to make payments in subsequent fiscal years
4 of ~~moneys~~ MONEY due under an installment purchase agreement for the
5 purchase of real or personal property which requires payments during
6 more than one fiscal year, or any agreement for the lease or rental of real
7 or personal property which requires payments during more than one fiscal
8 year and under which such district is entitled to receive title to the
9 property at the end of the term for nominal or no additional consideration.
10 Such instruments shall not be notes, bonds, or any other evidence of
11 indebtedness of the state of Colorado within the meaning of any provision
12 of the Colorado constitution or the laws of the state of Colorado
13 concerning or limiting the creation of indebtedness by the state of
14 Colorado. Interest paid under any additional ~~lease-purchase~~ FINANCED
15 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
16 entered into pursuant to this part 7, including interest represented by such
17 instruments, shall be exempt from Colorado income tax. Any such
18 additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
19 CERTIFICATE OF PARTICIPATION agreements shall provide an option for the
20 state to purchase the property ~~which~~ THAT is the subject of the ~~lease~~
21 AGREEMENT prior to the termination of such additional ~~lease-purchase~~
22 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
23 agreement. In no event shall any individual representing a firm ~~which~~
24 THAT was the successful bidder for a proposed financial services contract,
25 which contract related to a master ~~leasing~~ FINANCING program, prior to
26 June 20, 1987, be allowed to become the underwriter or financial advisor
27 for any master ~~leasing~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE

1 OF PARTICIPATION agreement entered into by the director prior to June 30,
2 1988, pursuant to ~~the provisions of this part 7.~~

3 **SECTION 53.** In Colorado Revised Statutes, **amend** 24-82-706
4 as follows:

5 **24-82-706. Subsequent payments.** Rentals and other payments
6 made by the state under any additional ~~lease-purchase~~ FINANCED
7 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
8 entered into pursuant to ~~the provisions of this part 7~~ may be made from
9 ~~moneys~~ MONEY appropriated by the general assembly without the
10 necessity of a separate bill.

11 **SECTION 54.** In Colorado Revised Statutes, **amend** 24-82-707
12 as follows:

13 **24-82-707. Ancillary agreements.** The director may enter into or
14 execute or may negotiate with any officer of the state to enter into or
15 execute any deed, conveyance, escrow agreement, or other agreement or
16 instrument ~~which~~ THAT he deems necessary or appropriate in connection
17 with any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
18 CERTIFICATE OF PARTICIPATION agreement entered into pursuant to this
19 part 7.

20 **SECTION 55.** In Colorado Revised Statutes, 24-82-708, **amend**
21 (1) as follows:

22 **24-82-708. Fiscal rules inapplicable - independent powers.**
23 (1) The provisions of section 24-30-202 (5)(b) shall not apply to any
24 additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
25 CERTIFICATE OF PARTICIPATION agreement or ancillary agreement entered
26 into pursuant to this part 7. Any provision of the fiscal rules promulgated
27 pursuant to section 24-30-202 (1) and (13) ~~which~~ THAT the controller

1 deems to be incompatible or inapplicable with respect to any such
2 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
3 PARTICIPATION agreement or ancillary agreement may be waived by the
4 controller or his designee.

5 **SECTION 56.** In Colorado Revised Statutes, **amend** 24-82-709
6 as follows:

7 **24-82-709. Participation by institutions of postsecondary**
8 **education.** Institutions of postsecondary education, including the board
9 of directors of the Auraria higher education center, may utilize the
10 provisions of this part 7 so long as the criteria established by this part 7
11 for inclusion in a master ~~lease~~ FINANCED PURCHASE OF AN ASSET OR
12 CERTIFICATE OF PARTICIPATION AGREEMENT are satisfied and so long as
13 such institutions act in a manner ~~which~~ THAT is consistent with ~~the~~
14 ~~provisions of~~ section 23-1-104. ~~C.R.S.~~

15 **SECTION 57.** In Colorado Revised Statutes, 24-82-801, **amend**
16 (1)(a)(I), (1)(a)(II)(A), (1)(b), (1)(c), (2), (3), (4), (5), (6), and (8) as
17 follows:

18 **24-82-801. Financed purchase of an asset or certification of**
19 **participation agreements for acquisition of real or personal property**
20 **- definition.** (1) (a) (I) Except as provided in subsection (6) of this
21 section, and subject to the requirement set forth in subsection (1)(a)(II) of
22 this section, no ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
23 CERTIFICATE OF PARTICIPATION agreement for real property that requires
24 total payments exceeding five hundred thousand dollars over the term of
25 the agreement shall be entered into unless such agreement is specifically
26 authorized, prior to its execution, by a bill enacted by the general
27 assembly, other than the annual general appropriation act or a

1 supplemental appropriation act.

2 (II) (A) Each bill enacted by the general assembly on or after
3 August 8, 2018, as required in subsection (1)(a)(I) of this section, must
4 include a requirement that the state agency or state institution of higher
5 education entering into the ~~lease-purchase~~ FINANCED PURCHASE OF AN
6 ASSET OR CERTIFICATE OF PARTICIPATION agreement present a plan to the
7 capital development committee, no later than the December of the
8 fourteenth calendar year or the January of the fifteenth calendar year after
9 either the date of the substantial completion of the construction or after
10 the date of acquisition, that details how the state agency or state
11 institution of higher education is prepared to fund the controlled
12 maintenance needs of the real property so that at least an amount equal to
13 an estimation of the sum of one percent of the insured value of the real
14 property for each year starting with the sixteenth year after either the date
15 of the substantial completion of the construction or after the date of
16 acquisition is available for a total period of twenty-five years for the real
17 property's controlled maintenance needs. The plan presented by the state
18 agency or state institution of higher education may include a request for
19 an additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
20 CERTIFICATE OF PARTICIPATION agreement for such controlled
21 maintenance needs or may include a request for partial or complete state
22 funding of such controlled maintenance needs. The capital development
23 committee shall review the plan presented by the state agency or state
24 institution of higher education. Any approved plan shall be authorized by
25 bill enacted by the general assembly, other than the annual general
26 appropriation act or a supplemental appropriation act; except that, if the
27 approved plan is for a state institution of higher education to fund such

1 controlled maintenance needs from cash funds then the plan may be
2 approved by majority vote of the capital development committee.

3 (b) Except as provided in subsection (6) of this section, no
4 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
5 PARTICIPATION agreement for personal property that requires total
6 payments exceeding five hundred thousand dollars over the term of the
7 agreement shall be entered into unless such agreement is specifically
8 authorized, prior to its execution, by a bill enacted by the general
9 assembly, other than the annual general appropriation act or a
10 supplemental appropriation act, or specifically authorized by
11 appropriation in the annual general appropriation act or a supplemental
12 appropriation act.

13 (c) Subsequent to the general assembly's authorization of a
14 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
15 PARTICIPATION agreement as specified in ~~paragraphs (a) and (b) of this~~
16 ~~subsection (1)~~ SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION, rentals
17 and other payments by the state under any such ~~lease-purchase~~ FINANCED
18 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement may
19 be made from ~~moneys~~ MONEY appropriated by the general assembly as a
20 separate line item in the capital construction or operating section of an
21 annual general appropriation act or a supplemental appropriation act.

22 (2) Except as provided in subsection (6) of this section,
23 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
24 PARTICIPATION agreements that require total payments of five hundred
25 thousand dollars or less over the term of the agreement shall require an
26 appropriation by the general assembly in an annual general appropriation
27 act or a supplemental appropriation act.

1 (3) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
2 CERTIFICATE OF PARTICIPATION agreement that requires total payments in
3 excess of five hundred thousand dollars over the term of the agreement
4 shall require, prior to its execution, approval by the state controller as
5 authorized by section 24-30-202.

6 (4) As used in this section:

7 (a) ~~"lease-purchase agreement" means a capital lease as defined~~
8 ~~in the generally accepted accounting principles issued by the~~
9 ~~governmental accounting standards board that the controller prescribes~~
10 ~~for the state as specified in section 24-30-202 (12).~~ "CERTIFICATE OF
11 PARTICIPATION AGREEMENT" MEANS ANY CERTIFICATE EVIDENCING A
12 PARTICIPATION RIGHT OF A PROPORTIONATE INTEREST IN ANY FINANCING
13 AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE PAYMENTS FROM
14 THE STATE OR AN AGENCY DUE UNDER ANY FINANCING AGREEMENT.

15 (b) "FINANCED PURCHASE OF AN ASSET AGREEMENT" MEANS A
16 FINANCING AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

17 (5) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
18 CERTIFICATE OF PARTICIPATION agreement may further provide for the
19 issuance, distribution, and sale of instruments evidencing rights to receive
20 rentals and other payments made by the state, but only if the
21 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
22 PARTICIPATION agreement includes a provision that payments made by the
23 state are subject to annual appropriation. A ~~lease-purchase~~ FINANCED
24 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
25 shall not include notes, bonds, or any other evidence of indebtedness of
26 the state within the meaning of any provision of the constitution or laws
27 of the state of Colorado concerning or limiting the creation of

1 indebtedness by the state.

2 (6) (a) Notwithstanding any provision of this section to the
3 contrary, the department of transportation, institutions of higher
4 education, the Auraria higher education center established in article 70 of
5 title 23, ~~C.R.S.~~, and the state treasurer may enter into ~~lease-purchase~~
6 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
7 agreements if the state controller as authorized by section 24-30-202
8 approves each ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
9 CERTIFICATE OF PARTICIPATION agreement that requires total payments in
10 excess of five hundred thousand dollars over the term of the agreement
11 or as otherwise provided by law.

12 (b) Notwithstanding any provision of this section to the contrary,
13 the legislative department may enter into ~~lease-purchase~~ FINANCED
14 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
15 pursuant to section 2-2-320. ~~C.R.S.~~

16 (8) All ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
17 CERTIFICATE OF PARTICIPATION agreements described in section
18 24-48.5-312 (3)(a)(II) shall include the terms specified in said section.

19 **SECTION 58.** In Colorado Revised Statutes, 24-82-802, **amend**
20 (1)(a)(I) introductory portion, (1)(a)(I)(A), (1)(e), (2), (3) introductory
21 portion, (3)(a), (3)(b), (3)(c), (3)(d), (3)(e), (3)(f), (4), (5), (6), (7)(a),
22 (7)(b) introductory portion, (7)(b)(II)(A), (7)(b)(II)(B), (7)(c), (7)(d),
23 (7)(e), (7)(f), (8), (9), (10)(a) introductory portion, (10)(b)(I), and
24 (10)(b)(II) as follows:

25 **24-82-802. Financed purchase of an asset or certificate of**
26 **participation agreements for real property - definitions - financed**
27 **purchase of an asset or certificate of participation rental cash fund.**

1 (1) As used in this section, unless the context otherwise requires:

2 (a) (I) "~~Annual lease-purchase~~ FINANCED PURCHASE OF AN ASSET
3 OR CERTIFICATE OF PARTICIPATION payment" means the total amount due
4 from the state on property subject to a ~~lease-purchase~~ FINANCED
5 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and
6 includes:

7 (A) The annual base rent scheduled to be paid and the additional
8 rent estimated to be paid on or pursuant to the ~~lease-purchase~~ FINANCED
9 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and
10 any ancillary agreements that may include, but need not be limited to, any
11 of the following that are paid on a current basis and not paid by a ~~lessor~~
12 SELLER or other third party as part of a ~~lease-purchase~~ FINANCED
13 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement: All
14 acquisition costs, such as due diligence costs associated with evaluation
15 of an existing building; land acquisition; penalties for breaking lease
16 agreements; a capital reserve for space planning and capital
17 improvements needed in the building for demolition and construction of
18 tenant space for state agencies or the release to existing tenants;
19 relocation costs; office furniture and equipment; insurance; and the costs
20 associated with any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
21 CERTIFICATE OF PARTICIPATION financing; plus

22 (e) "~~Lease-purchase~~ "FINANCED PURCHASE OF AN ASSET
23 agreement" AND "CERTIFICATE OF PARTICIPATION AGREEMENT" shall have
24 the same ~~definition~~ MEANINGS as provided in section 24-82-801 (4).

25 (2) (a) Subject to the provisions of this section, the state treasurer,
26 on behalf of the state of Colorado for the use of the department, is
27 authorized to enter into one or more ~~lease-purchase~~ FINANCED PURCHASE

1 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for real and
2 associated personal property existing or to be constructed pursuant to
3 requirements of the state to be exclusively used, possessed, and managed
4 by the department for state agencies and nonstate lessees of the
5 department as the executive director may solely determine according to
6 the plan approved pursuant to subsection (4) of this section and subject
7 to the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
8 CERTIFICATE OF PARTICIPATION agreement.

9 (b) Subject to ~~the provisions of~~ section 2 of article XI of the state
10 constitution, the state treasurer, for the use and benefit of the department,
11 may enter into such ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
12 CERTIFICATE OF PARTICIPATION agreements in conjunction with the state
13 board of land commissioners, created pursuant to section 9 of article IX
14 of the state constitution, or with a private person. The state treasurer shall
15 transfer all benefits and responsibilities under the ~~lease-purchase~~
16 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
17 agreement to the department. The department shall manage the property
18 for the state as the executive director may solely determine, subject to the
19 terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
20 CERTIFICATE OF PARTICIPATION agreement.

21 (3) The state treasurer shall enter into a ~~lease-purchase~~ FINANCED
22 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
23 authorized pursuant to subsection (2) of this section on behalf of the state
24 for the use and benefit of the department only if, at the time that the
25 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
26 PARTICIPATION agreement is executed:

27 (a) The state agencies that will be located in the property that is

1 the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
2 CERTIFICATE OF PARTICIPATION agreement are funded, in whole or in part,
3 by appropriations and a portion of the appropriations are being expended
4 to pay rent to a ~~lessor~~ SELLER;

5 (b) The projected annual rent costs of the state agencies that will
6 be located in the property plus any current rental payments or rental
7 payments projected to be received from nonstate lessees for each fiscal
8 year during the maximum term of the ~~lease-purchase~~ FINANCED PURCHASE
9 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement exceed the
10 annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
11 OF PARTICIPATION payment for the property, adjusted as appropriate to
12 account for any differences in services provided to, or costs paid for the
13 benefit of, the state under the related leases and ~~lease-purchase~~ FINANCED
14 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements;

15 (c) The property or proposed construction plan for the property
16 has been reviewed by the state architect who shall make written
17 recommendations to the executive director for controlled maintenance
18 needs during the term of the ~~lease-purchase~~ FINANCED PURCHASE OF AN
19 ASSET OR CERTIFICATE OF PARTICIPATION agreement;

20 (d) The plan for the ~~lease-purchase~~ FINANCED PURCHASE OF AN
21 ASSET OR CERTIFICATE OF PARTICIPATION transaction has been approved
22 first by the office of state planning and budgeting and the capital
23 development committee of the general assembly pursuant to subsection
24 (4) of this section;

25 (e) The executive director acknowledges his or her approval of the
26 terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
27 CERTIFICATE OF PARTICIPATION agreements and any ancillary agreements;

1 (f) The agreements for the ~~lease-purchase~~ FINANCED PURCHASE OF
2 AN ASSET OR CERTIFICATE OF PARTICIPATION transaction accurately reflect
3 the plan approved by the office of state planning and budgeting and the
4 capital development committee; and

5 (4) Prior to the state treasurer entering into any ~~lease-purchase~~
6 ~~agreement~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
7 PARTICIPATION pursuant to this section, the executive director shall
8 submit the report required by section 24-82-102 (1) and the plan for the
9 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
10 PARTICIPATION transaction to the office of state planning and budgeting.
11 If the office of state planning and budgeting approves the report and the
12 plan, it shall submit the report and the plan to the capital development
13 committee of the general assembly. The capital development committee
14 shall approve the plan or refer its recommendations regarding the plan,
15 with written comments, to the executive director and the office of state
16 planning and budgeting.

17 (5) Approval of the plan by the office of state planning and
18 budgeting shall not authorize the department to expend any ~~moneys~~
19 MONEY on the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
20 OR CERTIFICATE OF PARTICIPATION payment in any fiscal year in an
21 amount greater than the projected annual rent costs of the state agencies
22 plus any rental payments projected to be received from nonstate lessees
23 for such fiscal year, adjusted as appropriate to account for any differences
24 in services provided to, or costs paid for the benefit of, the state under the
25 related leases and ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
26 CERTIFICATE OF PARTICIPATION agreements.

27 (6) The state of Colorado, acting by and through the state

1 treasurer, for the use and benefit of the department may, at the state
2 treasurer's sole discretion, enter into one or more ~~lease-purchase~~
3 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
4 agreements authorized by subsection (2) of this section with any for-profit
5 or nonprofit corporation, trust, or commercial bank as a trustee, as ~~lessor~~
6 SELLER.

7 (7) (a) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
8 CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of
9 this section shall provide that all of the obligations of the state under the
10 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
11 PARTICIPATION agreement shall be subject to the action of the general
12 assembly in annually making ~~moneys~~ MONEY available for all payments
13 thereunder. The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
14 CERTIFICATE OF PARTICIPATION agreement shall also provide that the
15 obligations shall not be deemed or construed as creating an indebtedness
16 of the state within the meaning of any provision of the state constitution
17 or the laws of the state of Colorado concerning or limiting the creation of
18 indebtedness by the state of Colorado and shall not constitute a multiple
19 fiscal-year direct or indirect debt or other financial obligation of the state
20 within the meaning of section 20 (4) of article X of the state constitution.
21 In the event the state of Colorado does not renew a ~~lease-purchase~~
22 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
23 agreement authorized in subsection (2) of this section, the sole security
24 available to the ~~lessor~~ SELLER shall be the property encumbered to secure
25 the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
26 CERTIFICATE OF PARTICIPATION agreement or equivalent substitute
27 collateral provided by the state.

1 (b) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
2 CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of
3 this section may contain such terms, provisions, and conditions as the
4 state treasurer, acting on behalf of the state of Colorado and for the use
5 and benefit of the department, may deem appropriate, including all
6 optional terms; except that a ~~lease-purchase~~ FINANCED PURCHASE OF AN
7 ASSET OR CERTIFICATE OF PARTICIPATION agreement:

8 (II) Shall specifically authorize the state of Colorado:

9 (A) To receive title to all real and personal property that is the
10 subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
11 CERTIFICATE OF PARTICIPATION agreement on or prior to the expiration of
12 the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
13 CERTIFICATE OF PARTICIPATION agreement; and

14 (B) To reduce the term of the ~~lease~~ AGREEMENT through
15 prepayment of rental and other payments subject to the terms of the
16 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION agreement and any ancillary agreement.

18 (c) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
19 CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of
20 this section may provide for the issuance, distribution, and sale of
21 instruments evidencing rights to receive rentals and other payments made
22 and to be made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN
23 ASSET OR CERTIFICATE OF PARTICIPATION agreement. The instruments
24 shall not be notes, bonds, or any other evidence of indebtedness of the
25 state within the meaning of any provision of the state constitution or the
26 law of the state concerning or limiting the creation of indebtedness of the
27 state and shall not constitute a multiple fiscal-year direct or indirect debt

1 or other financial obligation of the state within the meaning of section 20
2 (4) of article X of the state constitution.

3 (d) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF
4 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in
5 subsection (2) of this section, including interest represented by the
6 instruments, shall be exempt from Colorado income tax.

7 (e) The state of Colorado, acting through the state treasurer, for
8 the use and benefit of the department, is authorized, if the executive
9 director concurs, to enter into ancillary agreements and instruments as are
10 deemed necessary or appropriate in connection with a ~~lease-purchase~~
11 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
12 agreement, including but not limited to ground leases, site leases,
13 easements, or other instruments relating to the real property on which the
14 facilities are located; except that no ancillary agreement is authorized that
15 would cause the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
16 OR CERTIFICATE OF PARTICIPATION payment to exceed the annual rent
17 costs appropriated to the state agencies prior to the ~~lease-purchase~~
18 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
19 agreement plus any rent projected to be received from nonstate lessees.

20 (f) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
21 CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of
22 this section may require the state to provide insurance; except that no
23 insurance is authorized that would cause the annual ~~lease-purchase~~
24 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
25 payment to exceed the annual rent costs of the state agencies prior to the
26 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
27 PARTICIPATION agreement plus any rent projected to be received from

1 nonstate lessees, adjusted as described in ~~paragraph (b) of subsection (3)~~
2 SUBSECTION (3)(b) of this section. The insurance may be provided
3 through the self-insured property fund created pursuant to section
4 24-30-1510.5.

5 (8) Any provision of the fiscal rules promulgated pursuant to
6 section 24-30-202 (1) and (13) that the state controller deems to be
7 incompatible or inapplicable with respect to said ~~lease-purchase~~
8 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
9 agreements or any such ancillary agreement may be waived by the
10 controller or his or her designee.

11 (9) If a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
12 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
13 subsection (2) of this section is executed, during the term of the
14 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
15 PARTICIPATION agreement, ~~moneys~~ MONEY that at the time of the
16 execution ~~are~~ IS appropriated to a state agency for rental payments in an
17 amount equal to the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN
18 ASSET OR CERTIFICATE OF PARTICIPATION payment, less any payments
19 projected to be received from nonstate lessees pursuant to subsection (10)
20 of this section, shall be transferred to the ~~lease-purchase~~ FINANCED
21 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION servicing
22 account of the capital construction fund, created in section 24-75-302
23 (3.5), and, subject to annual appropriation, shall be used to pay the annual
24 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
25 PARTICIPATION payments for the property that is the subject of the
26 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
27 PARTICIPATION agreement or for operating, maintenance, and controlled

1 maintenance costs for the property subject to the ~~lease-purchase~~
2 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
3 agreement. ~~Moneys~~ MONEY held in the ~~lease-purchase~~ FINANCED
4 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION servicing
5 account shall be for the benefit of the department.

6 (10) (a) If the executive director determines that, in a property
7 subject to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
8 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
9 subsection (2) of this section, there is space that is not needed by a state
10 agency, the executive director, separately or in conjunction with the state
11 board of land commissioners or another person, may:

12 (b) (I) Any ~~moneys~~ MONEY received by the executive director on
13 behalf of nonstate lessees pursuant to ~~paragraph (a) of this subsection (10)~~
14 SUBSECTION (10)(a) OF THIS SECTION shall be transmitted to the state
15 treasurer, who shall credit the same to the ~~lease-purchase~~ FINANCED
16 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION rental cash
17 fund for the benefit of the department, which fund is hereby created and
18 referred to in this section as the "fund". The ~~moneys~~ MONEY in the fund
19 shall be subject to annual appropriation by the general assembly to the
20 department of personnel and shall only be used for the annual
21 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
22 PARTICIPATION payments for ~~lease-purchase~~ FINANCED PURCHASE OF AN
23 ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized pursuant
24 to subsection (2) of this section or for operating, maintenance, and
25 controlled maintenance costs for the buildings subject to the
26 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
27 PARTICIPATION agreements.

1 (II) Any ~~moneys~~ MONEY in the fund not expended for the purpose
2 of this subsection (10) may be invested by the state treasurer as provided
3 by law. All interest and income derived from the investment and deposit
4 of ~~moneys~~ MONEY in the fund shall be credited to the fund. Any
5 unexpended and unencumbered ~~moneys~~ MONEY remaining in the fund at
6 the end of a fiscal year shall remain in the fund and shall not be credited
7 or transferred to the general fund or another fund.

8 **SECTION 59.** In Colorado Revised Statutes, 24-82-803, **amend**
9 (1)(b)(I), (2), (3)(a), (3)(c), and (4) as follows:

10 **24-82-803. Financed purchase of an asset or certificate of**
11 **participation agreements for certain capital construction projects -**
12 **legislative declaration.** (1) (b) The general assembly further finds and
13 declares that:

14 (I) The deadline to issue the ~~lease-purchase~~ FINANCED PURCHASE
15 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement in subsection
16 (2)(a) of this section is meant to provide the state treasurer with as much
17 flexibility as possible to ensure that the ~~lease-purchase~~ FINANCED
18 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is
19 executed on behalf of the state with the most favorable terms that the
20 market will allow. The general assembly agrees with the need for this
21 deadline flexibility and at the same time declares that the ~~lease-purchase~~
22 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
23 agreement should be executed as soon as possible.

24 (2) (a) Notwithstanding the provisions of sections 24-82-102
25 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no later than
26 June 30, 2021, the state, acting by and through the state treasurer, shall
27 execute a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR

1 CERTIFICATE OF PARTICIPATION agreement for the purpose described in
2 subsection (4) of this section in an amount up to sixty-five million five
3 hundred thousand dollars plus reasonable and necessary administrative,
4 monitoring, and closing costs and interest, including capitalized interest
5 and credit enhancement costs such as a debt service reserve fund or bond
6 insurance.

7 (b) The anticipated annual state-funded payments for the principal
8 and interest components of the amount payable under the ~~lease-purchase~~
9 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
10 agreement entered into pursuant to subsection (2)(a) of this section shall
11 not exceed five million five hundred thousand dollars, with principal
12 amortization not occurring before July 1, 2022.

13 (c) The state, acting by and through the state treasurer, at the state
14 treasurer's sole discretion, may enter into the ~~lease-purchase~~ FINANCED
15 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
16 authorized by subsection (2)(a) of this section with any for-profit or
17 nonprofit corporation, trust, or commercial bank as a trustee as the ~~lessor~~
18 SELLER.

19 (d) The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
20 CERTIFICATE OF PARTICIPATION agreement executed as required by
21 subsection (2)(a) of this section shall provide that all of the obligations of
22 the state under the agreement are subject to the action of the general
23 assembly in annually making money available for all payments
24 thereunder. Payments under any ~~lease-purchase~~ FINANCED PURCHASE OF
25 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must be made
26 subject to annual appropriation by the general assembly, as applicable,
27 from the capital construction fund, from the general fund, or from any

1 other legally available source of money.

2 (e) The agreement must also provide that the state's obligation
3 does not create state debt within the meaning of any provision of the state
4 constitution or state law concerning or limiting the creation of state debt
5 and is not a multiple fiscal-year direct or indirect debt or other financial
6 obligation of the state within the meaning of section 20 (4) of article X of
7 the state constitution. If the state does not renew the ~~lease-purchase~~
8 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
9 agreement executed as required by subsection (2)(a) of this section, the
10 sole security available to the ~~lessor~~ SELLER is the property that is the
11 subject of the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE OF AN
12 ASSET OR CERTIFICATE OF PARTICIPATION agreement.

13 (f) (I) The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
14 CERTIFICATE OF PARTICIPATION agreement executed as required by
15 subsection (2)(a) of this section may contain such terms, provisions, and
16 conditions as the state treasurer, acting on behalf of the state, deems
17 appropriate, including all optional terms; except that the ~~lease-purchase~~
18 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
19 agreement must specifically authorize the state or the governing board of
20 the applicable state institution of higher education to receive fee title to
21 all real and personal property that is the subject of the ~~lease-purchase~~
22 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
23 agreement on or before the expiration of the terms of the agreement.

24 (II) The state treasurer, acting on behalf of the state, has the
25 authority as he or she deems appropriate to determine what collateral to
26 use for the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
27 CERTIFICATE OF PARTICIPATION agreement.

1 (g) The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
2 CERTIFICATE OF PARTICIPATION agreement executed as required by
3 subsection (2)(a) of this section may provide for the issuance,
4 distribution, and sale of instruments evidencing rights to receive rentals
5 and other payments made and to be made under the ~~lease-purchase~~
6 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
7 agreement. The instrument may be issued, distributed, or sold only by the
8 ~~lessor~~ SELLER or any person designated by the ~~lessor~~ SELLER and not by
9 the state. The instrument does not create a relationship between the
10 purchasers of the instrument and the state or create any obligation on the
11 part of the state to the purchasers. The instrument is not a note, bond, or
12 any other evidence of state debt within the meaning of any provision of
13 the state constitution or state law concerning or limiting the creation of
14 state debt and is not a multiple fiscal-year direct or indirect debt or other
15 financial obligation of the state within the meaning of section 20 (4) of
16 article X of the state constitution.

17 (h) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF
18 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized
19 pursuant to subsection (2)(a) of this section, including interest represented
20 by the instruments, is exempt from Colorado income tax.

21 (i) The state, acting by and through the state treasurer and the
22 governing boards of the institutions of higher education, is authorized to
23 enter into ancillary agreements and instruments that are necessary or
24 appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF
25 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including but not
26 limited to deeds, ground leases, sub-leases, easements, or other
27 instruments relating to the real property on which the facilities are

1 located.

2 (j) The provisions of section 24-30-202 (5)(b) do not apply to a
3 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
4 PARTICIPATION agreement executed as required by or to any ancillary
5 agreement or instrument entered into pursuant to this subsection (2). The
6 state controller or his or her designee shall waive any provision of the
7 fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) that
8 the state controller finds incompatible or inapplicable with respect to a
9 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
10 PARTICIPATION agreement or an ancillary agreement or instrument.

11 (3) (a) Before executing the ~~lease-purchase~~ FINANCED PURCHASE
12 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement required by
13 subsection (2)(a) of this section, in order to protect against future interest
14 rate increases, the state, acting by and through the state treasurer and at
15 the discretion of the state treasurer, may enter into an interest rate
16 exchange agreement pursuant to article 59.3 of title 11. A ~~lease-purchase~~
17 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
18 agreement executed as required by subsection (2)(a) of this section is a
19 proposed public security for the purposes of article 59.3 of title 11. Any
20 payments made by the state under an agreement entered into pursuant to
21 this subsection (3) must be made solely from money made available to the
22 state treasurer from the execution of a ~~lease-purchase~~ FINANCED
23 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or
24 from money described in subsection (2)(d) of this section.

25 (c) Any money received by the state under an agreement entered
26 into pursuant to this subsection (3) shall be used to make payments on the
27 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

1 PARTICIPATION agreement entered into pursuant to subsection (2) of this
2 section or to pay the costs of the projects for which a ~~lease-purchase~~
3 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
4 agreement was executed.

5 (4) The proceeds of the ~~lease-purchase~~ FINANCED PURCHASE OF AN
6 ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required
7 by subsection (2)(a) of this section shall be used to fund certain capital
8 construction needs for state institutions of higher education that are
9 continuations of previously funded projects as specified by the capital
10 development committee. The capital development committee shall post
11 the list of specific projects and the cost of each project, on its official
12 website no later than August 15, 2020. In the event of any excess money
13 as a result of the issuance, the capital development committee shall also
14 specify in their list what any remainder money must be used for.

15 **SECTION 60.** In Colorado Revised Statutes, **amend** 24-82-1204
16 as follows:

17 **24-82-1204. Terms and conditions of lease agreements.** (1) A
18 lease AGREEMENT, FINANCED PURCHASE OF AN ASSET AGREEMENT, OR
19 CERTIFICATE OF PARTICIPATION agreement entered into pursuant to ~~the~~
20 ~~provisions~~ of this part 12 may contain such terms, provisions, and
21 conditions as the executive director of the leasing state department or the
22 governing board of the leasing institution may deem appropriate. Any
23 lease agreement entered into pursuant to this part 12 shall comply with
24 the requirements of section 24-82-801.

25 (2) As used in this section: "~~lease agreement~~" means a capital
26 ~~lease as defined in the generally accepted accounting principles issued by~~
27 ~~the governmental accounting standards board that the controller~~

1 prescribes for the state as specified in section 24-30-202 (12).

2 (a) "CERTIFICATE OF PARTICIPATION" MEANS ANY CERTIFICATE
3 EVIDENCING A PARTICIPATION RIGHT OF A PROPORTIONATE INTEREST IN
4 ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE
5 PAYMENTS FROM THE STATE OR AN AGENCY DUE UNDER ANY FINANCING
6 AGREEMENT.

7 (b) "FINANCED PURCHASE OF AN ASSET" MEANS A FINANCING
8 AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

9 **SECTION 61.** In Colorado Revised Statutes, 24-82-1301, **amend**
10 (1)(b) and (1)(c) as follows:

11 **24-82-1301. Legislative declaration.** (1) The general assembly
12 hereby finds and declares that:

13 (b) By issuing ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
14 OR CERTIFICATE OF PARTICIPATION agreements using state buildings as
15 collateral as authorized by this part 13, the state can generate sufficient
16 funds to accelerate the completion of many of the necessary high-priority
17 state highway projects and capital construction projects that have been
18 delayed and better maintain and preserve existing state capital assets;

19 (c) It is the intent of the general assembly that a majority of the
20 additional funding for state capital construction projects realized from
21 issuing ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
22 OF PARTICIPATION agreements be used for controlled maintenance and
23 upkeep of state capital assets.

24 **SECTION 62.** In Colorado Revised Statutes, 24-82-1303, **amend**
25 (2)(a) introductory portion, (2)(c), (2)(d) introductory portion, (2)(d)(I),
26 (2)(e), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), (3)(a), (3)(c), (4) introductory
27 portion, (4)(a)(I) introductory portion, (4)(a)(III), and (4)(a.5) as follows:

1 **24-82-1303. Financed purchase of an asset or certificate of**
2 **participation agreements for capital construction and transportation**
3 **projects.** (2) (a) Notwithstanding the provisions of sections 24-82-102
4 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no sooner than
5 July 1, 2018, the state, acting by and through the state treasurer, shall
6 execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
7 OF PARTICIPATION agreements, each for no more than twenty years of
8 annual payments, for the projects described in subsection (4) of this
9 section. The state shall execute the ~~lease-purchase~~ FINANCED PURCHASE
10 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as soon as
11 possible after July 1 of the applicable state fiscal year only in accordance
12 with the following schedule:

13 (c) The state, acting by and through the state treasurer, at the state
14 treasurer's sole discretion, may enter into one or more ~~lease-purchase~~
15 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
16 agreements authorized by subsection (2)(a) of this section with any
17 for-profit or nonprofit corporation, trust, or commercial bank as a trustee
18 as the ~~lessor~~ SELLER.

19 (d) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
20 CERTIFICATE OF PARTICIPATION agreement executed as required by
21 subsection (2)(a) of this section shall provide that all of the obligations of
22 the state under the agreement are subject to the action of the general
23 assembly in annually making money available for all payments
24 thereunder. Payments under any ~~lease-purchase~~ FINANCED PURCHASE OF
25 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must be made,
26 subject to annual allocation pursuant to section 43-1-113 by the
27 transportation commission created in section 43-1-106 (1) or subject to

1 annual appropriation by the general assembly, as applicable, from the
2 following sources of money:

3 (I) First, nine million dollars annually, or any lesser amount that
4 is sufficient to make each full payment due, shall be paid from the general
5 fund or any other legally available source of money for the purpose of
6 fully funding the controlled maintenance and capital construction projects
7 in the state to be funded with the proceeds of ~~lease-purchase~~ FINANCED
8 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as
9 specified in subsection (4)(a) of this section;

10 (e) Each agreement must also provide that the obligations of the
11 state do not create state debt within the meaning of any provision of the
12 state constitution or state law concerning or limiting the creation of state
13 debt and are not a multiple fiscal-year direct or indirect debt or other
14 financial obligation of the state within the meaning of section 20 (4) of
15 article X of the state constitution. If the state does not renew a
16 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION agreement executed as required by subsection (2)(a) of
18 this section, the sole security available to the ~~lessor~~ SELLER is the property
19 that is the subject of the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE
20 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

21 (f) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
22 CERTIFICATE OF PARTICIPATION agreement executed as required by
23 subsection (2)(a) of this section may contain such terms, provisions, and
24 conditions as the state treasurer, acting on behalf of the state, deems
25 appropriate, including all optional terms; except that each ~~lease-purchase~~
26 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
27 agreement must specifically authorize the state or the governing board of

1 the applicable state institution of higher education to receive fee title to
2 all real and personal property that is the subject of the ~~lease-purchase~~
3 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
4 agreement on or before the expiration of the terms of the agreement.

5 (g) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
6 CERTIFICATE OF PARTICIPATION agreement executed as required by
7 subsection (2)(a) of this section may provide for the issuance,
8 distribution, and sale of instruments evidencing rights to receive rentals
9 and other payments made and to be made under the ~~lease-purchase~~
10 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
11 agreement. The instruments may be issued, distributed, or sold only by the
12 ~~lessor~~ SELLER or any person designated by the ~~lessor~~ SELLER and not by
13 the state. The instruments do not create a relationship between the
14 purchasers of the instruments and the state or create any obligation on the
15 part of the state to the purchasers. The instruments are not notes, bonds,
16 or any other evidence of state debt within the meaning of any provision
17 of the state constitution or state law concerning or limiting the creation of
18 state debt and are not a multiple fiscal-year direct or indirect debt or other
19 financial obligation of the state within the meaning of section 20 (4) of
20 article X of the state constitution.

21 (h) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF
22 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized
23 pursuant to subsection (2)(a) of this section, including interest represented
24 by the instruments, is exempt from Colorado income tax.

25 (i) The state, acting by and through the state treasurer and the
26 governing boards of the institutions of higher education, is authorized to
27 enter into ancillary agreements and instruments that are necessary or

1 appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF
2 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including but not
3 limited to deeds, ground leases, sub-leases, easements, or other
4 instruments relating to the real property on which the facilities are
5 located.

6 (j) The provisions of section 24-30-202 (5)(b) do not apply to a
7 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
8 PARTICIPATION agreement executed as required by or to any ancillary
9 agreement or instrument entered into pursuant to this subsection (2). The
10 state controller or his or her designee shall waive any provision of the
11 fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) that
12 the state controller finds incompatible or inapplicable with respect to a
13 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
14 PARTICIPATION agreement or an ancillary agreement or instrument.

15 (3) (a) Before executing a ~~lease-purchase~~ FINANCED PURCHASE OF
16 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement required by
17 subsection (2)(a) of this section, in order to protect against future interest
18 rate increases, the state, acting by and through the state treasurer and at
19 the discretion of the state treasurer, may enter into an interest rate
20 exchange agreement pursuant to article 59.3 of title 11. A ~~lease-purchase~~
21 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
22 agreement executed as required by subsection (2)(a) of this section is a
23 proposed public security for the purposes of article 59.3 of title 11. Any
24 payments made by the state under an agreement entered into pursuant to
25 this subsection (3) must be made solely from money made available to the
26 state treasurer from the execution of a ~~lease-purchase~~ FINANCED
27 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or

1 from money described in subsections (2)(d)(I) and (2)(d)(II) of this
2 section.

3 (c) Any money received by the state under an agreement entered
4 into pursuant to this subsection (3) shall be used to make payments on
5 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
6 PARTICIPATION agreements entered into pursuant to subsection (2) of this
7 section or to pay the costs of the project for which a ~~lease-purchase~~
8 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
9 agreement was executed.

10 (4) Proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
11 OR CERTIFICATE OF PARTICIPATION agreements executed as required by
12 subsection (2)(a) of this section shall be used as follows:

13 (a) (I) The first one hundred twenty million dollars of the proceeds
14 of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
15 PARTICIPATION agreements issued during the 2018-19 state fiscal year
16 shall be used for controlled maintenance and capital construction projects
17 in the state as follows:

18 (III) When the actual cost of a controlled maintenance project
19 funded from the proceeds of the ~~lease-purchase~~ FINANCED PURCHASE OF
20 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements executed as
21 required by subsection (2)(a) of this section, as specifically set forth in
22 subsections (4)(a)(I)(A) through (4)(a)(I)(C) of this section, is less than
23 the amount specifically earmarked for such project, the executive director
24 may utilize the savings to cover any additional cost of any other
25 controlled maintenance project funded from the proceeds of the
26 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
27 PARTICIPATION agreements executed as required by subsection (2)(a) of

1 this section, as specifically set forth in subsections (4)(a)(I)(A) through
2 (4)(a)(I)(C) of this section; except that the executive director's authority
3 to use savings for other controlled maintenance projects may not in any
4 way exceed the total allocation of one hundred thirteen million eight
5 hundred fifty-two thousand nine hundred twenty-one dollars.

6 (a.5) Of the proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF
7 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements executed as
8 required by subsection (2)(a)(II) of this section, the lesser of all proceeds
9 in excess of five hundred million dollars or forty-nine million dollars of
10 such excess proceeds shall be credited to the capital construction fund
11 created in section 24-75-302 (1)(a) and appropriated only for controlled
12 maintenance projects, including controlled maintenance projects that are
13 capital renewal projects, in the state.

14 **SECTION 63.** In Colorado Revised Statutes, 24-82-1303, **amend**
15 (2)(a) introductory portion and (2)(d) introductory portion; and **amend as**
16 **they exist until a ballot issue is proclaimed by the governor,** (2)(a)(I),
17 (2)(a)(II), (2)(a)(III), (2)(a)(IV), (2)(b), and (2)(d)(II) as follows:

18 **24-82-1303. Financed purchase of an asset or certificate of**
19 **participation agreements for capital construction and transportation**
20 **projects.** (2) (a) Notwithstanding the provisions of sections 24-82-102
21 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no sooner than
22 July 1, 2018, the state, acting by and through the state treasurer, shall
23 execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE
24 OF PARTICIPATION agreements, each for no more than twenty years of
25 annual payments, for the projects described in subsection (4) of this
26 section. The state shall execute the ~~lease-purchase~~ FINANCED PURCHASE
27 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as soon as

1 possible after July 1 of the applicable state fiscal year only in accordance
2 with the following schedule:

3 (I) During the 2018-19 state fiscal year, the state shall execute
4 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
5 PARTICIPATION agreements in an amount up to five hundred million
6 dollars;

7 (II) During the 2019-20 state fiscal year, the state shall execute
8 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
9 PARTICIPATION agreements in an amount up to five hundred million
10 dollars;

11 (III) During the 2020-21 state fiscal year, the state shall execute
12 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
13 PARTICIPATION agreements in an amount up to five hundred million
14 dollars; and

15 (IV) During the 2021-22 fiscal year, the state shall execute
16 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION agreements in an amount up to five hundred million
18 dollars.

19 (b) The anticipated annual state-funded payments for the principal
20 and interest components of the amount payable under all ~~lease-purchase~~
21 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
22 agreements entered into pursuant to subsection (2)(a) of this section shall
23 not exceed one hundred fifty million dollars.

24 (d) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
25 CERTIFICATE OF PARTICIPATION agreement executed as required by
26 subsection (2)(a) of this section shall provide that all of the obligations of
27 the state under the agreement are subject to the action of the general

1 assembly in annually making money available for all payments
2 thereunder. Payments under any ~~lease-purchase~~ FINANCED PURCHASE OF
3 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must be made,
4 subject to annual allocation pursuant to section 43-1-113 by the
5 transportation commission created in section 43-1-106 (1) or subject to
6 annual appropriation by the general assembly, as applicable, from the
7 following sources of money:

8 (II) Next, fifty million dollars annually, or any lesser amount that
9 is sufficient to make each full payment due, shall be paid from any legally
10 available money under the control of the transportation commission solely
11 for the purpose of allowing the construction, supervision, and
12 maintenance of state highways to be funded with the proceeds of
13 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
14 PARTICIPATION agreements as specified in subsection (4)(b) of this section
15 and section 43-4-206 (1)(b)(V); except that, for payments due during state
16 fiscal years 2020-21 and 2021-22, sixty-two million dollars annually, or
17 any lesser amount that is sufficient to make each full payment due shall
18 be paid from such legally available money for said purpose; and

19 **SECTION 64.** In Colorado Revised Statutes, 24-82-1303, **amend**
20 (2)(d) introductory portion; and **amend as they will become effective if**
21 **a ballot issue is proclaimed by the governor** (2)(b) and (2)(d)(II) as
22 follows:

23 **24-82-1303. Financed purchase of an asset or certificate of**
24 **participation agreements for capital construction and transportation**
25 **projects.** (2) (b) The anticipated annual state-funded payments for the
26 principal and interest components of the amount payable under all
27 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

1 PARTICIPATION agreements entered into pursuant to subsection (2)(a) of
2 this section shall not exceed one hundred twelve million five hundred
3 thousand dollars.

4 (d) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
5 CERTIFICATE OF PARTICIPATION agreement executed as required by
6 subsection (2)(a) of this section shall provide that all of the obligations of
7 the state under the agreement are subject to the action of the general
8 assembly in annually making money available for all payments
9 thereunder. Payments under any ~~lease-purchase~~ FINANCED PURCHASE OF
10 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must be made,
11 subject to annual allocation pursuant to section 43-1-113 by the
12 transportation commission created in section 43-1-106 (1) or subject to
13 annual appropriation by the general assembly, as applicable, from the
14 following sources of money:

15 (II) Next, for state fiscal year 2021-22 and for each succeeding
16 state fiscal year for which a payment under any ~~lease-purchase~~ FINANCED
17 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement
18 must be made, thirty-six million seven hundred thousand dollars annually,
19 or any lesser amount that is sufficient to make each full payment due,
20 shall be paid from any legally available money under the control of the
21 transportation commission solely for the purpose of allowing the
22 construction, supervision, and maintenance of state highways to be
23 funded with the proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN
24 ASSET OR CERTIFICATE OF PARTICIPATION agreements as specified in
25 subsection (4)(b) of this section and section 43-4-206 (1)(b)(V); except
26 that, for the payment due during state fiscal year 2021-22 only, forty-eight
27 million seven hundred thousand dollars, or any lesser amount that is

1 sufficient to make the full payment due shall be paid from such legally
2 available money for said purpose; and

3 **SECTION 65.** In Colorado Revised Statutes, 24-90-114, **amend**
4 (2) as follows:

5 **24-90-114. Abolishment of libraries.** (2) Following notice of
6 public hearings, the abolishment of a joint library shall be by resolution
7 of the legislative bodies of the governmental units ~~which~~ THAT
8 established, operated, or maintained the joint library. The resolution shall
9 specify that all indebtedness, including obligations arising from
10 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
11 PARTICIPATION agreements, of the joint library must be fully protected
12 until retired, that all trusts of the library will be continued as specified
13 under current terms, and that all properties of the joint library will be
14 divided as provided in the agreements entered into by the legislative
15 bodies of the governmental units.

16 **SECTION 66.** In Colorado Revised Statutes, 29-1-103, **amend**
17 (3)(a), (3)(c), (3)(d)(I), and (3)(e); and **add** (3)(c.5) and (3)(c.7) as
18 follows:

19 **29-1-103. Budgets required.** (3) (a) The general assembly finds
20 and declares that the use of ~~lease-purchase~~ FINANCED PURCHASE OF AN
21 ASSET OR CERTIFICATE OF PARTICIPATION agreements by local
22 governments creates financial obligations of those governments and that
23 the disclosure of such obligations is in the public interest and is a matter
24 of statewide concern.

25 (c) As used in this subsection (3), "~~lease-purchase~~ "LEASE
26 agreement" means a ~~capital~~ lease as defined in the generally accepted
27 accounting principles issued by the governmental accounting standards

1 board that the controller prescribes for the state as specified in section
2 24-30-202 (12). ~~C.R.S.~~

3 (c.5) AS USED IN THIS SUBSECTION (3), "CERTIFICATE OF
4 PARTICIPATION" MEANS ANY CERTIFICATE EVIDENCING A PARTICIPATION
5 RIGHT OF A PROPORTIONATE INTEREST IN ANY FINANCING AGREEMENT OR
6 THE RIGHT TO RECEIVE PROPORTIONATE PAYMENTS FROM THE STATE OR
7 AN AGENCY DUE UNDER ANY FINANCING AGREEMENT.

8 (c.7) AS USED IN THIS SUBSECTION (3), "FINANCED PURCHASE OF
9 AN ASSET" MEANS A FINANCING AGREEMENT THAT INCLUDES THE
10 PURCHASE OF AN ASSET.

11 (d) (I) The budget adopted by every local government shall
12 separately set forth each of the following:

13 (A) The total amount to be expended during the ensuing fiscal
14 year for payment obligations under all ~~lease-purchase~~ FINANCED
15 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
16 involving real property;

17 (B) The total maximum payment liability of the local government
18 under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
19 CERTIFICATE OF PARTICIPATION agreements involving real property over
20 the entire terms of such agreements, including all optional renewal terms;

21 (C) The total amount to be expended during the ensuing fiscal
22 year for payment obligations under all ~~lease-purchase~~ FINANCED
23 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
24 other than those involving real property;

25 (D) The total maximum payment liability of the local government
26 under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
27 CERTIFICATE OF PARTICIPATION agreements other than those involving

1 real property over the entire terms of such agreements, including all
2 optional renewal terms.

3 (e) (I) No local government shall enter into any ~~lease-purchase~~
4 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
5 agreement whose duration, including all optional renewal terms, exceeds
6 the weighted average useful life of the assets being financed. In the case
7 of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
8 PARTICIPATION agreement involving both real property and other
9 property, the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
10 CERTIFICATE OF PARTICIPATION agreement shall provide that the real
11 property involved shall be amortized over a period not to exceed its
12 weighted average useful life and the other property shall be separately
13 amortized over a period not to exceed its weighted average useful life.
14 This provision shall not prevent a local government from releasing
15 property from a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
16 CERTIFICATE OF PARTICIPATION agreement pursuant to an amortization
17 schedule reflecting the times when individual pieces of property have
18 been amortized.

19 (II) Nothing contained in this ~~paragraph (e)~~ SUBSECTION (3)(e)
20 shall be construed to apply to any ~~lease-purchase~~ FINANCED PURCHASE OF
21 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into prior
22 to April 9, 1990.

23 **SECTION 67.** In Colorado Revised Statutes, 29-12.5-101,
24 **amend** (4)(a) and (4)(c) as follows:

25 **29-12.5-101. Definitions.** As used in this article 12.5:

26 (4) "Energy saving measure" means:

27 (a) The acquisition and installation, by purchase, lease,

1 ~~lease-purchase, lease with an option to buy,~~ FINANCED PURCHASE OF AN
2 ASSET, CERTIFICATE OF PARTICIPATION, or installment purchase, of a
3 utility cost-savings measure and any attendant architectural and
4 engineering consulting services;

5 (c) The acquisition and installation, by purchase, lease,
6 ~~lease-purchase, lease with an option to buy,~~ FINANCED PURCHASE OF AN
7 ASSET, CERTIFICATE OF PARTICIPATION, or installment purchase of a
8 vehicle fleet operational and fuel cost-savings measure.

9 **SECTION 68.** In Colorado Revised Statutes, 30-11-104.1,
10 **amend** (1) and (3) as follows:

11 **30-11-104.1. Financed purchase of an asset or certificate of**
12 **participation agreements.** (1) In order to provide for financing of a
13 public park, a public trail, a public golf course, or public open space, or
14 a courthouse, jail, or other county building or equipment used, or to be
15 used, for governmental purposes, any county is authorized to enter into
16 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION agreements.

18 (3) The obligation under any such ~~leases~~ AGREEMENTS may only
19 be from year to year and may not constitute a mandatory charge or
20 requirement in any ensuing budget year.

21 **SECTION 69.** In Colorado Revised Statutes, 30-11-104.2,
22 **amend** (2) as follows:

23 **30-11-104.2. Tax exemption.** (2) (a) A courthouse, jail, or other
24 county building subject to ~~lease-purchase~~ FINANCED PURCHASE OF AN
25 ASSET OR CERTIFICATE OF PARTICIPATION agreements in force on May 29,
26 1981, shall be accorded the same tax-exempt status as a courthouse, jail,
27 or other county building financed by such agreements entered into after

1 such date.

2 (b) Equipment subject to ~~lease purchase~~ FINANCED PURCHASE OF
3 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in force on May
4 25, 1983, shall be accorded the same tax-exempt status as equipment
5 financed by such agreements entered into after such date.

6 **SECTION 70.** In Colorado Revised Statutes, 32-14-110, **amend**
7 (1) introductory portion and (1)(a) as follows:

8 **32-14-110. Privatization - study and consideration.** (1) The
9 board shall study, consider, and pursue opportunities for privatizing the
10 costs of acquiring a stadium site, the costs of constructing a stadium, or
11 the costs of operating a stadium in order to minimize the use of sales tax
12 revenues to the greatest extent possible for the purposes of this ~~article~~
13 ARTICLE 14. Such methods to be studied, considered, and pursued by the
14 board in order to achieve such privatization shall include, but not be
15 limited to, the following:

16 (a) Financial incentives from private sources, including
17 landowners and developers, available to offset the cost of a stadium site
18 and the construction, maintenance, and operation of a stadium, including,
19 but not limited to: Contributions of money, goods, equipment, and
20 services; ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreements;
21 CERTIFICATE OF PARTICIPATION AGREEMENTS; sale-leaseback agreements;
22 and joint venture proposals;

23 **SECTION 71.** In Colorado Revised Statutes, 32-15-106, **amend**
24 (6)(a) introductory portion and (6)(a)(I) as follows:

25 **32-15-106. Board of directors - powers and duties.** (6) (a) The
26 board shall study, consider, and pursue opportunities for privatizing the
27 costs of acquiring Mile High stadium or acquiring a stadium site for a

1 new stadium, the costs of renovating Mile High stadium or constructing
2 a new stadium, or the costs of operating a stadium in order to minimize
3 the use of sales tax revenues to the greatest extent possible for the
4 purposes of this ~~article~~ ARTICLE 15. Such methods to be studied,
5 considered, and pursued by the board in order to achieve such
6 privatization shall include, but not be limited to, the following:

7 (I) Financial incentives from private sources, including
8 landowners and developers, available to offset the cost of a stadium site
9 and the construction of a new stadium, the cost of renovating Mile High
10 stadium, and the cost of maintenance, and operation of a stadium,
11 including, but not limited to: Contributions of money, goods, equipment,
12 and services; ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
13 agreements; CERTIFICATE OF PARTICIPATION AGREEMENTS; sale-leaseback
14 agreements; and joint venture proposals;

15 **SECTION 72.** In Colorado Revised Statutes, 33-60-103, **amend**
16 (1)(c) introductory portion, (1)(c)(I) introductory portion, (1)(c)(I)(B),
17 (1)(c)(I)(C), (1)(c)(I)(D), (1)(c)(II), and (1)(c)(III) as follows:

18 **33-60-103. Distribution of net lottery proceeds - fourth**
19 **quarter of fiscal year 1992-93 through fourth quarter of fiscal year**
20 **1997-98 - insufficiency - loan - repayment from net lottery proceeds.**

21 (1) Beginning with the proceeds from the fourth quarter of fiscal year
22 1992-93 through the fourth quarter of fiscal year 1997-98, the state
23 treasurer shall make monthly distributions of net lottery proceeds as
24 follows:

25 (c) To the debt service repayment account in the capital
26 construction fund created pursuant to the provisions of section 24-75-302
27 (3), ~~C.R.S.~~, in an amount sufficient to defray all payments of principal

1 and interest due on or before the date of the distribution for the payment
2 of the following outstanding financial obligations of the state:

3 (I) 1992 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET
4 agreement in the original principal amount of \$108,310,000, less the
5 principal amount of \$5,700,000 or the appraised value, whichever is
6 greater, for the Kipling facility building, which shall not be included. The
7 1992 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET agreement
8 represents the refunding of the following certificates of participation:

9 (B) 1986 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET
10 agreement in the original amount of \$36,495,000;

11 (C) 1988 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET
12 agreement in the original amount of \$63,025,000;

13 (D) 1989 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET
14 agreement in the original amount of \$66,894,861.85; except that such
15 refunding represents only that portion of the certificates which mature on
16 and after November 1, 1999;

17 (II) 1990 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET
18 agreement in the original amount of \$28,635,000; and

19 (III) 1989 master ~~lease purchase~~ FINANCED PURCHASE OF AN
20 ASSET agreement in the original amount of \$66,894,861.85, but only to
21 the extent of payment for debt service from and including September 1,
22 1993, to and including November 30, 1998.

23 **SECTION 73.** In Colorado Revised Statutes, 34-63-102, **amend**
24 (5.5)(b) as follows:

25 **34-63-102. Creation of mineral leasing fund - distribution -**
26 **advisory committee - local government permanent fund created -**
27 **definitions - transfer of money. (5.5) (b) Notwithstanding the**

1 ~~provisions of paragraph (a) of subsection (5.4) of this section~~ SUBSECTION
2 (5.4)(a) OF THIS SECTION, if the amount of ~~moneys~~ MONEY in the higher
3 education federal mineral lease revenues fund, established pursuant to
4 section 23-19.9-102 (1), ~~C.R.S.~~, is insufficient to cover the full amount
5 of the payments due to be made under ~~lease-purchase~~ FINANCED
6 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements
7 authorized pursuant to section 23-1-106.3 (3), ~~C.R.S.~~, the general
8 assembly may reduce the transfer to the state public school fund by the
9 amount needed to cover the full amount of payments and transfer that
10 amount to the higher education federal mineral lease revenues fund.

11 **SECTION 74.** In Colorado Revised Statutes, 36-1-118.5, **amend**
12 (1)(d), (2)(a) introductory portion, (2)(a)(III), (2)(a)(IV), (2)(a)(V),
13 (2)(a)(VI), (2)(c), (2)(e), (4)(a), (4)(b), (4)(c), (5), (6), (7)(a) introductory
14 portion, (7)(b), (7)(c), (7)(d), (7)(e), (8), and (9)(b) as follows:

15 **36-1-118.5. Financed purchase of an asset or certificate of**
16 **participation agreements for commercial real property - state board**
17 **of land commissioners financed fund - legislative declaration -**
18 **definition - repeal.** (1) The general assembly hereby finds and declares
19 that:

20 (d) It is the general assembly's intent that annual payments on
21 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
22 PARTICIPATION agreements that the state board of land commissioners
23 instructed the state treasurer to enter into pursuant to this section be made
24 solely from the state board of land commissioners ~~lease-purchase~~
25 FINANCED fund with transfers first from commercial real property
26 revenues, second from the reserve established in the state board of land
27 commissioners ~~lease-purchase~~ FINANCED fund, and, in the event of any

1 shortfall, from the state board of land commissioners investment and
2 development fund.

3 (2) (a) Notwithstanding ~~the provisions of~~ section 24-82-801,
4 ~~C.R.S.~~, the state board of land commissioners may instruct the state
5 treasurer to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
6 OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state
7 school lands for the acquisition, construction, renovation, and
8 improvement of commercial real property that the board will then offer
9 as lease space for state agencies or other tenants only if:

10 (III) The projected annual rent costs of the state agencies that will
11 be located in the property plus any current rental payment or rental
12 payment projected to be received from other nonstate agency tenants for
13 each fiscal year during the maximum term of the proposed ~~lease-purchase~~
14 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
15 agreement will exceed the annual ~~lease-purchase~~ FINANCED PURCHASE OF
16 AN ASSET OR CERTIFICATE OF PARTICIPATION payment for the property;

17 (IV) A financial plan for the ~~lease-purchase~~ FINANCED PURCHASE
18 OF AN ASSET OR CERTIFICATE OF PARTICIPATION transaction that includes
19 the items described in ~~paragraph (c) of this subsection (2)~~ SUBSECTION
20 (2)(c) OF THIS SECTION has been approved by the office of state planning
21 and budgeting and reviewed and recommended by the capital
22 development committee of the general assembly pursuant to subsection
23 (3) of this section;

24 (V) The state board of land commissioners approves the terms of
25 the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
26 PARTICIPATION agreements and any ancillary agreements;

27 (VI) The state board of land commissioners ensures that the

1 agreements for the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
2 CERTIFICATE OF PARTICIPATION transaction accurately reflect the financial
3 plan approved by the office of state planning and budgeting and the
4 capital development committee; and

5 (c) The financial plan must include all necessary parameters of the
6 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
7 PARTICIPATION agreement, including but not limited to leased-space
8 needs, subleasing agreements, income, expenses, capital maintenance
9 costs, interest rates, reserve requirements, amortization, expected return
10 on investment, and overall benefit to the permanent school fund as related
11 to the state board's duties enumerated in section 10 of article IX of the
12 state constitution. The financial plan must also include any other financial
13 consideration that the office of state planning and budgeting or the capital
14 development committee might request after their review of the financial
15 plan. The state board may utilize the services of the state's financial
16 advisors in order to prepare the financial plan.

17 (e) The state treasurer shall issue the ~~lease-purchase~~ FINANCED
18 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as
19 specified in section 24-36-121. ~~C.R.S.~~

20 (4) (a) The maximum total amount of annual ~~lease~~ payments of
21 principal and interest payable by the state during any fiscal year under the
22 terms of all outstanding ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
23 OR CERTIFICATE OF PARTICIPATION agreements entered into by the state
24 treasurer as instructed by the state board pursuant to this section may not
25 exceed the lesser of:

26 (I) The total amount of annual ~~lease~~ payments of principal and
27 interest required to be paid per fiscal year on all outstanding

1 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
2 PARTICIPATION agreements so long as the principal portions of the
3 outstanding ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
4 CERTIFICATE OF PARTICIPATION agreements do not exceed fifty million
5 dollars; or

6 (II) Five million dollars per fiscal year in total annual lease
7 payments of principal and interest required to be paid on all outstanding
8 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
9 PARTICIPATION agreements.

10 (b) The term of any ~~lease-purchase~~ FINANCED PURCHASE OF AN
11 ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the
12 state treasurer as instructed by the state board pursuant to this section may
13 not exceed the shorter of the remaining useful life of the building or
14 twenty-five years.

15 (c) Annual payments on ~~lease-purchase~~ FINANCED PURCHASE OF
16 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that the state
17 board of land commissioners instructed the state treasurer to enter into
18 pursuant to this section must be made solely from the state board of land
19 commissioners ~~lease-purchase~~ FINANCED fund with transfers first from
20 the commercial real property operating fund created in section
21 36-1-153.7, second from the reserve described in ~~paragraph (d) of~~
22 ~~subsection (7)~~ SUBSECTION (7)(d) of this section, and, in the event of any
23 shortfall, from the state board of land commissioners investment and
24 development fund created in section 36-1-153.

25 (5) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
26 CERTIFICATE OF PARTICIPATION agreement entered into by the state
27 treasurer on behalf of the state board pursuant to this section shall provide

1 that all payment obligations of the state under the agreement are subject
2 to annual appropriation by the general assembly and that obligations are
3 not deemed or construed as creating an indebtedness of the state within
4 the meaning of any provision of the state constitution or the laws of the
5 state concerning or limiting the creation of indebtedness by the state and
6 do not constitute a multiple fiscal year direct or indirect debt or other
7 financial obligation of the state within the meaning of section 20 (4) of
8 article X of the state constitution.

9 (6) (a) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
10 CERTIFICATE OF PARTICIPATION agreement entered into by the state
11 treasurer on behalf of the state board pursuant to this section may contain
12 such terms, provisions, and conditions as the state treasurer deems
13 appropriate. The provisions shall allow the board, on behalf of the state
14 school lands, to receive title to the commercial real property that is the
15 subject of the agreement on or prior to the expiration of the entire term of
16 the agreement, including all optional renewal terms. Such ~~lease-purchase~~
17 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
18 agreement may further provide for the issuance, distribution, and sale of
19 instruments evidencing rights to receive rentals and other payments made
20 and to be made under the agreement. Such instruments shall not be notes,
21 bonds, or any other evidence of indebtedness of the state within the
22 meaning of any provision of the state constitution or the laws of the state
23 concerning or limiting the creation of indebtedness by the state. Interest
24 paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
25 CERTIFICATE OF PARTICIPATION agreement, including interest represented
26 by such instruments, is exempt from Colorado income tax.

27 (b) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR

1 CERTIFICATE OF PARTICIPATION agreement entered into by the state
2 treasurer on behalf of the state board pursuant to this section may require
3 the state to provide insurance; except that no insurance is authorized that
4 would cause the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
5 OR CERTIFICATE OF PARTICIPATION payment to exceed the annual rent
6 costs of the state agencies prior to the ~~lease-purchase~~ FINANCED
7 PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement plus
8 any rent projected to be received from other nonstate agency tenants.

9 (c) Any provision of the fiscal rules promulgated pursuant to
10 section 24-30-202 (1) and (13) ~~C.R.S.~~, that the state controller deems to
11 be incompatible or inapplicable with respect to a ~~lease-purchase~~
12 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
13 agreement entered into by the state treasurer on behalf of the state board
14 pursuant to this section or any ancillary agreement may be waived by the
15 state controller or his or her designee.

16 (d) If a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
17 CERTIFICATE OF PARTICIPATION agreement entered into by the state
18 treasurer on behalf of the state board pursuant to this section is executed,
19 during the term of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
20 OR CERTIFICATE OF PARTICIPATION agreement, ~~moneys~~ MONEY that at the
21 time of the execution ~~are~~ IS appropriated to a state agency for rental
22 payments shall be transferred to the commercial real property operating
23 fund created in section 36-1-153.7.

24 (7) (a) The state board of land commissioners ~~lease-purchase~~
25 FINANCED fund is hereby created in the state treasury. The principal of the
26 fund consists of:

27 (b) All interest and income earned on the deposit and investment

1 of ~~moneys~~ MONEY in the state board of land commissioners
2 ~~lease-purchase~~ FINANCED fund are credited to the fund and may not be
3 transferred to the general fund or any other fund at the end of any fiscal
4 year. Any uncommitted fund balance at the end of a fiscal year, not
5 including any amount held in reserve as required in ~~paragraph (d)~~ of this
6 ~~subsection (7)~~ SUBSECTION (7)(d) OF THIS SECTION, is transferred to the
7 permanent school fund.

8 (c) ~~Moneys~~ MONEY in the state board of land commissioners
9 ~~lease-purchase~~ FINANCED fund ~~are~~ IS subject to annual appropriation by
10 the general assembly in the capital section of the annual general
11 appropriation act to make ~~lease or other~~ payments required by
12 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
13 PARTICIPATION agreements entered into pursuant to this section.

14 (d) For each fiscal year commencing on or after July 1, 2014, a
15 reserve consisting of ten percent of the principal of all outstanding
16 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION agreements entered into pursuant to this section must be
18 maintained. The reserve may only be expended upon a specific
19 appropriation by the general assembly to meet any ~~lease-purchase~~
20 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
21 payments required by ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
22 OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to
23 this section if there are insufficient revenues to cover the ~~lease~~ payment.
24 The reserve must be replenished within three years of expenditure.

25 (e) The state controller shall, in cooperation with the state board
26 and the state treasurer, establish accounts in the state board of land
27 commissioners ~~lease-purchase~~ FINANCED fund as necessary to ensure the

1 proper accounting for all ~~lease-purchase~~ FINANCED PURCHASE OF AN
2 ASSET OR CERTIFICATE OF PARTICIPATION transactions.

3 (8) Net revenue from the disposal of the commercial real property
4 originally acquired through a ~~lease-purchase~~ FINANCED PURCHASE OF AN
5 ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in this
6 section shall be reinvested in land pursuant to ~~the provisions of~~ section
7 36-1-124.5.

8 (9) (b) The state auditor shall conduct or cause to be conducted a
9 performance audit of the ~~lease-purchase~~ FINANCED PURCHASE OF AN
10 ASSET OR CERTIFICATE OF PARTICIPATION program authorized by this
11 section. The state auditor shall submit findings, conclusions, and
12 recommendations resulting from the performance audit to the members
13 of the legislative audit committee, the members of the joint budget
14 committee, and the members of the capital development committee, or
15 any successor committees, no later than twelve months after the issuance
16 of the first ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
17 CERTIFICATE OF PARTICIPATION agreement.

18 **SECTION 75.** In Colorado Revised Statutes, 36-1-153, **amend**
19 (2) as follows:

20 **36-1-153. Investment and development fund.** (2) (a) ~~Moneys~~
21 MONEY in the fund shall be used at the discretion of the state board of
22 land commissioners to hire staff, contract for services, make purchases,
23 make annual payments on any ~~lease-purchase~~ FINANCED PURCHASE OF AN
24 ASSET OR CERTIFICATE OF PARTICIPATION agreements the state board
25 instructed the state treasurer to enter into as allowed in section
26 36-1-118.5, and take such other actions as the state board deems
27 appropriate to provide for the development of additional value-added

1 benefit for the state's trust lands, including both portfolio enhancement
2 and additional income. Such actions may include, but are not limited to,
3 the rezoning, platting, master planning, or other development activities
4 that increase the value of or rate of return from the state's trust lands. The
5 state board of land commissioners may also use up to one million dollars
6 per fiscal year of the ~~moneys~~ MONEY in the fund for asset maintenance,
7 including, but not limited to, upkeep and replacement of buildings,
8 agricultural sprinklers, fences, windmills, and water wells.

9 (b) The state board of land commissioners shall notify the state
10 treasurer in writing of the amount that needs to be transferred from the
11 investment and development fund to the state board of land
12 commissioners ~~lease-purchase~~ FINANCED fund created in section
13 36-1-118.5 (7), and no later than thirty days after receipt of such
14 notification, the state treasurer shall transfer such sum to the state board
15 of land commissioners ~~lease-purchase~~ FINANCED fund created in section
16 36-1-118.5 (7).

17 **SECTION 76.** In Colorado Revised Statutes, 36-1-153.7, **amend**
18 (1)(a) as follows:

19 **36-1-153.7. Commercial real property operating fund -**
20 **created.** (1) (a) The commercial real property operating fund, referred to
21 in this section as the "fund", is hereby created in the state treasury and
22 consists of all lease income earned by the state board of land
23 commissioners from commercial real property. The state board of land
24 commissioners shall control and administer the fund. The state controller
25 shall, in cooperation with the state board of land commissioners and the
26 state treasurer, establish accounts in the fund as necessary to ensure the
27 proper accounting for all commercial real property that the state board of

1 land commissioners owns and leases to third parties. Each account must
2 consist of lease revenue, not including any damage deposits as allowed
3 in section 36-1-129, for the commercial real property as separated by trust
4 and must account for all expenses for the commercial real property held
5 by each trust. ~~Moneys~~ MONEY in the fund ~~are~~ IS continuously
6 appropriated to the state board of land commissioners and may be used
7 to contract for the services of a third-party property management firm as
8 specified in subsection (2) of this section, and for any other associated
9 property management and operating costs. ~~Moneys~~ MONEY in the fund
10 may be transferred to the state board of land commissioners
11 ~~lease-purchase~~ FINANCED fund created in section 36-1-118.5 (7). The state
12 board of land commissioners shall notify the state treasurer in writing of
13 the amount that needs to be transferred from the fund to the state board
14 of land commissioners ~~lease-purchase~~ FINANCED fund. The state treasurer
15 shall transfer such amount no later than thirty days after receipt of such
16 notification. All unencumbered and unexpended ~~moneys~~ MONEY in the
17 fund at the end of each quarter in each fiscal year ~~are~~ IS distributed as
18 specified in section 36-1-116.

19 **SECTION 77.** In Colorado Revised Statutes, 39-3-124, **amend**
20 (1)(a) as follows:

21 **39-3-124. Property used by state entity - installment sales or**
22 **lease agreement - financed purchase of an asset, certificate of**
23 **participation, or leveraged lease agreement - exemption.**

24 (1) (a) Property, real and personal, that is used by the state or any of its
25 political subdivisions pursuant to the provisions of any installment sales
26 agreement, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
27 AGREEMENT, CERTIFICATE OF PARTICIPATION agreement, or any other

1 agreement whereby the state or such political subdivision shall be entitled
2 to acquire title to such property at the end of the agreement term without
3 cost or for only nominal consideration shall be exempt from the levy and
4 collection of property tax.

5 **SECTION 78.** In Colorado Revised Statutes, 40-2-125.5, **amend**
6 (4)(a)(VII) introductory portion as follows:

7 **40-2-125.5. Carbon dioxide emission reductions - goal to**
8 **eliminate by 2050 - legislative declaration - interim targets -**
9 **submission and approval of plans - definitions - cost recovery -**
10 **reports - rules. (4) Submission and approval of plans. (a)** The first
11 electric resource plan that a qualifying retail utility files with the
12 commission after January 1, 2020, must include a clean energy plan that
13 will achieve the clean energy target set forth in subsection (3)(a)(I) of this
14 section and make progress toward the one-hundred-percent clean energy
15 goal set forth in subsection (3)(a)(II) of this section in accordance with
16 the following:

17 (VII) If the clean energy plan includes accelerated retirement of
18 any existing generating facilities, the clean energy plan must include
19 workforce transition and community assistance plans for utility workers
20 impacted by any clean energy plan and a plan to pay community
21 assistance to any local government or school district, the voters of which
22 have approved projects the costs of which are expected to be paid for
23 from property taxes that are directly impacted by the accelerated
24 retirement of the electric generating facility in an amount equal to the
25 costs of the voter-approved projects that were expected to be paid from
26 the revenue sources directly impacted by the accelerated retirement of the
27 projects, including but not limited to the payment of bonds, notes, or other

1 multiple-fiscal year obligations or ~~lease purchase~~ FINANCED PURCHASE OF
2 AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that have been
3 issued or entered into to pay the costs of such projects. Any payment of
4 community assistance shall be reduced on an equivalent basis to the
5 extent that property tax is derived from new electric infrastructure
6 developed in the same impacted community. The qualifying retail utility
7 may propose a cost-recovery mechanism to recover the prudently incurred
8 costs of any workforce transition and community assistance plans, while
9 giving due consideration to the impact on low-income customers. The
10 qualifying retail utility will not earn its authorized rate of return on any
11 noncapital costs incurred as part of any workforce transition plan. The
12 workforce transition and community assistance plans must include, to the
13 extent feasible, estimates of:

14 **SECTION 79.** In Colorado Revised Statutes, 40-41-104, **amend**
15 (5) as follows:

16 **40-41-104. Issuance of financing orders.** (5) If the voters of a
17 local government or school district have approved projects, the costs of
18 which are expected to be paid for from property taxes that are directly
19 impacted by the retirement of an electric generating facility pursuant to
20 the terms of a financing order, the financing order must provide for the
21 payment of community assistance to the local government in an amount
22 equal to the costs of the voter-approved projects that were expected to be
23 paid from the revenue sources directly impacted by the retirement of an
24 electric generating facility pursuant to the terms of the financing order,
25 including the costs of financing such projects, including but not limited
26 to the payment of bonds, notes, or other multiple-fiscal year obligations
27 or ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

1 PARTICIPATION agreements that have been issued or entered into to pay
2 the costs of such projects. Any payment of community assistance shall be
3 reduced on an equivalent basis to the extent that property tax is derived
4 from new electric infrastructure developed in the same impacted
5 community.

6 **SECTION 80.** In Colorado Revised Statutes, 43-4-206, **amend**
7 (1)(b)(V) and (2)(b) introductory portion as follows:

8 **43-4-206. State allocation.** (1) Except as otherwise provided in
9 subsections (1)(b)(V), (2), and (3) of this section, after paying the costs
10 of the Colorado state patrol and any other costs of the department,
11 exclusive of highway construction, highway improvements, or highway
12 maintenance, that are appropriated by the general assembly, money in the
13 highway users tax fund shall be paid to the state highway fund and
14 expended for the following purposes:

15 (b) Except as otherwise provided in subsection (2) of this section,
16 all money in the state highway fund not required for the creation,
17 maintenance, and application of the highway anticipation or sinking fund
18 and all money in the state highway supplementary fund are available to
19 pay for:

20 (V) The construction, reconstruction, repairs, improvement,
21 planning, supervision, and maintenance of the state highway system and
22 other public highways, including any county and municipal roads and
23 highways, together with the acquisition of rights-of-way and access rights
24 for the same. Any proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN
25 ASSET OR CERTIFICATE OF PARTICIPATION agreements executed as required
26 by section 24-82-1303 (2)(a) that are credited to the state highway fund
27 pursuant to section 24-82-1303 (4)(b) shall be used only for qualified

1 federal aid highway projects that are included in the strategic
2 transportation project investment program of the department of
3 transportation and that are designated for tier 1 funding as ten-year
4 development program projects on the department's development program
5 project list, with at least twenty-five percent of the money being used for
6 projects that are located in counties with populations of fifty thousand or
7 less as of July 2015 as reported by the state demography office of the
8 department of local affairs. No more than ninety percent of the proceeds
9 shall be expended for highway purposes or highway-related capital
10 improvements, and at least ten percent of the proceeds shall be expended
11 for transit purposes or for transit-related capital improvements.

12 (2) (b) Notwithstanding section 24-1-136 (11)(a)(I), beginning in
13 1998, the department of transportation shall report annually to the
14 transportation committee of the senate and the transportation and energy
15 committee of the house of representatives concerning the revenue
16 expended by the department pursuant to subsection (2)(a) of this section
17 and, beginning in 2019, any state general fund money that is credited to
18 the state highway fund pursuant to section 24-75-219 (5), any net
19 proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
20 CERTIFICATE OF PARTICIPATION agreements executed as required by
21 section 24-82-1303 (2)(a) that are credited to the state highway fund
22 pursuant to section 24-82-1303 (4)(b) and expended by the department
23 pursuant to subsection (1)(b)(V) of this section, and any net proceeds of
24 transportation revenue anticipation notes issued as authorized by a ballot
25 issue submitted to and approved by the registered electors of the state at
26 the 2020 statewide election pursuant to section 43-4-705 (13)(b) that are
27 credited to the state highway fund pursuant to this section. The

1 department shall present the report at the joint meeting required under
2 section 43-1-113 (9)(a), and the report shall describe for each fiscal year,
3 if applicable:

4 **SECTION 81.** In Colorado Revised Statutes, 43-4-705, **amend**
5 (13)(b)(III) as follows:

6 **43-4-705. Revenue anticipation notes - ballot issue - repeal.**
7 (13) (b) (III) The secretary of state shall submit to the registered electors
8 of the state for their approval or rejection at the November 2021 statewide
9 election the following ballot issue: "Shall state of Colorado debt be
10 increased \$1,337,000,000, with a maximum repayment cost of
11 \$1,865,000,000, without raising taxes, through the issuance of
12 transportation revenue anticipation notes for the purpose of addressing
13 critical priority transportation needs in the state by financing
14 transportation projects, shall note proceeds and investment earnings on
15 note proceeds be excluded from state fiscal year spending limits, and shall
16 the amount of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
17 CERTIFICATE OF PARTICIPATION agreements required by current law to be
18 issued for the purpose of financing transportation projects be reduced?"

19 **SECTION 82.** In Colorado Revised Statutes, 43-4-802, **amend**
20 (2)(d) as follows:

21 **43-4-802. Legislative declaration.** (2) The general assembly
22 further finds and declares that:

23 (d) The creation of a statewide bridge enterprise authorized to
24 complete designated bridge projects, to impose a bridge safety surcharge
25 and issue revenue bonds, and, if required approvals are obtained, to
26 contract with the state to receive one or more loans of ~~moneys~~ MONEY
27 received by the state under the terms of one or more ~~lease-purchase~~

1 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
2 agreements authorized by this part 8 and to use the revenues generated by
3 the bridge safety surcharge to repay any such loan or loans, will improve
4 the safety and efficiency of the state transportation system by allowing the
5 state to accelerate the repair, reconstruction, and replacement of
6 structurally deficient, functionally obsolete, and rated as poor bridges;

7 **SECTION 83.** In Colorado Revised Statutes, 43-4-805, **amend**
8 (1)(b)(II), (2)(b)(III), (5)(n), (5)(r)(II), (5)(r)(III), (5)(r)(IV), (5)(r)(V),
9 (5)(r)(VI), (5)(r)(VII)(A), and (5)(r)(VII)(C) as follows:

10 **43-4-805. Statewide bridge enterprise - creation - board -**
11 **funds - powers and duties - legislative declaration.** (1) The general
12 assembly hereby finds and declares that:

13 (b) Due to the limited availability of state and federal funding and
14 the need to accomplish the financing, repair, reconstruction, and
15 replacement of designated bridges as promptly and efficiently as possible,
16 it is necessary to create a statewide bridge enterprise and to authorize the
17 enterprise to:

18 (II) Impose a bridge safety surcharge at rates reasonably
19 calculated to defray the costs of completing designated bridge projects
20 and distribute the burden of defraying the costs in a manner based on the
21 benefits received by persons paying the fees and using designated bridges,
22 receive and expend revenues generated by the surcharge and other
23 ~~moneys~~ MONEY, issue revenue bonds and other obligations, contract with
24 the state, if required approvals are obtained, to receive one or more loans
25 of ~~moneys~~ MONEY received by the state under the terms of one or more
26 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
27 PARTICIPATION agreements authorized by this part 8, expend revenues

1 generated by the surcharge to repay any such loan or loans received, and
2 exercise other powers necessary and appropriate to carry out its purposes;
3 and

4 (2) (b) The business purpose of the bridge enterprise is to finance,
5 repair, reconstruct, and replace any designated bridge in the state and, as
6 agreed upon by the enterprise and the commission, or the department to
7 the extent authorized by the commission, to maintain the bridges it
8 finances, repairs, reconstructs, and replaces. To allow the bridge
9 enterprise to accomplish this purpose and fully exercise its powers and
10 duties through the bridge enterprise board, the bridge enterprise may:

11 (III) Contract with any other governmental or nongovernmental
12 source of funding for loans or grants, including, but not limited to, one or
13 more loans from the state of ~~moneys~~ MONEY received by the state
14 pursuant to the terms of one or more ~~lease-purchase~~ FINANCED PURCHASE
15 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized
16 pursuant to ~~paragraph (r) of subsection (5)~~ SUBSECTION (5)(r) OF THIS
17 SECTION, to be used to support bridge enterprise functions.

18 (5) In addition to any other powers and duties specified in this
19 section, the bridge enterprise board has the following powers and duties:

20 (n) To purchase, trade, exchange, acquire, buy, sell, lease, ~~lease~~
21 ~~with an option to purchase~~, dispose of, or encumber real or personal
22 property or any interest therein, including easements and rights-of-way,
23 without restriction or limitation;

24 (r) (II) If the bridge enterprise board seeks to enter into a contract
25 to borrow ~~moneys~~ MONEY from the state as authorized by ~~subparagraph~~
26 ~~(I) of this paragraph (r)~~ SUBSECTION (5)(r)(I) OF THIS SECTION, the board
27 shall provide the governor with a list of designated bridge projects to be

1 financed with the borrowed ~~moneys~~ MONEY and a statement of both the
2 total amount of the loan requested and the estimated amount of the loan
3 that will be used to fund each project on the list. If the governor
4 determines, in the governor's sole discretion, that lending ~~moneys~~ MONEY
5 to the bridge enterprise as requested by the enterprise, or lending a lesser
6 amount of ~~moneys~~ MONEY to the enterprise, is in the best interest of the
7 state, the governor, after consultation with the executive director of the
8 department of personnel and the state treasurer, shall prepare and provide
9 to the state treasurer a list of state buildings or other state capital facilities
10 that the state, acting by and through the state treasurer, may sell or lease
11 and lease back pursuant to the terms of one or more ~~lease-purchase~~
12 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
13 agreements that the state, acting by and through the state treasurer, may
14 enter into pursuant to ~~subparagraph (H) of this paragraph (r)~~ SUBSECTION
15 (5)(r)(III) OF THIS SECTION. When providing the list, the governor shall
16 also specify to the state treasurer the maximum permitted principal
17 amount of any loan that may be made to the bridge enterprise under the
18 terms of any loan contract that the state, acting by and through the state
19 treasurer, may enter into pursuant to ~~sub-subparagraph (A) of~~
20 ~~subparagraph (H) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(A) OF THIS
21 SECTION.

22 (III) (A) If the state treasurer receives a list from the governor
23 pursuant to ~~subparagraph (H) of this paragraph (r)~~ SUBSECTION (5)(r)(II)
24 OF THIS SECTION, the state, acting by and through the state treasurer, may
25 enter into a loan contract with the bridge enterprise and may raise the
26 money needed to make a loan pursuant to the terms of the loan contract
27 by selling or leasing one or more of the state buildings or other state

1 capital facilities on the list. The state treasurer shall have sole discretion
2 to enter into a loan contract on behalf of the state and to determine the
3 amount of a loan; except that the principal amount of a loan shall not
4 exceed the maximum amount specified by the governor pursuant to
5 ~~subparagraph (H) of this paragraph (r)~~ SUBSECTION (5)(r)(II) OF THIS
6 SECTION. The state treasurer shall also have sole discretion to determine
7 the timing of the entry of the state into any loan contract or the sale or
8 lease of one or more state buildings or other state capital facilities. The
9 loan contract shall require the bridge enterprise to pledge to the state all
10 or a portion of the revenues of any bridge safety surcharge imposed
11 pursuant to ~~paragraph (g) of this subsection (5)~~ SUBSECTION (5)(g) OF THIS
12 SECTION for the repayment of the loan and may also require the enterprise
13 to pledge to the state any other legally available revenues of the
14 enterprise. Any loan contract entered into by the state, acting by and
15 through the state treasurer, and the bridge enterprise pursuant to this
16 ~~sub-subparagraph (A)~~ SUBSECTION (5)(r)(III)(A) and any pledge of
17 revenues by the enterprise pursuant to such a loan contract shall be only
18 for the benefit of, and enforceable only by, the state and the enterprise.
19 Specifically, but without limiting the generality of said limitation, no such
20 loan contract or pledge shall be for the benefit of, or enforceable by, a
21 ~~lessor~~ SELLER under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
22 OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to this
23 ~~subparagraph (H)~~ SUBSECTION (5)(r)(III), an owner of any instrument
24 evidencing rights to receive rentals or other payments made and to be
25 made under such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
26 CERTIFICATE OF PARTICIPATION agreement as authorized by
27 ~~sub-subparagraph (B) of subparagraph (IV) of this paragraph (r)~~

1 SUBSECTION (5)(r)(IV)(B) OF THIS SECTION, a party to any ancillary
2 agreement or instrument entered into pursuant to ~~subparagraph (V) of this~~
3 ~~paragraph (r)~~ SUBSECTION (5)(r)(V) OF THIS SECTION, or a party to any
4 interest rate exchange agreement entered into pursuant to
5 ~~sub-subparagraph (A) of subparagraph (VII) of this paragraph (r)~~
6 SUBSECTION (5)(r)(VII)(A) OF THIS SECTION.

7 (B) The state, acting by and through the state treasurer, may enter
8 into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
9 CERTIFICATE OF PARTICIPATION agreements with respect to the state
10 buildings or other capital facilities sold or leased pursuant to
11 ~~sub-subparagraph (A) of this subparagraph (III)~~ SUBSECTION (5)(r)(III)(A)
12 OF THIS SECTION with any for-profit or nonprofit corporation, trust, or
13 commercial bank acting as a trustee, as the ~~lessor~~ SELLER.

14 (C) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
15 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
16 ~~sub-subparagraph (B) of this subparagraph (III)~~ SUBSECTION (5)(r)(III)(B)
17 OF THIS SECTION shall provide that all of the obligations of the state under
18 the agreement shall be subject to the action of the general assembly in
19 annually making ~~moneys~~ MONEY available for all payments thereunder.

20 (D) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
21 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
22 ~~sub-subparagraph (B) of this subparagraph (III)~~ SUBSECTION (5)(r)(III)(B)
23 OF THIS SECTION shall also provide that the obligations of the state under
24 the agreement shall not be deemed or construed as creating an
25 indebtedness of the state within the meaning of any provision of the state
26 constitution or the laws of this state concerning or limiting the creation of
27 indebtedness by the state, and shall not constitute a multiple-fiscal year

1 direct or indirect debt or other financial obligation of the state within the
2 meaning of section 20 (4)(a) of article X of the state constitution. If the
3 state does not renew a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET
4 OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
5 ~~sub-subparagraph (B) of this subparagraph (H)~~ SUBSECTION (5)(r)(III)(B)
6 OF THIS SECTION, the sole security available to the ~~lessor~~ SELLER shall be
7 the property that is the subject of the nonrenewed ~~lease-purchase~~
8 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
9 agreement.

10 (IV) (A) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
11 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
12 ~~sub-subparagraph (B) of subparagraph (H) of this paragraph (r)~~
13 SUBSECTION (5)(r)(III)(B) OF THIS SECTION may contain such terms,
14 provisions, and conditions as the state treasurer, acting on behalf of the
15 state, may deem appropriate, including all optional terms; except that each
16 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
17 PARTICIPATION agreement shall specifically authorize the state to receive
18 fee title to all real and personal property that is the subject of the
19 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
20 PARTICIPATION agreement on or prior to the expiration of the terms of the
21 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
22 PARTICIPATION agreement upon payment of all amounts payable under the
23 terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
24 CERTIFICATE OF PARTICIPATION agreement and any amount required to be
25 paid to remove liens or encumbrances on or claims with respect to the
26 property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF
27 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including, but

1 not limited to, liens, encumbrances, or claims relating to any ancillary
2 agreement or instrument entered into pursuant to ~~sub-subparagraph (A)~~
3 ~~of subparagraph (VII) of this paragraph (r)~~ SUBSECTION (5)(r)(VII)(A) OF
4 THIS SECTION. Any title to such property received by the state on or prior
5 to the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE
6 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall be held
7 for the benefit and use of the state.

8 (B) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
9 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
10 ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~
11 SUBSECTION (5)(r)(III)(B) OF THIS SECTION may provide for the issuance,
12 distribution, and sale of instruments evidencing rights to receive rentals
13 and other payments made and to be made under the ~~lease-purchase~~
14 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
15 agreement. The instruments may be issued, distributed, or sold only by the
16 ~~lessor~~ SELLER or any person designated by the ~~lessor~~ SELLER and not by
17 the state. The instruments shall not create a relationship between the
18 purchasers of the instruments and the state or create any obligation on the
19 part of the state to the purchasers. The instruments shall not be notes,
20 bonds, or any other evidence of indebtedness of the state within the
21 meaning of any provision of the state constitution or the law of the state
22 concerning or limiting the creation of indebtedness of the state and shall
23 not constitute a multiple-fiscal year direct or indirect debt or other
24 financial obligation of the state within the meaning of section 20 (4)(a)
25 of article X of the state constitution.

26 (C) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF
27 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized

1 pursuant to ~~sub-subparagraph (B) of subparagraph (III) of this paragraph~~
2 ~~(r) SUBSECTION (5)(r)(III)(B) OF THIS SECTION~~, including interest
3 represented by the instruments, shall be exempt from state income tax.

4 (V) The state, acting by and through the state treasurer, may enter
5 into ancillary agreements and instruments deemed necessary or
6 appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF
7 AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized
8 pursuant to ~~sub-subparagraph (B) of subparagraph (III) of this paragraph~~
9 ~~(r) SUBSECTION (5)(r)(III)(B) OF THIS SECTION~~, including but not limited
10 to deeds, leases, sub-leases, easements, or other instruments relating to
11 the real property on which the facilities are located or an agreement
12 entered into pursuant to ~~subparagraph (VII) of this paragraph (r)~~
13 SUBSECTION (5)(r)(VII) OF THIS SECTION.

14 (VI) The provisions of section 24-30-202 (5)(b), ~~€R.S.~~, shall not
15 apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR
16 CERTIFICATE OF PARTICIPATION agreement authorized pursuant to
17 ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~
18 SUBSECTION (5)(r)(III)(B) OF THIS SECTION or any ancillary agreement or
19 instrument or interest rate exchange agreement entered into pursuant to
20 ~~subparagraph (V) or sub-subparagraph (A) of subparagraph (VII) of this~~
21 ~~paragraph (r) SUBSECTION (5)(r)(V) OR (5)(r)(VII)(A) OF THIS SECTION.~~

22 Any provision of the fiscal rules promulgated pursuant to section
23 24-30-202 (1) and (13) ~~€R.S.~~, that the state controller deems to be
24 incompatible or inapplicable with respect to such a ~~lease-purchase~~
25 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
26 agreement, ancillary agreement or instrument, or interest rate exchange
27 agreement may be waived by the controller or his or her designee.

1 (VII)(A) Prior to executing a ~~lease-purchase~~ FINANCED PURCHASE
2 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement pursuant to
3 ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~
4 SUBSECTION (5)(r)(III)(B) OF THIS SECTION, in order to protect against
5 future interest rate increases, the lessor under any ~~lease-purchase~~
6 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
7 agreement or the state, acting by and through the state treasurer and at the
8 discretion of the state treasurer, may enter into an interest rate exchange
9 agreement in accordance with article 59.3 of title 11. ~~C.R.S.~~ A
10 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF
11 PARTICIPATION agreement entered into pursuant to ~~sub-subparagraph (B)~~
12 ~~of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(B) OF
13 THIS SECTION shall be a proposed public security for the purposes of
14 article 59.3 of title 11. ~~C.R.S.~~

15 (C) Any ~~moneys~~ MONEY received by the state under an agreement
16 entered into pursuant to this ~~subparagraph (VII)~~ SUBSECTION (5)(r)(VII)
17 shall be used to make payments on ~~lease-purchase~~ FINANCED PURCHASE
18 OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into
19 pursuant to ~~sub-subparagraph (A) of subparagraph (III) of this paragraph~~
20 ~~(r)~~ SUBSECTION (5)(r)(III)(A) OF THIS SECTION.

21 **SECTION 84.** In Colorado Revised Statutes, 43-4-806, **amend**
22 (7.5) as follows:

23 **43-4-806. High-performance transportation enterprise -**
24 **creation - board - funds - powers and duties - limitations - reporting**
25 **requirements - legislative declaration - definition.** (7.5) In addition to
26 any other powers and duties specified in this section, the transportation
27 enterprise may enter into a transportation demand management contract

1 with the department under which the department compensates the
2 transportation enterprise for relieving traffic congestion during peak
3 travel times, as determined by the department and the transportation
4 enterprise, in the portion of the interstate 70 mountain corridor that
5 includes and lies between Floyd hill and the Eisenhower-Johnson tunnels
6 by providing and operating reversible highway lanes within that portion
7 of the corridor. If a feasibility study of a moveable barrier system on
8 interstate 70 is completed and demonstrates that such a system is viable
9 and that life safety issues can be addressed, a transportation demand
10 management contract may establish, consistent with planning provisions
11 in section 43-1-1103, the interstate 70 collaborative effort, context
12 sensitive solutions, and the processes required by the federal "National
13 Environmental Policy Act of 1969", 42 U.S.C. sec. 4321 et seq., the goal
14 of beginning the provision and operation of reversible highway lanes and
15 reporting to the general assembly no later than January 1, 2011. A
16 transportation demand management contract may authorize the
17 transportation enterprise to enter into single-fiscal year or multiple-fiscal
18 year operating lease agreements or capital lease or ~~lease-purchase~~
19 FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION
20 agreements with a private contractor as needed to provide and operate the
21 reversible highway lanes.

22 **SECTION 85. Effective date.** This act takes effect July 1, 2021.

23 **SECTION 86. Safety clause.** The general assembly hereby finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, or safety.