

CHAPTER 296

**GOVERNMENT - STATE**

**HOUSE BILL 93-1327**

BY REPRESENTATIVES Berry, Armstrong, Chlouber, Hagedorn, Lawrence, Piffner, Schauer, and Wright;  
also SENATORS Norton, Casey, Johnson, Mutzebaugh, and Weissmann.

**AN ACT**

**CONCERNING THE ENTERPRISE STATUS OF THE STATE LOTTERY DIVISION FOR THE PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.**

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

**SECTION 1.** 24-35-202 (1), Colorado Revised Statutes, 1988 Repl. Vol., is amended, and the said 24-35-202 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**24-35-202. State lottery division - creation.** (1) There is hereby created, within the department of revenue, the state lottery division, the head of which shall be the director of the state lottery division, who shall be appointed by, and who shall be subject to removal by, the executive director of the department of revenue in accordance with section 13 of article XII of the state constitution. THE STATE LOTTERY DIVISION AND THE COLORADO LOTTERY COMMISSION, CREATED IN SECTION 24-35-207, SHALL CONSTITUTE AN ENTERPRISE FOR THE PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS THE COMMISSION RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND THE DIVISION RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUES IN GRANTS, AS DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE PURSUANT TO THE PROVISIONS OF THIS SECTION, THE STATE LOTTERY DIVISION AND THE COLORADO LOTTERY COMMISSION SHALL NOT BE SUBJECT TO ANY OF THE PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(3) FOR PURPOSES OF PART 2 OF ARTICLE 72 OF TITLE 24, THE RECORDS OF THE DIVISION AND THE COMMISSION SHALL BE PUBLIC RECORDS, AS DEFINED IN SECTION 24-72-202 (6), REGARDLESS OF WHETHER THE STATE LOTTERY DIVISION AND THE COLORADO LOTTERY COMMISSION CONSTITUTE AN ENTERPRISE PURSUANT TO SECTION

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

24-35-202 (1).

**SECTION 2.** 24-35-207 (7), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

**24-35-207. Colorado lottery commission - creation.** (7) (a) The commission shall hold at least one meeting each month and such additional meetings as may be prescribed by rules of the commission. In addition, special meetings may be called by the chairman, any two commission members, or the director, upon delivery of seventy-two hours' written notice to each member. Notwithstanding the provisions of section 24-6-402, in emergency situations in which a majority of the commission certifies that exigencies of time require that the commission meet without delay, the requirements of public notice and of seventy-two hours' written notice to members may be dispensed with, and commission members as well as the public shall receive such notice as is reasonable under the circumstances.

(b) FOR PURPOSES OF PART 4 OF ARTICLE 6 OF TITLE 24, THE COMMISSION SHALL BE A STATE PUBLIC BODY, AS DEFINED IN SECTION 24-6-402 (1) (d), REGARDLESS OF WHETHER THE STATE LOTTERY DIVISION AND THE COLORADO LOTTERY COMMISSION CONSTITUTE AN ENTERPRISE PURSUANT TO SECTION 24-35-202 (1).

**SECTION 3.** 24-35-208 (1), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**24-35-208. Commission - powers and duties.** (1) In addition to any other powers and duties set forth in this part 2, the commission shall have the following powers and duties:

(g) TO AUTHORIZE AND ISSUE REVENUE BONDS PURSUANT TO THE PROVISIONS OF SECTION 24-35-221.

**SECTION 4.** Part 2 of article 35 of title 24, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

**24-35-221. Revenue bonds - authority - issuance - requirements - covenants.** (1) (a) THE COMMISSION MAY, BY RESOLUTION WHICH MEETS THE REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION, AUTHORIZE AND ISSUE REVENUE BONDS IN AN AMOUNT NOT TO EXCEED TEN MILLION DOLLARS IN THE AGGREGATE FOR EXPENSES OF THE DIVISION. SUCH BONDS MAY BE ISSUED ONLY AFTER APPROVAL BY BOTH HOUSES OF THE GENERAL ASSEMBLY EITHER BY ACT OR JOINT RESOLUTION AND AFTER APPROVAL BY THE GOVERNOR IN ACCORDANCE WITH SECTION 39 OF ARTICLE V OF THE STATE CONSTITUTION. SUCH BONDS SHALL BE PAYABLE ONLY FROM MONEYS ALLOCATED TO THE DIVISION FOR EXPENSES OF THE DIVISION PURSUANT TO SECTION 24-35-210 (1).

(b) ALL BONDS ISSUED BY THE COMMISSION SHALL PROVIDE THAT:

(I) NO HOLDER OF ANY SUCH BOND MAY COMPEL THE STATE OR ANY SUBDIVISION THEREOF TO EXERCISE ITS APPROPRIATION OR TAXING POWER; AND

(II) THE BOND DOES NOT CONSTITUTE A DEBT OF THE STATE AND IS PAYABLE ONLY FROM THE NET REVENUES ALLOCATED TO THE DIVISION FOR EXPENSES AS DESIGNATED IN SUCH BOND.

(2) (a) ANY RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS UNDER THE TERMS OF THIS SECTION SHALL:

(I) STATE THE DATE OF ISSUANCE OF THE BONDS;

(II) STATE A MATURITY DATE OR DATES DURING A PERIOD NOT TO EXCEED THIRTY YEARS FROM THE DATE OF ISSUANCE OF THE BONDS;

(III) STATE THE INTEREST RATE OR RATES ON, AND THE DENOMINATION OR DENOMINATIONS OF, THE BONDS;

(IV) STATE THE MEDIUM OF PAYMENT OF THE BONDS AND THE PLACE WHERE THE BONDS WILL BE PAID.

(b) ANY RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS UNDER THE TERMS OF THIS SECTION MAY:

(I) STATE THAT THE BONDS ARE TO BE ISSUED IN ONE OR MORE SERIES;

(II) STATE A RANK OR PRIORITY OF THE BONDS;

(III) PROVIDE FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY, WITH OR WITHOUT PREMIUM.

(3) ANY BONDS ISSUED PURSUANT TO THE TERMS OF THIS SECTION MAY BE SOLD AT PUBLIC OR PRIVATE SALE. IF BONDS ARE TO BE SOLD AT A PUBLIC SALE, THE COMMISSION SHALL ADVERTISE THE SALE IN SUCH MANNER AS THE COMMISSION DEEMS APPROPRIATE. ALL BONDS ISSUED PURSUANT TO THE TERMS OF THIS SECTION SHALL BE SOLD AT A PRICE NOT LESS THAN THE PAR VALUE THEREOF, TOGETHER WITH ALL ACCRUED INTEREST TO THE DATE OF DELIVERY.

(4) NOTWITHSTANDING ANY PROVISIONS OF THE LAW TO THE CONTRARY, ALL BONDS ISSUED PURSUANT TO THIS SECTION ARE NEGOTIABLE.

(5) (a) A RESOLUTION PERTAINING TO ISSUANCE OF BONDS UNDER THIS SECTION MAY CONTAIN COVENANTS AS TO:

(I) THE PURPOSE TO WHICH THE PROCEEDS OF SALE OF THE BONDS MAY BE APPLIED AND TO THE USE AND DISPOSITION THEREOF;

(II) SUCH MATTERS AS ARE CUSTOMARY IN THE ISSUANCE OF REVENUE BONDS INCLUDING, WITHOUT LIMITATION, THE ISSUANCE AND LIEN POSITION OF OTHER OR ADDITIONAL BONDS; AND

(III) BOOKS OF ACCOUNT AND THE INSPECTION AND AUDIT THEREOF.

(b) ANY RESOLUTION MADE PURSUANT TO THE TERMS OF THIS SECTION SHALL BE

DEEMED A CONTRACT WITH THE HOLDERS OF THE BONDS, AND THE DUTIES OF THE COMMISSION UNDER SUCH RESOLUTION SHALL BE ENFORCEABLE BY ANY APPROPRIATE ACTION IN A COURT OF COMPETENT JURISDICTION.

(6) BONDS ISSUED UNDER THIS SECTION AND BEARING THE SIGNATURES OF MEMBERS OF THE COMMISSION IN OFFICE ON THE DATE OF THE SIGNING THEREOF SHALL BE VALID AND BINDING OBLIGATIONS, REGARDLESS OF WHETHER, PRIOR TO THE DELIVERY THEREOF AND PAYMENT THEREFOR, ANY OR ALL OF THE PERSONS WHOSE SIGNATURES APPEAR THEREON HAVE CEASED TO BE MEMBERS OF THE COMMISSION.

(7) (a) EXCEPT AS OTHERWISE PROVIDED IN THE RESOLUTION AUTHORIZING THE BONDS, ALL BONDS OF THE SAME ISSUE UNDER THIS SECTION SHALL HAVE A PRIOR AND PARAMOUNT LIEN ON THE NET REVENUES PLEDGED THEREFOR. THE COMMISSION MAY PROVIDE FOR PREFERENTIAL SECURITY FOR ANY BONDS, BOTH PRINCIPAL AND INTEREST, TO BE ISSUED UNDER THIS SECTION TO THE EXTENT DEEMED FEASIBLE AND DESIRABLE BY SUCH COMMISSION OVER ANY BONDS THAT MAY BE ISSUED THEREAFTER.

(b) BONDS OF THE SAME ISSUE OR SERIES ISSUED UNDER THIS SECTION SHALL BE EQUALLY AND RATABLY SECURED, WITHOUT PRIORITY BY REASON OF NUMBER, DATE, SALE, EXECUTION, OR DELIVERY, BY A LIEN ON THE NET REVENUE PLEDGED IN ACCORDANCE WITH THE TERMS OF THE RESOLUTION AUTHORIZING THE BONDS.

**SECTION 5. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 6, 1993