

CHAPTER 167

AGRICULTURE

HOUSE BILL 97-1342

BY REPRESENTATIVES Grampas, Anderson, Owen, Romero, Lawrence, Chavez, Salaz, Schwarz, and Sullivant;
also SENATORS Lacy, Blickensderfer, Rizzuto, Bishop, Chlouber, Hernandez, Johnson, Martinez, Mutzebaugh, Norton, Phillips,
Schroeder, and Thiebaut.

AN ACT

CONCERNING THE STATE FAIR AUTHORITY, AND MAKING APPROPRIATIONS IN CONNECTION THEREWITH.

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

SECTION 1. 35-65-401 (1), (2), (3), (4), (5), (6), (7), (8), (9), and (11), Colorado Revised Statutes, 1995 Repl. Vol., as amended, are amended, and the said 35-65-401 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

35-65-401. Colorado state fair authority - creation - board - powers and duties. (1) (a) ~~There is hereby created the Colorado state fair authority which shall be a body corporate and a political subdivision of the state. The authority shall not be an agency of state government, nor shall it be subject to administrative direction by any state agency except as provided in this article, and except for the purposes of the "Colorado Governmental Immunity Act", article 10 of title 24, C.R.S., and except for inclusion in the risk management fund and the self-insured property fund and by the department of personnel as provided in part 15 of article 30 of title 24, C.R.S.~~ THE COLORADO STATE FAIR AUTHORITY, AS IT EXISTED PRIOR TO JUNE 30, 1997, IS ABOLISHED. THERE IS HEREBY CREATED THE COLORADO STATE FAIR AUTHORITY, WHICH IS CREATED WITHIN THE DEPARTMENT OF AGRICULTURE AS A DIVISION THEREOF. THE COLORADO STATE FAIR AUTHORITY SHALL EXERCISE ITS POWERS, DUTIES, AND FUNCTIONS UNDER THE DEPARTMENT OF AGRICULTURE AS IF IT WERE TRANSFERRED TO SAID DEPARTMENT BY A **TYPE 1** TRANSFER UNDER THE PROVISIONS OF THE "ADMINISTRATIVE ORGANIZATION ACT OF 1968".

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

(b) THE FUNCTION OF THE COLORADO STATE FAIR AUTHORITY IS TO DIRECT AND SUPERVISE THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION CREATED PURSUANT TO SECTION 35-65-105.

(2) (a) ~~The powers of the authority shall be vested in the board of commissioners of the authority~~ ON JUNE 30, 1997, THE EXISTING BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY IS ABOLISHED, AND THE TERMS OF THE MEMBERS OF THE BOARD THEN SERVING ARE TERMINATED.

(b) THERE IS HEREBY CREATED THE BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY, which shall have eleven members, ~~who~~ TEN OF WHOM shall be appointed by the governor with the consent of the senate ~~except as provided in subsection (11) of this section~~ AND ONE WHO SHALL BE THE COMMISSIONER OF AGRICULTURE OR HIS OR HER DESIGNEE. AT NO TIME SHALL MORE THAN SIX MEMBERS OF THE BOARD BE AFFILIATED WITH THE SAME POLITICAL PARTY AS THE GOVERNOR. WITHIN THIRTY DAYS AFTER JUNE 30, 1997, THE GOVERNOR SHALL APPOINT THE INITIAL MEMBERS OF THE BOARD. THE GOVERNOR MAY APPOINT, AS A MEMBER OF THE BOARD, ANY PERSON WHO WAS A MEMBER OF THE BOARD PRIOR TO ITS TERMINATION.

(3) Of the ~~eleven~~ TEN APPOINTED members of the board, two shall be residents of the county in which the COLORADO state fair and industrial exposition is held and, of the remaining ~~nine~~ EIGHT members, at least one ~~but not more than two~~ shall be ~~residents~~ A RESIDENT of each of the congressional districts of the state AND AT LEAST TWO SHALL BE RESIDENTS OF THE WESTERN SLOPE OF THE STATE.

(4) ~~Persons holding office on June 15, 1987, are subject to the provisions of section 24-1-137, C.R.S. For appointments made thereafter,~~ OF THE MEMBERS FIRST APPOINTED TO THE BOARD, TWO MEMBERS REPRESENTING CONGRESSIONAL DISTRICTS SHALL BE APPOINTED FOR TERMS EXPIRING NOVEMBER 1, 1998; TWO MEMBERS REPRESENTING CONGRESSIONAL DISTRICTS SHALL BE APPOINTED FOR TERMS EXPIRING NOVEMBER 1, 1999; ONE MEMBER REPRESENTING A CONGRESSIONAL DISTRICT, ONE MEMBER REPRESENTING THE COUNTY IN WHICH THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION IS HELD, AND ONE AT-LARGE MEMBER SHALL BE APPOINTED FOR TERMS EXPIRING NOVEMBER 1, 2000; ONE MEMBER REPRESENTING A CONGRESSIONAL DISTRICT, ONE AT-LARGE MEMBER, AND ONE MEMBER REPRESENTING THE COUNTY IN WHICH THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION IS HELD SHALL BE APPOINTED FOR TERMS EXPIRING NOVEMBER 1, 2001. THEREAFTER, members of the board shall be appointed for terms of four years. APPOINTMENTS MADE TO THE BOARD WHEN THE SENATE IS NOT IN SESSION SHALL BE TEMPORARY APPOINTMENTS, AND THE APPOINTEES SHALL SERVE ON A TEMPORARY BASIS UNTIL THE SENATE IS IN SESSION AND IS ABLE TO CONFIRM SUCH APPOINTMENTS. EACH MEMBER SHALL HOLD OFFICE UNTIL THE MEMBER'S SUCCESSOR IS APPOINTED AND QUALIFIED.

(5) ~~Members shall be appointed so as to represent various segments of the economy of the state, including, but not limited to, light and heavy manufacturing, mining, science, education, tourism, labor, recreation, entertainment, and agriculture.~~ OF THE TEN APPOINTED MEMBERS OF THE BOARD, ONE SHALL BE A CERTIFIED PUBLIC ACCOUNTANT, ONE SHALL HAVE EXPERTISE IN FINANCE THROUGH CURRENT MANAGEMENT-LEVEL EXPERIENCE IN BANKING, AND ONE SHALL HAVE SUBSTANTIAL

EXPERIENCE IN AGRICULTURE OR IN THE ACTIVITIES OF 4-H CLUBS.

(6) ANY APPOINTED MEMBER MAY BE REMOVED FOR CAUSE AT ANY TIME DURING THE MEMBER'S TERM BY THE GOVERNOR. Vacancies on the board shall be filled by appointment by the governor WITH THE CONSENT OF THE SENATE for the unexpired terms.

(7) Members of the board shall serve without pay but shall be reimbursed for REASONABLE AND NECESSARY expenses incurred in the performance of their duties.

~~(8) In addition to the eleven appointive members of the board, the commissioner of agriculture shall serve, ex officio, as a nonvoting member of the board.~~

(8.5) ALL ELEVEN MEMBERS OF THE BOARD, INCLUDING THE COMMISSIONER OF AGRICULTURE OR HIS OR HER DESIGNEE, SHALL BE VOTING MEMBERS OF THE BOARD. THE MEMBERS OF THE BOARD SHALL ELECT A CHAIR, A VICE-CHAIR, AND A SECRETARY FROM AMONG THE MEMBERSHIP OF THE BOARD. BOARD ACTION SHALL REQUIRE THE AFFIRMATIVE VOTE OF A MAJORITY OF A QUORUM OF THE BOARD.

(9) The board shall:

(a) Provide for the Colorado state fair and industrial exposition, subject to available appropriations by the general assembly;

(b) Enter into any agreements with ~~the department of agriculture and~~ other agencies of the state government as may be necessary to provide for the Colorado state fair and industrial exposition;

(c) Hire and employ ~~such permanent and temporary staff as may be necessary~~ THE MANAGER OF THE COLORADO STATE FAIR AUTHORITY IN ACCORDANCE WITH THE PROVISIONS OF SECTION 35-65-403;

(d) Meet as often as necessary, but not less than once a month;

(e) Repealed.

(f) Accept contributions from nonstate sources for the purpose of financing and supporting the Colorado state fair and industrial exposition; EXCEPT THAT THE BOARD SHALL NOT ACCEPT ANY CONTRIBUTIONS THAT WOULD CAUSE THE AUTHORITY TO EXCEED THE LIMITATIONS PRESCRIBED IN SECTION 35-65-405 (1);

(g) Repealed.

(h) ~~Establish such accounts and procedures as necessary to budget, receive and disburse, and account for all funds received, appropriated, or generated and all reimbursements or accretions thereto, as invested, paid, or disbursed in the operation and management necessary to carry out the purpose of this article;~~

(i) ~~Provide for an audit at least annually by or under the direction of the state auditor, who shall submit a report of the audit to the legislative audit committee. The expenses of the audit shall be paid by the authority.~~

(j) ADOPT RULES IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 4 OF TITLE 24, C.R.S.;

(k) SUBMIT ANNUAL REPORTS IN ACCORDANCE WITH SECTION 35-65-406;

(l) PERFORM SUCH OTHER DUTIES AS MAY BE REQUIRED BY LAW.

~~(11) Notwithstanding any other provision of this section to the contrary, the Colorado state fair and industrial exposition commission members who are in office on June 2, 1983, shall comprise the board of commissioners.~~

SECTION 2. Part 4 of article 65 of title 35, Colorado Revised Statutes, 1995 Repl. Vol., as amended, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to read:

35-65-403. Office of manager of the Colorado state fair authority - creation.

(1) THE OFFICE OF MANAGER OF THE COLORADO STATE FAIR AUTHORITY IS HEREBY CREATED. THE BOARD SHALL APPOINT A MANAGER OF THE COLORADO STATE FAIR AUTHORITY WHO SHALL HAVE KNOWLEDGE OF LIVESTOCK, AGRICULTURE, HORTICULTURE, INDUSTRY, RECREATION, EDUCATION, AND SCIENTIFIC FACILITIES, PROCESSES, AND PRODUCTS OF THE STATE OF COLORADO AND WHO SHALL HAVE EXPERIENCE IN FAIR MANAGEMENT AND PROMOTION. THE MANAGER SHALL SERVE FOR AN INDEFINITE TERM AND SHALL NOT HOLD ANY OTHER PUBLIC OFFICE BUT SHALL DEVOTE HIS OR HER ENTIRE TIME TO THE SERVICE OF THE STATE IN THE DISCHARGE OF HIS OR HER OFFICIAL DUTIES. THE APPOINTMENT OR REMOVAL OF THE MANAGER SHALL BE SUBJECT TO THE PROVISIONS OF SECTION 13 OF ARTICLE XII OF THE STATE CONSTITUTION AND THE STATUTES ENACTED PURSUANT THERETO. NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE OFFICE OF MANAGER OF THE COLORADO STATE FAIR AUTHORITY SHALL BE A POSITION IN THE SENIOR EXECUTIVE SERVICE FOR PURPOSES OF SECTION 24-50-104 (6) (e), C.R.S.

(2) THE MANAGER SHALL BE THE CHIEF ADMINISTRATIVE HEAD OF THE COLORADO STATE FAIR AUTHORITY UNDER THE DIRECTION AND SUPERVISION OF THE BOARD AND SHALL HAVE GENERAL SUPERVISION AND CONTROL OF ALL ACTIVITIES, FUNCTIONS, AND EMPLOYEES OF THE COLORADO STATE FAIR AUTHORITY AND SHALL EXERCISE ALL NECESSARY POWERS INCIDENT THERETO. THE MANAGER SHALL EXERCISE ALL THE POWERS AND FUNCTIONS OF THE BOARD IN THE INTERIM OF ITS MEETINGS AND SHALL PERFORM SUCH OTHER DUTIES AS MAY BE PRESCRIBED BY THE BOARD OR BY LAW.

(3) ANY CURRENT STATE FAIR AUTHORITY EMPLOYEE WHO WAS PREVIOUSLY CERTIFIED UNDER THE STATE PERSONNEL SYSTEM AND WHO IS RETURNING TO THE STATE PERSONNEL SYSTEM PURSUANT TO THIS PART 4, AS AMENDED BY HOUSE BILL 97-1342, ENACTED AT THE FIRST REGULAR SESSION OF THE SIXTY-FIRST GENERAL ASSEMBLY, SHALL BE ELIGIBLE FOR REINSTATEMENT.

35-65-404. Transfer of property. (1) ON JUNE 30, 1997, ALL ITEMS OF PROPERTY, REAL AND PERSONAL, INCLUDING OFFICE FURNITURE AND FIXTURES, BOOKS, DOCUMENTS, AND RECORDS OF THE COLORADO STATE FAIR AUTHORITY, AS IT EXISTED PRIOR TO SAID DATE, ARE TRANSFERRED TO THE COLORADO STATE FAIR AUTHORITY, CREATED IN THE DEPARTMENT OF AGRICULTURE, AND SHALL BECOME THE PROPERTY THEREOF.

(2) ON AND AFTER JUNE 30, 1997, WHENEVER THE COLORADO STATE FAIR AUTHORITY OR THE BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY, AS THEY EXISTED PRIOR TO JUNE 30, 1997, IS REFERRED TO OR DESIGNATED BY ANY CONTRACT OR OTHER DOCUMENT IN CONNECTION WITH THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION, SUCH REFERENCE OR DESIGNATION SHALL BE DEEMED TO APPLY TO THE COLORADO STATE FAIR AUTHORITY AND THE BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY, CREATED PURSUANT TO SECTION 35-65-401. ALL CONTRACTS ENTERED INTO BY THE AUTHORITY OR ITS BOARD PRIOR TO JUNE 30, 1997, IN CONNECTION WITH THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION, ARE HEREBY VALIDATED, WITH THE COLORADO STATE FAIR AUTHORITY, CREATED IN THE DEPARTMENT OF AGRICULTURE, SUCCEEDING TO ALL RIGHTS AND OBLIGATIONS UNDER SUCH CONTRACTS.

(3) NO SUIT, ACTION, OR OTHER JUDICIAL OR ADMINISTRATIVE PROCEEDING LAWFULLY COMMENCED PRIOR TO JUNE 30, 1997, OR WHICH COULD HAVE BEEN COMMENCED PRIOR TO SAID DATE, BY OR AGAINST THE COLORADO STATE FAIR AUTHORITY, ITS BOARD OF COMMISSIONERS, OR ANY OFFICER THEREOF IN SUCH OFFICER'S OFFICIAL CAPACITY OR IN RELATION TO THE DISCHARGE OF THE OFFICIAL'S DUTIES SHALL ABATE BY REASON OF THE ABOLISHMENT OF THE COLORADO STATE FAIR AUTHORITY AND ITS BOARD, AS THEY EXISTED PRIOR TO SAID DATE, AND THE CREATION, IN THE DEPARTMENT OF AGRICULTURE, OF THE COLORADO STATE FAIR AUTHORITY AND THE BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY.

35-65-405. Colorado state fair authority - board of commissioners - enterprise status. (1) THE COLORADO STATE FAIR AUTHORITY AND THE BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY, CREATED PURSUANT TO SECTION 35-65-401, SHALL CONSTITUTE AN ENTERPRISE FOR THE PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, SO LONG AS THE BOARD RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND THE COLORADO STATE FAIR AUTHORITY 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 THIS SUBSECTION (1), THE AUTHORITY AND THE BOARD SHALL NOT BE SUBJECT TO ANY PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(2) FOR PURPOSES OF PART 2 OF ARTICLE 72 OF TITLE 24, C.R.S., THE RECORDS OF THE COLORADO STATE FAIR AUTHORITY AND THE BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY SHALL BE PUBLIC RECORDS, AS DEFINED IN SECTION 24-72-202 (6), C.R.S., REGARDLESS OF WHETHER THE AUTHORITY AND THE BOARD CONSTITUTE AN ENTERPRISE PURSUANT TO SUBSECTION (1) OF THIS SECTION.

35-65-406. Annual reports. THE COLORADO STATE FAIR AUTHORITY AND ITS BOARD OF COMMISSIONERS SHALL MAKE AN ANNUAL REPORT BY JANUARY 1 OF EACH YEAR TO THE GOVERNOR, THE GENERAL ASSEMBLY, THE JOINT BUDGET COMMITTEE, AND THE LEGISLATIVE AUDIT COMMITTEE, WHICH SHALL INCLUDE A SUMMARY OF THE AUTHORITY'S ACTIVITIES FOR THE PREVIOUS YEAR, A STATEMENT OF REVENUES RESULTING FROM OPERATION OF THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION, A STATEMENT OF THE CURRENT BALANCE OF THE COLORADO STATE FAIR

AUTHORITY CASH FUND, EXPENSES OF THE AUTHORITY, A STATEMENT OF OUTSTANDING REVENUE BONDS ISSUED BY THE BOARD, AND ANY RECOMMENDATIONS FOR CHANGE IN THE STATUTES THAT THE BOARD OR MANAGER DEEMS NECESSARY OR DESIRABLE, INCLUDING BUT NOT LIMITED TO ANY CHANGE TO PART 14 OF ARTICLE 30 OF TITLE 24, C.R.S., AND THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S., NECESSARY OR DESIRABLE DUE TO THE UNIQUE NATURE OF THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION. THE REPORT SHALL BE PUBLIC.

35-65-407. Warrants. THE CONTROLLER IS AUTHORIZED TO DRAW AND THE STATE TREASURER TO PAY WARRANTS UPON ALL THE FUNDS APPROPRIATED FROM THE COLORADO STATE FAIR AUTHORITY CASH FUND, CREATED PURSUANT TO SECTION 35-65-107 (1), ON THE ORDER OF THE BOARD, SIGNED BY ITS CHAIR AND COUNTERSIGNED BY ITS SECRETARY.

35-65-408. Applicability of other laws. NOTWITHSTANDING ANY LAW TO THE CONTRARY, UNTIL MARCH 1, 1998, THE COLORADO STATE FAIR AUTHORITY SHALL NOT BE SUBJECT TO THE PROVISIONS OF PART 14 OF ARTICLE 30 OF TITLE 24, C.R.S., AND THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S. ON AND AFTER MARCH 1, 1998, THE COLORADO STATE FAIR AUTHORITY SHALL BE SUBJECT TO THE PROVISIONS OF PART 14 OF ARTICLE 30 OF TITLE 24, C.R.S., AND THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S.

SECTION 3. 35-65-401 (9.5), Colorado Revised Statutes, 1995 Repl. Vol., as amended by Senate Bill 97-225, enacted at the First Regular Session of the Sixty-first General Assembly, is amended to read:

35-65-401. Colorado state fair authority - creation - powers and duties - repeal. (9.5) (a) ~~In order to finance working capital and other cash flow needs of the authority, the board may negotiate or contract with any person, corporation, association, or company or the state of Colorado through the state treasurer for a loan not to exceed the difference between the anticipated revenues for the current fiscal year for the Colorado state fair fund and the amount credited to date to said state fair fund. In addition, the board may pledge such revenues to retirement of a loan obtained pursuant to this subsection (9.5).~~ ON JUNE 30, 1997, ANY LOANS ENTERED INTO PURSUANT TO THIS PARAGRAPH (a) SHALL BECOME AN OBLIGATION OF THE BOARD TO THE SAME EXTENT AS THEY WERE AN OBLIGATION OF THE BOARD BEFORE SAID DATE. ~~Such~~ ANY loan ENTERED INTO PURSUANT TO THIS PARAGRAPH (a) BEFORE SAID DATE shall be liquidated no later than ~~June 30~~ JULY 15, 1997, from moneys ~~subsequently~~ credited to the Colorado state fair AUTHORITY CASH fund.

(b) THIS SUBSECTION (9.5) IS REPEALED, EFFECTIVE JULY 31, 1997.

SECTION 4. 35-65-105 (3), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

35-65-105. State fair and industrial exposition. (3) The Colorado state fair and industrial exposition shall be under the ~~care~~, direction and supervision of the ~~board~~ AUTHORITY.

SECTION 5. 35-65-107, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

35-65-107. State fair fund - lease and use of facilities. (1) ~~The board is hereby authorized to lease from the state the grounds and premises known as the state fair grounds for a sum not to exceed ten dollars per year so long as the state fair is held thereon. The board is further authorized to enter into agreements to lease any of the facilities at the Colorado state fair and industrial exposition at Pueblo, Colorado, from any public or private entity and to sublease any of these facilities to any other public or private entity, upon such terms and conditions as shall be approved by the board. The board is further authorized to sponsor any off-season event which it may approve. All moneys received by the board under this section and through any other authorized activities shall be retained by the board~~ TRANSMITTED TO THE STATE TREASURER and placed in the Colorado state fair AUTHORITY CASH fund, which fund is hereby created IN THE STATE TREASURY. MONEYS IN SAID FUND SHALL BE for the use, operation, maintenance, and support of the Colorado state fair and industrial exposition, which use shall include ~~without limitation,~~ the payment of bond obligations IN ACCORDANCE WITH THE PROVISIONS OF PART 3 OF THIS ARTICLE and, WITHOUT LIMITATION, other obligations of the board.

(2) ~~The board is authorized to administer the Colorado state fair fund and use such moneys for the purposes of this article.~~ Custody of all moneys in the COLORADO STATE FAIR fund as of ~~July 1, 1989;~~ JUNE 30, 1997, shall be transferred to the ~~board~~ COLORADO STATE FAIR AUTHORITY CASH FUND.

(3) (a) The Colorado state fair AUTHORITY CASH fund shall consist of:

(I) All moneys ~~which~~ THAT may be appropriated thereto by the general assembly; and

(II) All other moneys ~~which~~ THAT may be available to it, including the moneys received under subsection (1) of this section.

(b) The moneys in the COLORADO STATE FAIR AUTHORITY CASH fund shall be ~~continuously available for the purposes of this article~~ SUBJECT TO ANNUAL APPROPRIATION and shall not be transferred to or revert to the general fund of the state at the end of any fiscal year. ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND.

SECTION 6. 35-65-107.5, Colorado Revised Statutes, 1995 Repl. Vol., is repealed as follows:

35-65-107.5. Capital construction and controlled maintenance. (1) ~~Beginning July 1, 1992, the authority shall pay for controlled maintenance projects out of any revenues in the state fair fund.~~

(2) ~~The board may request the general assembly to make appropriations to the authority for capital construction projects so long as the board agrees to fund a portion of the proposed capital construction projects out of the operating revenues of the authority, any proceeds derived from the issuance of any bonds, notes, or other obligations of the authority, or any donated or matching moneys contributed to the authority from other governmental or private entities, or from any combination of such sources; except that the provisions of this subsection (2) shall not apply to any capital construction project involving the construction of a new indoor arena at the~~

~~state fair grounds. All capital improvements made in accordance with this subsection (2) shall remain the property of the state and shall be leased to the authority as provided in section 35-65-107.~~

~~(3) Notwithstanding the provisions of subsection (2) of this section, in lieu of funding controlled maintenance projects for the authority, it is the intent of the general assembly to fund the state's share of matching funds for the public-private construction of a new indoor arena at the state fair grounds. Any such funding shall be subject to legislative appropriation and shall not exceed one million four hundred eighty-five thousand five hundred dollars.~~

SECTION 7. 35-65-301 (2) and (3) (b), Colorado Revised Statutes, 1995 Repl. Vol., are amended to read:

35-65-301. Board may issue revenue bonds. (2) Such revenue bonds shall be authorized and issued only by resolution of the board, which resolution shall conform to the requirements of section 35-65-302. SUCH BONDS MAY BE ISSUED ONLY AFTER APPROVAL BY BOTH HOUSES OF THE GENERAL ASSEMBLY EITHER ACTING BY BILL OR JOINT RESOLUTION AND AFTER APPROVAL BY THE GOVERNOR IN ACCORDANCE WITH SECTION 39 OF ARTICLE V OF THE STATE CONSTITUTION.

(3) All bonds issued pursuant to the terms of this part 3 shall provide that:

(b) The bond does not constitute a debt of the state and is payable from the net revenues ~~of the authority as designated in such bond~~ FROM THE OPERATION OF THE ADDITIONAL FACILITIES ACQUIRED OR PROVIDED PURSUANT TO THIS PART 3 AND FROM CONTRIBUTIONS BY NONSTATE SOURCES FOR SUCH ADDITIONAL FACILITIES.

SECTION 8. 35-65-305 (1), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

35-65-305. Power to secure bonds. (1) The board, in connection with the issuance of bonds and in order to secure the payment of the bonds and the interest thereon, has the power, by resolution:

(a) To provide that the bonds issued under this part 3 shall be payable from and may be secured by a pledge of and lien on any or all net revenues ~~of the authority~~ derived from, and shall be payable from:

(I) FEES, RENTALS, AND OTHER CHARGES FOR THE USE OF THE ADDITIONAL FACILITIES ACQUIRED OR PROVIDED WITH THE PROCEEDS OF SAID BONDS OR ANY ONE OR MORE ADDITIONAL FACILITIES ACQUIRED OR PROVIDED WITH PROCEEDS OF BONDS ISSUED PURSUANT TO THIS PART 3; AND

(II) CONTRIBUTIONS FROM NONSTATE SOURCES FOR SUCH FACILITY OR FACILITIES;

(b) To covenant with or for the benefit of the holders of bonds issued under this part 3 that, so long as any of the bonds remain outstanding and unpaid, the board shall prescribe service charges, fees, and rentals and shall revise the same when necessary so that the ADDITIONAL FACILITY OR FACILITIES FOR WHICH THE BONDS ARE ISSUED SHALL ALWAYS REMAIN SELF-SUPPORTING, WITH revenues, ~~of the authority shall~~

~~always be~~ INCLUDING DONATIONS FROM NONSTATE SOURCES FOR SUCH ADDITIONAL FACILITY OR FACILITIES, sufficient:

(I) To provide for all expenses of operation, maintenance, expansion, and replacement of any facilities from which such revenues are derived;

(II) To pay, when due, all bonds and interest thereon; and

(III) To provide reasonable reserves for such purposes.

SECTION 9. 35-65-306 (1) (c), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

35-65-306. Provision of bond resolution - covenants. (1) A resolution pertaining to issuance of bonds under this part 3 may contain covenants as to:

(c) Such matters as are customary in the issuance of revenue bonds including without limitation the issuance and lien position of other or additional bonds, PAYABLE FROM THE NET REVENUE RECEIVED FOR THE OPERATION OF THE ADDITIONAL FACILITIES ACQUIRED OR PROVIDED PURSUANT TO THIS PART 3 AND CONTRIBUTIONS FROM NONSTATE SOURCES FOR SUCH FACILITIES;

SECTION 10. 35-65-307 (2), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

35-65-307. Validity of bonds. (2) The validity of the bonds shall not be dependent on or affected by the validity or regularity of any proceedings relating to the construction, acquisition, improvement, reconstruction, or extension of the facilities of the COLORADO state fair and industrial exposition financed by the bonds or done in connection therewith.

SECTION 11. 35-65-308 (1), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

35-65-308. Prior lien of bonds. (1) Except as otherwise provided in the resolution authorizing the bonds, all bonds of the same issue under this part 3 shall have a prior and paramount lien on the net revenues ~~pledged therefor~~ OF THE ADDITIONAL FACILITIES ACQUIRED OR PROVIDED PURSUANT TO THIS PART 3 FOR WHICH THE BONDS HAVE BEEN ISSUED AND CONTRIBUTIONS FROM NONSTATE SOURCES FOR SUCH FACILITIES. The board may provide for preferential security for any bonds, both principal and interest, to be issued under this part 3 to the extent deemed feasible and desirable by such board over any bonds that may be issued thereafter.

SECTION 12. 35-65-309, Colorado Revised Statutes, 1995 Repl. Vol., is repealed as follows:

35-65-309. Board of commissioners of the Colorado state fair authority - bonds. ~~On June 2, 1983, any bonds issued pursuant to this part 3 shall become an obligation of the board to the same extent that they were an obligation of the Colorado state fair and industrial exposition commission before said date. On or after said date, the board may issue bonds with the same authority and subject to the same~~

~~restrictions as the Colorado state fair and industrial exposition commission.~~

SECTION 13. Part 3 of article 65 of title 35, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

35-65-310. Colorado state fair authority board - bonds. ON JUNE 30, 1997, ANY BONDS ISSUED PURSUANT TO THIS PART 3 SHALL BECOME AN OBLIGATION OF THE COLORADO STATE FAIR AUTHORITY TO THE SAME EXTENT THAT THEY WERE AN OBLIGATION OF THE BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY BEFORE SAID DATE.

SECTION 14. 24-1-123 (4), Colorado Revised Statutes, 1995 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

24-1-123. Department of agriculture - creation. (4) The department of agriculture shall consist of the following divisions:

(h) (I) THE COLORADO STATE FAIR AUTHORITY, THE HEAD OF WHICH SHALL BE THE MANAGER OF THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION. THE COLORADO STATE FAIR AUTHORITY AND THE OFFICE OF MANAGER OF THE COLORADO STATE FAIR AND INDUSTRIAL EXPOSITION, CREATED BY PART 4 OF ARTICLE 65 OF TITLE 35, C.R.S., SHALL EXERCISE THEIR POWERS, DUTIES, AND FUNCTIONS AS A DIVISION OF THE DEPARTMENT OF AGRICULTURE AS IF THE SAME WERE TRANSFERRED BY A **TYPE I** TRANSFER TO THE DEPARTMENT OF AGRICULTURE.

(II) THE COLORADO STATE FAIR AUTHORITY SHALL INCLUDE THE BOARD OF COMMISSIONERS OF THE COLORADO STATE FAIR AUTHORITY, CREATED BY PART 4 OF ARTICLE 65 OF TITLE 35, C.R.S., WHICH SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS AS SPECIFIED BY LAW UNDER THE DEPARTMENT OF AGRICULTURE AS A PART OF THE COLORADO STATE FAIR AUTHORITY AS IF THE SAME WERE TRANSFERRED BY A **TYPE I** TRANSFER.

SECTION 15. 24-51-310 (1) (1), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is repealed as follows:

24-51-310. Persons not eligible for membership. (1) Persons not eligible for membership in the association include:

(1) ~~Temporary employees of the Colorado state fair authority whose employment by the authority does not exceed thirty days within the calendar year and who are covered by the retirement plan organized pursuant to the provisions of section 35-65-402, C.R.S.~~

SECTION 16. Repeal. 35-65-402, Colorado Revised Statutes, 1995 Repl. Vol., as amended, is repealed.

SECTION 17. Appropriation. (1) In addition to any other appropriation for the fiscal year beginning July 1, 1996, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the Colorado state fair authority cash fund created by section 35-65-107 (1), Colorado Revised Statutes, the sum of four million dollars (\$4,000,000).

(2) In addition to any other appropriation for the fiscal year beginning July 1, 1997, there is hereby appropriated, out of any moneys in the Colorado state fair authority cash fund not otherwise appropriated, to the department of agriculture, for allocation to the Colorado state fair authority, the sum of four million dollars (\$4,000,000), or so much thereof as may be necessary, to be allocated as follows:

(a) One million seven hundred nineteen thousand nine hundred nine dollars (\$1,719,909) for repayment of the Colorado national bank loan;

(b) One million twenty-eight thousand two hundred seventy dollars (\$1,028,270) for repayment of the loan made by the state treasurer pursuant to section 35-65-401 (9.5), Colorado Revised Statutes.

(c) Two hundred thirty-four thousand seven hundred twenty-eight dollars (\$234,728) for accounts payable;

(d) One hundred forty-two thousand two dollars (\$142,002) for the portion of outstanding long-term debt currently due;

(e) Eight hundred seventy-seven thousand ninety-one dollars (\$877,091) for working capital needs.

(3) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado state fair authority cash fund not otherwise appropriated, to the department of agriculture, for the fiscal year beginning July 1, 1997, the sum of ten million nine hundred fifty-two thousand twelve dollars (\$10,952,012), and 28.0 FTE, or so much thereof as may be necessary, for the implementation of this act.

(4) In addition to any other appropriation, there is hereby appropriated, to the department of law, for the fiscal year beginning July 1, 1997, the sum of fifty-one thousand two hundred forty-six dollars (\$51,246), and 0.7 FTE, or so much thereof as may be necessary, for the provisions of legal services to the department of agriculture for the purposes of this act. Such sum shall be from cash funds received out of the appropriations made in subsection (3) of this section.

SECTION 18. Effective date. This act shall take effect June 30, 1997.

SECTION 19. 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: May 21, 1997