

CHAPTER 216

GOVERNMENT - STATE

HOUSE BILL 05-1333

BY REPRESENTATIVE(S) Buescher, McFadyen, Benefield, Berens, Borodkin, Boyd, Carroll M., Cerbo, Curry, Frangas, Gallegos, Hall, Hodge, Hoppe, Jahn, Judd, Lindstrom, Madden, Marshall, Massey, McCluskey, McGihon, McKinley, Merrifield, Paccione, Plant, Pommer, Ragsdale, Riesberg, Solano, Soper, Sullivan, Todd, Vigil, White, Romanoff, Butcher, Carroll T., and Coleman;

also SENATOR(S) Isgar, Anderson, Entz, Gordon, Groff, Johnson, Keller, Kester, Owen, Spence, Tapia, Taylor, Teck, Bacon, Shaffer, Windels, Williams, Hanna, and Tupa.

AN ACT

CONCERNING AUTHORIZATION FOR THE STATE TO FUND CRITICAL NEEDS BY CREATING THE CRITICAL NEEDS FINANCING CORPORATION, AND, IN CONNECTION THEREWITH, AND ONLY IF THE VOTERS OF THE STATE APPROVE HOUSE BILL 05-1194, WHICH, IF APPROVED, WILL ALLOW THE STATE TO RETAIN AND SPEND EXCESS STATE REVENUES, AT THE NOVEMBER 2005 STATEWIDE ELECTION, AUTHORIZING THE CORPORATION AND THE DEPARTMENT OF TRANSPORTATION TO INCUR MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATIONS APPROVED BY VOTERS OF THE STATE AT A STATEWIDE ELECTION BY ISSUING CRITICAL NEEDS NOTES FOR THE PURPOSES, UNDER THE TERMS, AND UP TO THE MAXIMUM AMOUNTS APPROVED BY THE VOTERS AND AUTHORIZING THE GENERAL ASSEMBLY TO MAKE ANNUAL APPROPRIATIONS THAT ARE EXEMPT FROM THE STATUTORY LIMITATION ON STATE GENERAL FUND APPROPRIATIONS FROM THE STATE GENERAL FUND AND FROM OTHER LEGALLY AVAILABLE SOURCES TO A NEW CRITICAL NEEDS FUND TO BE USED TO PAY THE PRINCIPAL, INTEREST, AND OTHER COSTS OF THE NOTES AND TO FUND STRATEGIC TRANSPORTATION PROJECTS.

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

SECTION 1. Title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 115
Financing of Critical State Needs

24-115-101. Short title. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "CRITICAL STATE NEEDS FINANCING ACT".

24-115-102. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

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

(a) THE POPULATION OF THE STATE HAS GROWN RAPIDLY IN RECENT YEARS, AND THAT GROWTH HAS INCREASED THE BURDENS PLACED UPON STATE AND LOCAL GOVERNMENTS.

(b) THE STATE AND LOCAL GOVERNMENTS HAVE FOUND IT DIFFICULT TO MAINTAIN EXISTING INFRASTRUCTURE AND TO FULLY FUND CRITICAL NEEDS DUE TO A DECLINE IN STATE REVENUES THAT RESULTED FROM AN ECONOMIC DOWNTURN AND CONSTITUTIONAL RESTRICTIONS ON STATE REVENUES AND EXPENDITURES THAT IMPAIRED THE ABILITY OF THE STATE TO FULLY RECOVER FROM THAT DECLINE IN STATE REVENUES WHEN ECONOMIC CONDITIONS IMPROVED.

(c) IN ENACTING THIS ARTICLE, IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PROVIDE AN ADMINISTRATIVE FRAMEWORK FOR THE STATE TO USE TO INCUR VOTER-APPROVED MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATIONS TO BE USED TO FINANCE CRITICAL STATE NEEDS AS EFFICIENTLY AND EFFECTIVELY AS POSSIBLE.

24-115-103. Definitions. AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE CRITICAL NEEDS FINANCING CORPORATION.

(2) "COMMISSION" MEANS THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1), C.R.S.

(3) "CORPORATION" MEANS THE CRITICAL NEEDS FINANCING CORPORATION CREATED IN SECTION 24-115-104 (1).

(4) "DEPARTMENT" MEANS THE DEPARTMENT OF TRANSPORTATION CREATED IN SECTION 43-1-103 (1), C.R.S.

(5) "EXCESS STATE REVENUES" MEANS REVENUES COLLECTED BY THE STATE DURING ANY STATE FISCAL YEAR IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING CALCULATED PURSUANT TO SECTION 20 (7) (a) OF ARTICLE X OF THE STATE CONSTITUTION AND ARTICLE 77 OF THIS TITLE.

(6) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT.

(7) "ISSUING AUTHORITY" MEANS THE DEPARTMENT WITH RESPECT TO NOTES ISSUED TO FINANCE TRANSPORTATION PROJECTS AND THE CORPORATION WITH RESPECT TO NOTES ISSUED FOR ANY OTHER PURPOSE.

(8) "NOTES" MEANS VOTER-APPROVED CRITICAL NEEDS NOTES AUTHORIZED TO BE ISSUED IN ACCORDANCE WITH SECTION 24-115-110 (1).

(9) "TRANSPORTATION PROJECTS" MEANS PROJECTS IDENTIFIED AND APPROVED AS STRATEGIC TRANSPORTATION PROJECTS INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT BY RESOLUTION OF THE COMMISSION, WHICH RESOLUTION MAY BE AMENDED BY FURTHER RESOLUTION.

24-115-104. Critical needs financing corporation - creation - composition of board of directors - powers. (1) THERE IS HEREBY CREATED AN INDEPENDENT PUBLIC BODY POLITIC AND CORPORATE TO BE KNOWN AS THE CRITICAL NEEDS FINANCING CORPORATION. THE CORPORATION SHALL BE A BODY CORPORATE AND AN INSTRUMENTALITY OF THE STATE AND SHALL NOT BE AN AGENCY OF STATE GOVERNMENT AND SHALL NOT BE SUBJECT TO ADMINISTRATIVE DIRECTION BY ANY DEPARTMENT, COMMISSION, BOARD, OR AGENCY OF THE STATE. NOTWITHSTANDING THE SERVICE OF ELECTED OFFICIALS OF STATE GOVERNMENT OR EMPLOYEES OF AGENCIES OF STATE GOVERNMENT ON THE BOARD, THE CORPORATION SHALL BE TREATED AND ACCOUNTED FOR AS A SEPARATE LEGAL ENTITY WITH SEPARATE CORPORATE PURPOSES AS SET FORTH IN THIS ARTICLE. ASSETS, LIABILITIES, AND FUNDS OF THE CORPORATION SHALL NOT BE CONSOLIDATED OR COMMINGLED WITH ASSETS, LIABILITIES, OR FUNDS OF THE STATE OR OF ANY ENTITY THAT IS CAPABLE OF BEING A DEBTOR IN A CASE UNDER THE UNITED STATES BANKRUPTCY CODE, TITLE 11 OF THE UNITED STATES CODE, AS AMENDED, OR ANY SUCCESSOR BANKRUPTCY CODE. ASSETS OF THE CORPORATION SHALL NOT BE USED TO PAY DEBTS OR FINANCIAL OBLIGATIONS OF THE STATE.

(2) (a) THE GOVERNING BODY OF THE CORPORATION SHALL BE A BOARD OF DIRECTORS, WHICH SHALL CONSIST OF THE FOLLOWING FIVE EX OFFICIO MEMBERS:

(I) THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND BUDGETING;

(II) THE STATE CONTROLLER;

(III) THE STATE TREASURER;

(IV) A MEMBER OF THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY SELECTED BY AND TO SERVE AT THE PLEASURE OF THE MEMBERS OF THE COMMITTEE; AND

(V) THE CHAIR OF THE CAPITAL DEVELOPMENT COMMITTEE OF THE GENERAL ASSEMBLY OR ANY SUCCESSOR COMMITTEE.

(b) EACH EX OFFICIO MEMBER OF THE CORPORATION MAY DESIGNATE AN OFFICIAL OR EMPLOYEE OF THE MEMBER'S AGENCY OR COMMITTEE TO REPRESENT THE MEMBER AT MEETINGS OF THE CORPORATION, AND EACH DESIGNEE MAY LAWFULLY VOTE AND OTHERWISE ACT ON BEHALF OF THE DESIGNATING MEMBER.

(c) A MEMBER OF THE BOARD OR A DESIGNEE OF A MEMBER OF THE BOARD IS IMMUNE FROM PERSONAL LIABILITY FOR ANY ACTION TAKEN BY THE MEMBER OR DESIGNEE THAT IS WITHIN THE SCOPE OF THE BOARD'S AUTHORITY UNDER THIS ARTICLE.

24-115-105. Organizational meeting - chair - personnel - surety note - conflict of interest. (1) (a) THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND BUDGETING SHALL CALL AND CONVENE THE INITIAL ORGANIZATIONAL MEETING OF THE BOARD AND SHALL SERVE AS ITS CHAIR PRO TEMPORE. AT THE MEETING, APPROPRIATE BYLAWS SHALL BE PRESENTED FOR ADOPTION. THE BYLAWS MAY PROVIDE FOR THE ELECTION OR APPOINTMENT OF OFFICERS, THE DELEGATION OF CERTAIN POWERS AND DUTIES TO ANY EXECUTIVE OFFICER OR OTHER AGENT OF THE

BOARD, AND SUCH OTHER MATTERS AS THE BOARD DEEMS PROPER. AT THE MEETING, AND ANNUALLY THEREAFTER, THE BOARD SHALL ELECT ONE OF ITS MEMBERS AS CHAIR.

(b) THE BOARD SHALL APPOINT AN EXECUTIVE OFFICER AND SUCH OTHER PERSONNEL AS IT DEEMS NECESSARY. THE EXECUTIVE OFFICER SHALL HAVE EXPERTISE IN THE AREA OF PUBLIC FINANCE AND SHALL HAVE ANY POWERS SPECIFIED IN THIS ARTICLE OR DELEGATED BY THE BOARD IN ACCORDANCE WITH THIS ARTICLE. THE EXECUTIVE OFFICER AND ANY OTHER PERSONNEL APPOINTED BY THE BOARD SHALL NOT BE MEMBERS OF THE BOARD, SHALL SERVE AT THE BOARD'S PLEASURE, AND SHALL RECEIVE NO COMPENSATION FOR THEIR SERVICES.

(2) THE EXECUTIVE OFFICER OR ANY OTHER PERSON DESIGNATED BY THE BOARD SHALL KEEP A RECORD OF THE PROCEEDINGS OF THE BOARD AND SHALL BE CUSTODIAN OF ALL BOOKS, DOCUMENTS, PAPERS FILED WITH THE BOARD, MINUTE BOOKS OR JOURNALS OF THE BOARD, AND ITS OFFICIAL SEAL. THE EXECUTIVE OFFICER OR DESIGNATED PERSON MAY CAUSE COPIES TO BE MADE OF ALL MINUTES AND OTHER RECORDS AND DOCUMENTS OF THE BOARD AND MAY GIVE CERTIFICATES UNDER THE OFFICIAL SEAL OF THE CORPORATION TO THE EFFECT THAT SUCH COPIES ARE TRUE COPIES AND ALL PERSONS DEALING WITH THE CORPORATION MAY RELY ON SUCH CERTIFICATES.

(3) THE BOARD MAY DELEGATE, BY RESOLUTION, TO ONE OR MORE OF ITS MEMBERS, TO ITS EXECUTIVE OFFICER, OR TO AN INDENTURE TRUSTEE OR ANY OTHER THIRD PARTY TO WHOM THE BOARD HAS ASSIGNED ANY RIGHTS OF THE CORPORATION, SUCH POWERS AND DUTIES AS IT MAY DEEM PROPER AND TO ITS EXECUTIVE OFFICER OR ANY OTHER PERSON DESIGNATED BY THE BOARD, THE POWER TO SET THE INTEREST RATES AND OTHER TERMS OF ANY PARTICULAR NOTE ISSUE AND TO INVEST PROCEEDS OF NOTES HELD BY A COMMERCIAL BANK OR TRUST COMPANY HAVING FULL TRUST POWERS, SUBJECT TO SUCH LIMITATIONS AS SHALL BE PRESCRIBED BY THE BOARD BY RESOLUTION.

(4) THE EXECUTIVE OFFICER AND ANY OTHER PERSONNEL APPOINTED BY THE BOARD ARE IMMUNE FROM PERSONAL LIABILITY FOR ANY ACTIONS TAKEN BY THEM THAT ARE WITHIN THE SCOPE OF THE AUTHORITY GRANTED TO THEM BY THIS ARTICLE OR DELEGATED TO THEM BY THE BOARD.

24-115-106. Meetings of board - quorum - expenses. (1) THREE MEMBERS OF THE BOARD SHALL CONSTITUTE A QUORUM FOR THE PURPOSE OF CONDUCTING BUSINESS AND EXERCISING THE BOARD'S POWERS. ACTION MAY BE TAKEN BY THE BOARD UPON THE AFFIRMATIVE VOTE OF THREE MEMBERS OF THE BOARD. A VACANCY IN THE MEMBERSHIP OF THE BOARD SHALL NOT IMPAIR THE RIGHT OF A QUORUM TO EXERCISE ALL THE RIGHTS AND PERFORM ALL THE DUTIES OF THE BOARD.

(2) EACH MEETING OF THE BOARD, FOR ANY PURPOSE WHATSOEVER, SHALL BE OPEN TO THE PUBLIC AND RECORDS OF THE CORPORATION SHALL BE SUBJECT TO THE OPEN RECORDS LAW UNDER ARTICLE 72 OF THIS TITLE. HOWEVER, THE BOARD MAY GO INTO EXECUTIVE SESSION AS PERMITTED PURSUANT TO SECTION 24-6-402. NOTICE OF MEETINGS SHALL BE AS PROVIDED IN THE BYLAWS OF THE CORPORATION. IF A MEETING OF THE BOARD IS CALLED FOR THE SOLE PURPOSE OF ADOPTING RESOLUTIONS AUTHORIZING THE ISSUANCE OF NOTES BY THE CORPORATION, ONE OR

MORE MEMBERS OF THE BOARD MAY PARTICIPATE IN THE MEETING AND MAY VOTE ON THE RESOLUTIONS THROUGH THE USAGE OF TELECOMMUNICATIONS DEVICES, INCLUDING, BUT NOT LIMITED TO, THE USAGE OF A CONFERENCE TELEPHONE OR SIMILAR COMMUNICATIONS EQUIPMENT. PARTICIPATION THROUGH TELECOMMUNICATIONS DEVICES SHALL CONSTITUTE PRESENCE IN PERSON AT SUCH MEETING, BUT USE OF TELECOMMUNICATIONS SHALL NOT SUPERSEDE ANY REQUIREMENTS FOR PUBLIC HEARING OTHERWISE PROVIDED BY LAW. RESOLUTIONS NEED NOT BE PUBLISHED OR POSTED, BUT RESOLUTIONS AND ALL PROCEEDINGS AND OTHER ACTS OF THE BOARD ARE PUBLIC RECORDS.

(3) MEMBERS OF THE BOARD SHALL RECEIVE NO COMPENSATION FOR SERVICES BUT SHALL BE ENTITLED TO THE NECESSARY EXPENSES, INCLUDING TRAVEL AND LODGING EXPENSES, INCURRED IN THE DISCHARGE OF THEIR OFFICIAL DUTIES. ANY PAYMENTS FOR EXPENSES SHALL BE PAID FROM THE CRITICAL NEEDS FUND, CREATED IN SECTION 24-115-111.

24-115-107. General powers of corporation. (1) IN ADDITION TO ANY OTHER POWERS SPECIFICALLY GRANTED TO THE CORPORATION IN THIS ARTICLE, THE CORPORATION HAS THE FOLLOWING POWERS:

(a) TO HAVE PERPETUAL EXISTENCE AND SUCCESSION AS A BODY POLITIC AND CORPORATE;

(b) TO ADOPT, AMEND, OR REPEAL BYLAWS FOR THE REGULATION OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS, CONSISTENT WITH THE PROVISIONS OF THIS ARTICLE;

(c) TO SUE AND BE SUED;

(d) TO HAVE AND TO USE A SEAL AND TO ALTER THE SAME AT ITS PLEASURE;

(e) TO MAINTAIN AN OFFICE AT SUCH PLACE AS IT MAY DESIGNATE;

(f) TO BORROW NO MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS FROM A PRIVATE SECTOR FINANCIAL INSTITUTION, OR FROM THE STATE, AT PREVAILING INTEREST RATES, FOR THE PURPOSE OF DEFRAYING EXPENSES OF THE CORPORATION INCURRED PRIOR TO THE ISSUANCE OF ANY NOTES PURSUANT TO THIS ARTICLE. THE FINAL REPAYMENT DATE OF ANY BORROWING SHALL BE NO LATER THAN THE LAST DAY OF THE STATE FISCAL YEAR IN WHICH THE BORROWING IS UNDERTAKEN, AND ANY CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT PROVIDING FOR THE BORROWING SHALL EXPRESSLY STATE THAT THE BORROWING SHALL BE REPAYED ON OR BEFORE THAT DATE.

(g) TO ISSUE NOTE ANTICIPATION NOTES FOR THE PURPOSE OF RAISING NO MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS TO DEFRAID EXPENSES OF THE CORPORATION INCURRED PRIOR TO THE ISSUANCE OF ANY NOTES PURSUANT TO THIS ARTICLE. THE FINAL MATURITY DATE OF ANY NOTE ANTICIPATION NOTES SHALL BE NO LATER THAN THE LAST DAY OF THE STATE FISCAL YEAR IN WHICH THE ANTICIPATION NOTES ARE ISSUED, AND ANY CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT PROVIDING FOR THE ISSUANCE OF ANTICIPATION NOTES SHALL EXPRESSLY STATE THAT THE ANTICIPATION NOTES SHALL BE REPAYED ON OR BEFORE

THAT DATE.

(h) TO MAKE AND EXECUTE CONTRACTS, INCLUDING, BUT NOT LIMITED TO, TRUST AGREEMENTS, TRUST INDENTURES, NOTE PURCHASE AGREEMENTS, TAX REGULATORY AGREEMENTS, CONTINUING DISCLOSURE AGREEMENTS, ANCILLARY FINANCIAL FACILITIES, AND ALL OTHER INSTRUMENTS NECESSARY OR CONVENIENT FOR THE EXERCISE OF ITS POWERS AND FUNCTIONS UNDER THIS ARTICLE; AND

(i) TO DO ALL THINGS NECESSARY AND CONVENIENT TO CARRY OUT THE PURPOSES OF THIS ARTICLE. THE POWERS GRANTED TO THE CORPORATION SHALL BE LIBERALLY CONSTRUED TO EFFECT THE PURPOSES OF THIS ARTICLE. HOWEVER, THE CORPORATION SHALL NOT UNDERTAKE ANY ENTERPRISE, OPERATIONS, OR BUSINESS OTHER THAN THE ISSUANCE OF NOTES AS AUTHORIZED BY THIS ARTICLE.

24-115-108. Corporate fiscal year - account of activities and receipts for expenditures - report - audit. THE FISCAL AND BUDGET YEAR FOR THE CORPORATION SHALL COMMENCE ON JULY 1 AND END ON JUNE 30 OF EACH YEAR. THE CORPORATION SHALL KEEP AN ACCURATE ACCOUNT OF ALL ITS ACTIVITIES AND OF ALL ITS RECEIPTS AND EXPENDITURES AND SHALL SUBMIT AN ANNUAL REPORT THAT SETS FORTH A COMPLETE AND DETAILED OPERATING AND FINANCIAL STATEMENT OF THE CORPORATION FOR THE MOST RECENTLY ENDED FISCAL YEAR TO THE JOINT BUDGET AND LEGISLATIVE AUDIT COMMITTEES OF THE GENERAL ASSEMBLY OR ANY SUCCESSOR COMMITTEES NO LATER THAN JANUARY 15 OF ANY YEAR IN WHICH NOTES REMAIN OUTSTANDING. THE STATE AUDITOR MAY INVESTIGATE THE AFFAIRS OF THE CORPORATION, EXAMINE THE PROPERTIES AND RECORDS OF THE CORPORATION, AND PRESCRIBE METHODS OF ACCOUNTING AND THE RENDERING OF ADDITIONAL PERIODICAL REPORTS IN RELATION TO THE UNDERTAKINGS OF THE CORPORATION.

24-115-109. Limitation on power of corporation to declare bankruptcy. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE CORPORATION IS NOT AUTHORIZED TO BE, AND NO PUBLIC OFFICER, ORGANIZATION, ENTITY, OR OTHER PERSON SHALL AUTHORIZE THE CORPORATION TO BE, A DEBTOR IN A CASE UNDER THE UNITED STATES BANKRUPTCY CODE, TITLE 11 OF THE UNITED STATES CODE, TO MAKE AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS OR TO BECOME THE SUBJECT OF ANY SIMILAR CASE OR PROCEEDING. THE STATE HEREBY COVENANTS WITH THE HOLDERS OF ANY NOTES ISSUED PURSUANT TO THIS ARTICLE THAT THE STATE WILL NOT LIMIT OR ALTER THE PROHIBITION ON THE FILING OF VOLUNTARY BANKRUPTCY PETITIONS SET FORTH IN THIS SECTION UNTIL ONE YEAR AND ONE DAY AFTER THE CORPORATION NO LONGER HAS ANY NOTES OUTSTANDING. THE CORPORATION AND ANY TRUST ESTABLISHED BY THE CORPORATION ARE HEREBY AUTHORIZED TO INCLUDE THIS COVENANT AS AN AGREEMENT OF THE STATE IN ANY CONTRACT WITH THE NOTE HOLDERS OF THE CORPORATION.

24-115-110. Critical needs notes - issuance schedule - distribution of note proceeds. (1) (a) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPHS (b) AND (c) OF THIS SUBSECTION (1), IF THE GENERAL ASSEMBLY PASSES AND THE GOVERNOR SIGNS A JOINT RESOLUTION THAT REQUIRES THE SUBMISSION OF A BALLOT ISSUE TO VOTERS STATEWIDE THAT SEEKS AUTHORIZATION FOR THE STATE TO INCUR MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATIONS BY ISSUING CRITICAL NEEDS NOTES AND THE VOTERS APPROVE THE BALLOT ISSUE AN ISSUING AUTHORITY MAY ISSUE, ON ONE OR MORE OCCASIONS, NOTES, WHICH SHALL HAVE A MAXIMUM MATURITY OF NO MORE THAN

TWENTY-FIVE YEARS. THE BOARD OR THE EXECUTIVE DIRECTOR, AS APPLICABLE, SHALL DETERMINE THE SPECIFIC DATES ON WHICH THE ISSUING AUTHORITY ISSUES NOTES, THE PRINCIPAL AMOUNT OF NOTES TO BE ISSUED ON ANY DATE, AND THE REDEMPTION AND OTHER TERMS OF NOTES.

(b) AN ISSUING AUTHORITY SHALL ISSUE NOTES ONLY FOR THE PURPOSES, UNDER THE TERMS, AND UP TO THE MAXIMUM AMOUNTS APPROVED BY VOTERS THROUGH THE APPROVAL OF A STATEWIDE BALLOT ISSUE.

(c) IF THE AMOUNT OF EXCESS STATE REVENUES THAT IS RETAINED BY THE STATE AS AUTHORIZED BY VOTERS STATEWIDE THROUGH THEIR APPROVAL OF HOUSE BILL 05-1194, ENACTED AT THE FIRST REGULAR SESSION OF THE SIXTY-FIFTH GENERAL ASSEMBLY, AT THE NOVEMBER 2005 STATEWIDE ELECTION FOR ANY STATE FISCAL YEAR THAT IMMEDIATELY PRECEDES A STATE FISCAL YEAR IN WHICH AN ISSUING AUTHORITY MAY ISSUE NOTES IS LESS THAN THE MAXIMUM AMOUNT OF ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST ON NOTES AUTHORIZED BY VOTERS STATEWIDE FOR THE STATE FISCAL YEAR IN WHICH THE ISSUING AUTHORITY MAY ISSUE NOTES OR ANY SUBSEQUENT STATE FISCAL YEAR, THE GENERAL ASSEMBLY, BY PASSAGE OF A JOINT RESOLUTION, MAY, BUT SHALL NOT BE REQUIRED TO, LIMIT THE MAXIMUM AMOUNT OF SCHEDULED ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST ON NOTES ISSUED AFTER THE EFFECTIVE DATE OF THE JOINT RESOLUTION TO ANY AMOUNT THAT IS GREATER THAN OR EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF EXCESS STATE REVENUES RETAINED AND THE AMOUNT OF SCHEDULED ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST ON NOTES ISSUED PRIOR TO THE EFFECTIVE DATE OF THE JOINT RESOLUTION. THE PASSAGE OF A JOINT RESOLUTION LIMITING THE MAXIMUM AMOUNT OF SCHEDULED ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST ON NOTES SHALL NOT AFFECT THE VOTER AUTHORIZATION OF NOTES, INCLUDING, BUT NOT LIMITED TO, ANY RESTRICTION ON THE SCHEDULED ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST ON NOTES OR ANY OTHER TERMS SPECIFIED IN THE VOTER-APPROVED BALLOT ISSUE THAT AUTHORIZED THE ISSUANCE OF THE NOTES. THE GENERAL ASSEMBLY, BY PASSAGE OF A SUBSEQUENT JOINT RESOLUTION, MAY REMOVE OR MODIFY ANY LIMIT IMPOSED BY JOINT RESOLUTION ON THE MAXIMUM AMOUNT OF SCHEDULED ANNUAL PAYMENTS OF PRINCIPAL OR INTEREST ON NOTES, SUBJECT TO ANY LIMITS SET FORTH IN THE VOTER-APPROVED BALLOT ISSUE THAT AUTHORIZED THE ISSUANCE OF THE NOTES.

(2) (a) AN ISSUING AUTHORITY SHALL ISSUE NOTES PURSUANT TO A CERTIFICATE EXECUTED BY THE BOARD OR THE EXECUTIVE DIRECTOR, A TRUST INDENTURE BETWEEN THE ISSUING AUTHORITY AND ANY COMMERCIAL BANK OR TRUST COMPANY HAVING FULL TRUST POWERS, OR ANY OTHER INSTRUMENT ISSUED OR EXECUTED BY THE ISSUING AUTHORITY.

(b) AS THE BOARD OR THE EXECUTIVE DIRECTOR DEEMS APPROPRIATE, THE CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT AUTHORIZING NOTES MAY CONTAIN PROVISIONS SETTING FORTH THE RIGHTS AND REMEDIES OF THE OWNERS OR HOLDERS OF THE NOTES, PROVISIONS FOR PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES OF THE OWNERS OR HOLDERS OF THE NOTES, AND ANY OTHER PROVISIONS FOR THE SECURITY OF THE OWNERS OR HOLDERS OF THE NOTES. THE PROVISIONS MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, PROVISIONS REGARDING LETTERS OF CREDIT, INSURANCE, STAND-BY CREDIT AGREEMENTS, OR OTHER FORMS OF CREDIT ENSURING TIMELY PAYMENT OF THE NOTES, INCLUDING THE REDEMPTION

PRICE OR THE PURCHASE PRICE, AND PROVISIONS REGARDING THE REIMBURSEMENT OF PROVIDERS OF THE CREDIT FROM MONEYS AVAILABLE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE NOTES FOR ANY AMOUNTS PAID BY THE PROVIDERS WITH RESPECT TO THE NOTES.

(3) (a) A CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT AUTHORIZING THE ISSUANCE OF NOTES IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE MAY PLEDGE TO THE PAYMENT OF NOTES ALL OR ANY PORTION OF THE PROCEEDS FROM THE ISSUANCE OF SUCH NOTES AND THE MONEYS APPROPRIATED TO THE CRITICAL NEEDS FUND PURSUANT TO SECTION 24-115-111 TO PAY THE PRINCIPAL OR INTEREST ON NOTES. PROCEEDS AND MONEYS PLEDGED SHALL BE USED ONLY FOR THE PURPOSE OR PURPOSES FOR WHICH THEY ARE PLEDGED. ANY PLEDGE OF THE PROCEEDS OF NOTES SHALL BE VALID AND BINDING FROM THE DATE OF ISSUANCE OF THE NOTES. ANY PLEDGE OF MONEYS APPROPRIATED TO THE FUND SHALL BE VALID AND BINDING FROM THE TIME THE MONEYS WERE APPROPRIATED TO THE FUND PURSUANT TO SECTION 24-115-111. A PLEDGE SHALL CREATE A VALID SECURITY INTEREST, PROCEEDS AND MONEYS PLEDGED SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF THE PLEDGE AND SECURITY INTEREST WITHOUT ANY PHYSICAL DELIVERY OR FURTHER ACT, AND THE LIEN OF THE PLEDGE AND SECURITY INTEREST SHALL BE VALID AND BINDING AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE PLEDGING PARTY IRRESPECTIVE OF WHETHER THE CLAIMING PARTY HAS NOTICE OF THE LIEN. THE INSTRUMENT BY WHICH THE PLEDGE AND SECURITY INTEREST IS CREATED NEED NOT BE RECORDED OR FILED IN ORDER TO PERFECT THE PLEDGE AND SECURITY INTEREST.

(b) AN ISSUING AUTHORITY SHALL APPLY THE GROSS PROCEEDS OF NOTES ISSUED PURSUANT TO SUBSECTION (1) OF THIS SECTION THAT ARE NOT PLEDGED TO THE PAYMENT OF THE NOTES OR ALLOCATED TO THE PAYMENT OF COSTS ASSOCIATED WITH THE ISSUANCE AND ADMINISTRATION OF THE NOTES FOR THE PURPOSES SPECIFIED IN THE BALLOT ISSUE APPROVED BY VOTERS OF THE STATE THAT AUTHORIZED THE ISSUANCE OF THE NOTES.

(4) SUBJECT TO THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, NOTES MAY BE ISSUED IN ANY AGGREGATE PRINCIPAL AMOUNT, MAY BE ISSUED IN ONE OR MORE SERIES BY THE CORPORATION OR IN THREE OR MORE SERIES BY THE DEPARTMENT, MAY BEAR ANY DATES, MAY BE IN ANY DENOMINATION OR DENOMINATIONS, MAY MATURE ON ANY DATE OR DATES, MAY MATURE IN ANY AMOUNT OR AMOUNTS, MAY BE IN ANY FORM, MAY BE PAYABLE AT ANY PLACE OR PLACES, MAY BE SUBJECT TO ANY TERMS OF REDEMPTION WITH OR WITHOUT A PREMIUM, MAY CONTAIN ANY PROVISIONS THAT THE BOARD OR THE EXECUTIVE DIRECTOR DEEMS APPROPRIATE REGARDING INSURANCE TO ENSURE THE TIMELY PAYMENT OF THE NOTES, AND MAY CONTAIN ANY OTHER PROVISIONS NOT INCONSISTENT WITH THE PROVISIONS OF THIS ARTICLE AS THE BOARD OR THE EXECUTIVE DIRECTOR MAY DETERMINE; EXCEPT THAT THE MAXIMUM AMOUNT OF NOTES THAT THE DEPARTMENT MAY ISSUE BEFORE JANUARY 1, 2007, IS SIX HUNDRED MILLION DOLLARS.

(5) THE RATE OR RATES OF INTEREST BORNE BY NOTES MAY BE FIXED, ADJUSTABLE, OR VARIABLE, OR ANY COMBINATION THEREOF, WITHOUT REGARD TO ANY INTEREST RATE LIMITATION APPEARING IN ANY OTHER LAW OF THIS STATE. IF ANY RATE OR RATES ARE ADJUSTABLE OR VARIABLE, THE STANDARD, INDEX, METHOD, OR FORMULA SHALL BE DETERMINED BY THE BOARD OR THE EXECUTIVE DIRECTOR.

(6) NOTES MAY BE SOLD AT PUBLIC OR PRIVATE SALE AND MAY BE SOLD AT, ABOVE, OR BELOW THE PRINCIPAL AMOUNTS THEREOF. THE SALE OF NOTES SHALL NOT BE SUBJECT TO THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF THIS TITLE, BUT WHEN CONTRACTING FOR NECESSARY AND ADVISABLE SERVICES CONNECTED TO THE ISSUANCE OF NOTES, THE BOARD OR THE EXECUTIVE DIRECTOR, WHICHEVER IS APPLICABLE, SHALL USE AN OPEN AND TRANSPARENT COMPETITIVE SELECTION PROCESS DETERMINED BY THE BOARD OR THE EXECUTIVE DIRECTOR THAT PROVIDES THE PUBLIC SUFFICIENT INFORMATION TO EVALUATE THE PROCESS.

(7) NOTES SHALL BE SIGNED ON BEHALF OF THE STATE BY THE MEMBERS OF THE BOARD, OR BY THE EXECUTIVE OFFICER OF THE BOARD IF AUTHORIZED BY THE BOARD, OR BY THE EXECUTIVE DIRECTOR. PURSUANT TO ARTICLE 55 OF TITLE 11, C.R.S., THE APPLICABLE SIGNATURE OR SIGNATURES MAY BE ONE OR MORE FACSIMILE SIGNATURES IMPRINTED, ENGRAVED, STAMPED, OR OTHERWISE PLACED ON THE NOTES. IF ALL OF THE SIGNATURES ON NOTES ARE FACSIMILE SIGNATURES, PROVISION SHALL BE MADE FOR A MANUAL AUTHENTICATING SIGNATURE ON THE NOTES BY OR ON BEHALF OF A DESIGNATED AUTHENTICATING AGENT.

(8) SUBJECT TO THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, THE POWER TO FIX THE DATE OF SALE OF NOTES, TO RECEIVE BIDS OR PROPOSALS, TO AWARD AND SELL NOTES, TO FIX INTEREST RATES, AND TO TAKE ALL OTHER ACTION NECESSARY TO SELL AND DELIVER NOTES MAY BE DELEGATED TO AN AGENT OF THE BOARD OR THE EXECUTIVE DIRECTOR.

(9) ANY OUTSTANDING NOTES MAY BE REFUNDED BY THE BOARD OR THE EXECUTIVE DIRECTOR PURSUANT TO ARTICLE 56 OF TITLE 11, C.R.S.

(10) THE BOARD OR THE EXECUTIVE DIRECTOR IS AUTHORIZED TO ENGAGE THE SERVICES OF ANY INVESTMENT BANKERS, CONSULTANTS, FINANCIAL ADVISORS, UNDERWRITERS, NOTE INSURERS, LETTER OF CREDIT BANKS, RATING AGENCIES, AGENTS, NOTE COUNSEL OR OTHER LEGAL COUNSEL, OR OTHER PERSONS WHOSE SERVICES MAY BE REQUIRED OR DEEMED ADVANTAGEOUS BY THE BOARD OR THE EXECUTIVE DIRECTOR IN CONNECTION WITH NOTES. THE BOARD OR THE EXECUTIVE DIRECTOR SHALL NOT BE SUBJECT TO THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF THIS TITLE, WHEN ENGAGING SERVICES BUT SHALL USE AN OPEN AND TRANSPARENT COMPETITIVE SELECTION PROCESS DETERMINED BY THE BOARD OR THE EXECUTIVE DIRECTOR THAT PROVIDES THE PUBLIC SUFFICIENT INFORMATION TO EVALUATE THE PROCESS.

(11) THE BOARD OR THE EXECUTIVE DIRECTOR MAY, WITH RESPECT TO NOTES THAT HAVE BEEN ISSUED OR PROPOSED, ENTER INTO INTEREST RATE EXCHANGE AGREEMENTS IN ACCORDANCE WITH ARTICLE 59.3 OF TITLE 11, C.R.S.

(12) THE EXECUTIVE DIRECTOR AND ANY MEMBER OR EMPLOYEE OF THE BOARD ARE IMMUNE FROM PERSONAL LIABILITY FOR ANY ACTION TAKEN WITHIN THE SCOPE OF THEIR AUTHORITY UNDER THIS ARTICLE.

24-115-111. Critical needs fund - creation - appropriations to fund - repayment of notes from fund. (1) THE CRITICAL NEEDS FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND SHALL CONSIST OF MONEYS APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY AND ALL INTEREST AND INCOME EARNED ON

THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND. THE BOARD OR THE EXECUTIVE DIRECTOR MAY EXPEND MONEYS IN THE FUND ONLY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON NOTES ISSUED PURSUANT TO SECTION 24-115-110, TO MAKE TRANSFERS TO ANY FUND OR ACCOUNT ESTABLISHED FOR THE PAYMENT OF THE PRINCIPAL OR INTEREST ON ANY OF THE NOTES BY THE CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT AUTHORIZING THE NOTES ON THE DATES AND IN THE AMOUNTS REQUIRED BY THE CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT, TO PAY THE REASONABLE ADMINISTRATIVE AND ISSUANCE COSTS INCURRED BY THE ISSUING AUTHORITY IN CONNECTION WITH THE NOTES, TO PAY THE PRINCIPAL AND INTEREST ON AND ANY COSTS INCURRED BY THE CORPORATION IN CONNECTION WITH A BORROWING PURSUANT TO SECTION 24-115-107 (1) (f) OR NOTE ANTICIPATION NOTES ISSUED PURSUANT TO SECTION 24-115-107 (1) (g), TO PAY NECESSARY EXPENSES OF THE BOARD AS AUTHORIZED BY SECTION 24-115-106 (3), AND, TO THE EXTENT THAT THE AMOUNT OF MONEYS IN THE FUND OR TO BE CREDITED TO THE FUND IN ANY STATE FISCAL YEAR EXCEEDS THE AMOUNT NEEDED FOR THOSE PURPOSES DURING THE STATE FISCAL YEAR ONLY, TO DIRECTLY PAY THE COSTS OF TRANSPORTATION PROJECTS. MONEYS IN THE FUND AT THE END OF ANY STATE FISCAL YEAR SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OF THE STATE. IT IS THE INTENT OF THE GENERAL ASSEMBLY TO APPROPRIATE MONEYS FROM THE GENERAL FUND OR OTHER LEGALLY AVAILABLE SOURCES TO THE FUND IN AMOUNTS SUFFICIENT TO ALLOW THE ISSUING AUTHORITIES TO MAKE ALL PAYMENTS OF PRINCIPAL AND INTEREST ON NOTES ISSUED PURSUANT TO SECTION 24-115-110, TO PAY THE REASONABLE ADMINISTRATIVE AND ISSUANCE COSTS INCURRED BY THE ISSUING AUTHORITIES IN CONNECTION WITH THE NOTES, TO PAY THE PRINCIPAL AND INTEREST ON AND ANY COSTS INCURRED BY THE CORPORATION IN CONNECTION WITH A BORROWING PURSUANT TO SECTION 24-115-107 (1) (f) OR NOTE ANTICIPATION NOTES ISSUED PURSUANT TO SECTION 24-115-107 (1) (g), TO PAY NECESSARY EXPENSES OF THE BOARD AS AUTHORIZED BY SECTION 24-115-106 (3), AND TO ENSURE THAT THE TOTAL AMOUNT OF MONEYS IN THE FUND AVAILABLE FOR EXPENDITURE BY THE DEPARTMENT FOR ALL PURPOSES FOR WHICH THE DEPARTMENT MAY EXPEND MONEYS FROM THE FUND IS THIRTY MILLION DOLLARS IN STATE FISCAL YEAR 2005-06, SEVENTY MILLION DOLLARS IN STATE FISCAL YEAR 2006-07, AND ONE HUNDRED MILLION DOLLARS IN EACH SUBSEQUENT STATE FISCAL YEAR.

(2) THE INTENTION OF THE GENERAL ASSEMBLY TO MAKE APPROPRIATIONS TO THE CRITICAL NEEDS FUND AS SPECIFIED IN SUBSECTION (1) OF THIS SECTION SHALL NOT BE CONSTRUED TO BE BINDING ON ANY FUTURE GENERAL ASSEMBLY, AND SUCH APPROPRIATIONS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY. EVERY CONTRACT ENTERED INTO BY AN ISSUING AUTHORITY THAT RELATES TO THE ISSUANCE OR ADMINISTRATION OF NOTES ISSUED PURSUANT TO SECTION 24-115-110 AND IMPOSES AN OBLIGATION THAT IS TO BE PAID FROM THE FUND SHALL STATE THAT THE FINANCIAL OBLIGATIONS OF THE ISSUING AUTHORITY OR THE STATE UNDER THE CONTRACT ARE SUBJECT TO ANNUAL APPROPRIATIONS TO THE FUND BY THE GENERAL ASSEMBLY, IN ITS SOLE DISCRETION, IN ACCORDANCE WITH THIS SECTION AND THAT THE CONTRACT SHALL NOT BE DEEMED TO CREATE ANY INDEBTEDNESS OF THE STATE WITHIN THE MEANING OF THE STATE CONSTITUTION OR THE LAWS OF THE STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE. A DECISION BY THE GENERAL ASSEMBLY NOT TO APPROPRIATE MONEYS TO THE FUND SHALL NOT BE CONSTRUED AS AN ACTION IMPAIRING ANY SUCH CONTRACT.

(3) GENERAL FUND APPROPRIATIONS MADE PURSUANT TO THIS SECTION ARE NOT SUBJECT TO THE LIMITATION ON STATE GENERAL FUND APPROPRIATIONS SET FORTH IN SECTION 24-75-201.1 BECAUSE APPROVAL OF A BALLOT ISSUE THAT AUTHORIZES THE ISSUANCE OF NOTES AND PROVIDES FOR THE PAYMENT OF NOTES BY VOTERS OF THE STATE CONSTITUTES VOTER APPROVAL FOR THE EXEMPTION OF THOSE APPROPRIATIONS FROM THAT LIMITATION.

24-115-112. Notes legal investments. ALL BANKS, TRUST COMPANIES, SAVINGS AND LOAN ASSOCIATIONS, INSURANCE COMPANIES, EXECUTORS, ADMINISTRATORS, GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES MAY LEGALLY INVEST ANY MONEYS WITHIN THEIR CONTROL IN ANY NOTES ISSUED IN ACCORDANCE WITH THIS ARTICLE. PUBLIC ENTITIES, AS DEFINED IN SECTION 24-75-601 (1), MAY INVEST PUBLIC FUNDS IN NOTES ONLY IF THE NOTES SATISFY THE INVESTMENT REQUIREMENTS ESTABLISHED IN PART 6 OF ARTICLE 75 OF THIS TITLE.

24-115-113. Exemption from taxation. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE INCOME FROM NOTES ISSUED PURSUANT TO THIS ARTICLE IS EXEMPT FROM ALL TAXATION AND ASSESSMENTS IN THE STATE. IN THE CERTIFICATE, INDENTURE OF TRUST, OR OTHER INSTRUMENT AUTHORIZING THE ISSUANCE OF NOTES, THE BOARD OR THE EXECUTIVE DIRECTOR MAY WAIVE THE EXEMPTION FROM FEDERAL OR STATE INCOME TAXATION FOR INTEREST ON THE NOTES.

24-115-114. No action maintainable. AN ACTION OR PROCEEDING AT LAW OR IN EQUITY TO REVIEW ANY ACT OR PROCEEDING OR TO QUESTION THE VALIDITY OR ENJOIN THE PERFORMANCE OF ANY ACT OR PROCEEDING OR THE ISSUANCE OF ANY NOTES OR FOR ANY OTHER RELIEF AGAINST OR FROM ANY ACT OR PROCEEDING DONE UNDER THIS ARTICLE, WHETHER BASED UPON IRREGULARITIES OR JURISDICTIONAL DEFECTS, SHALL NOT BE MAINTAINED UNLESS COMMENCED WITHIN THIRTY DAYS AFTER THE PERFORMANCE OF THE ACT OR PROCEEDING OR THE EFFECTIVE DATE THEREOF, WHICHEVER OCCURS FIRST, AND IS THEREAFTER PERPETUALLY BARRED.

24-115-115. Annual reports. (1) NO LATER THAN JANUARY 15 OF ANY YEAR IN WHICH NOTES ISSUED PURSUANT TO THIS ARTICLE ARE OUTSTANDING OR ANY MONEYS ARE IN THE CRITICAL NEEDS FUND, EACH ISSUING AUTHORITY SHALL SUBMIT A REPORT TO THE MEMBERS OF THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY AND THE MEMBERS OF THE LEGISLATIVE AUDIT COMMITTEE OF THE GENERAL ASSEMBLY THAT INCLUDES, AT A MINIMUM, THE FOLLOWING INFORMATION:

(a) THE TOTAL AMOUNT OF NOTES ISSUED BY THE ISSUING AUTHORITY PURSUANT TO THIS ARTICLE;

(b) THE TOTAL AND ITEMIZED AMOUNTS OF GROSS NOTE PROCEEDS RECEIVED FROM THE ISSUANCE OF NOTES, NOTE PROCEEDS AND EARNINGS THEREON EXPENDED, AND MONEYS CREDITED TO THE CRITICAL NEEDS FUND; AND

(c) THE TOTAL AMOUNT OF MONEYS EXPENDED FROM THE CRITICAL NEEDS FUND IN EACH STATE FISCAL YEAR FOR THE PAYMENT OF NOTES ISSUED BY THE ISSUING AUTHORITY PURSUANT TO THIS ARTICLE, THE COSTS TO THE ISSUING AUTHORITY ASSOCIATED WITH THE ISSUANCE AND ADMINISTRATION OF THE NOTES, THE PAYMENT OF PRINCIPAL AND INTEREST IN CONNECTION WITH A BORROWING PURSUANT TO SECTION 24-115-107 (1) (f) OR NOTE ANTICIPATION NOTES ISSUED PURSUANT TO

SECTION 24-115-107 (1) (g), TO PAY NECESSARY EXPENSES OF THE BOARD AS AUTHORIZED BY SECTION 24-115-106 (3).

24-115-116. Investments. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2) OF THIS SECTION, PROCEEDS FROM THE ISSUANCE OF NOTES MAY BE INVESTED IN ANY MANNER IN WHICH PUBLIC MONEYS GENERALLY MAY BE INVESTED AS PROVIDED BY SECTION 24-75-601.1 OR ANY OTHER APPLICABLE LAW.

(2) AN ISSUING AUTHORITY, IN CONSULTATION WITH THE STATE TREASURER, MAY DIRECT A CORPORATE TRUSTEE THAT HOLDS ANY PROCEEDS FROM THE ISSUANCE OF NOTES OR ANY OTHER MONEYS PAID TO THE TRUSTEE IN CONNECTION WITH THE NOTES OR ANY OTHER MONEYS RELATING TO THE NOTES OR MONEYS IN THE FUND TO INVEST OR DEPOSIT THE PROCEEDS OR OTHER MONEYS IN INVESTMENTS OR DEPOSITS OTHER THAN THOSE IN WHICH PUBLIC MONEYS GENERALLY MAY BE INVESTED OR DEPOSITED PURSUANT TO SECTION 24-75-601.1 OR ANY OTHER APPLICABLE LAW IF THE BOARD OR THE EXECUTIVE DIRECTOR, IN CONSULTATION WITH THE STATE TREASURER, DETERMINES THAT THE INVESTMENT OR DEPOSIT MEETS THE STANDARD ESTABLISHED IN SECTION 15-1-304, C.R.S., THE INCOME IS AT LEAST COMPARABLE TO INCOME AVAILABLE ON INVESTMENTS OR DEPOSITS OF MONEYS IN THE STATE HIGHWAY SUPPLEMENTARY FUND, AND THE INVESTMENT WILL ASSIST THE DEPARTMENT IN THE FINANCING OF THE PROJECTS OR PURPOSES FOR WHICH THE NOTES WERE ISSUED.

24-115-117. Construction of article. THE POWERS CONFERRED BY THIS ARTICLE SHALL BE IN ADDITION AND SUPPLEMENTAL TO, AND NOT IN SUBSTITUTION FOR, AND THE LIMITATIONS IMPOSED BY THIS ARTICLE SHALL NOT DIRECTLY OR INDIRECTLY MODIFY, LIMIT, OR AFFECT, THE POWERS CONFERRED TO THE DEPARTMENT, THE EXECUTIVE DIRECTOR, OR THE COMMISSION BY THE STATE CONSTITUTION OR BY ANY OTHER LAW.

24-115-118. Voter approval required. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THE CORPORATION, THE DEPARTMENT, THE BOARD, AND THE EXECUTIVE DIRECTOR SHALL HAVE THE AUTHORITY TO ISSUE NOTES AND OTHERWISE EXERCISE THE POWERS SPECIFIED IN THIS ARTICLE ONLY IF VOTERS STATEWIDE APPROVE HOUSE BILL 05-1194, ENACTED AT THE FIRST REGULAR SESSION OF THE SIXTY-FIFTH GENERAL ASSEMBLY, AT THE NOVEMBER 2005 STATEWIDE ELECTION.

SECTION 2. 31-30.5-307, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

31-30.5-307. State contribution. (6) IF VOTERS STATEWIDE APPROVE A BALLOT ISSUE SUBMITTED BY A JOINT RESOLUTION OF THE GENERAL ASSEMBLY AS SPECIFIED IN SECTION 24-115-110 (1) (a), C.R.S., THAT AUTHORIZES THE STATE TO ISSUE NOTES, AS DEFINED IN SECTION 24-115-103 (8), C.R.S., AND TO CREDIT NOTE PROCEEDS TO THE FIRE AND POLICE MEMBERS' BENEFIT FUND CREATED BY SECTION 31-31-301, THE STATE OBLIGATION SPECIFIED BY THIS SECTION SHALL BE SATISFIED TO THE EXTENT OF THE ACTUARIAL EQUIVALENCY OF THE PROCEEDS FROM THE NOTES.

SECTION 3. 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 1, 2005