

## CHAPTER 234

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**GOVERNMENT - STATE**

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## SENATE BILL 10-200

BY SENATOR(S) Schwartz, Morse, Romer, Whitehead, Williams;  
also REPRESENTATIVE(S) Fischer and Kefalas.

## AN ACT

CONCERNING AMENDMENTS TO THE "COLORADO RECOVERY AND REINVESTMENT FINANCE ACT OF 2009" THAT ARE NECESSARY TO CONFORM TO AMENDMENTS MADE TO THE FEDERAL "AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009" BY THE FEDERAL "HIRING INCENTIVES TO RESTORE EMPLOYMENT ACT".

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

**SECTION 1.** 11-59.7-103 (10) and (11), Colorado Revised Statutes, are amended, and the said 11-59.7-103 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

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

(10) "Federal direct payments" means amounts that the federal government is to pay to OR ON BEHALF OF a public entity that issues or enters into a ~~build America bond~~ STIMULUS OBLIGATION and elects to receive direct payments from the federal government WITH RESPECT TO THE STIMULUS OBLIGATION pursuant to ~~sections 54AA and 6431 of the internal revenue code or that issues or enters into a recovery zone economic development bond and elects to receive direct payments from the federal government pursuant to sections 1400U-2 and 6431 of the internal revenue code.~~

(11) "Federal recovery and reinvestment act" means the federal "American Recovery and Reinvestment Act of 2009", Pub.L. 111-5, and any amendments ~~thereto~~ TO THE ACT OR TO ANY PROVISION OF THE INTERNAL REVENUE CODE INCLUDED IN OR AMENDED BY THE ACT.

(37.5) "SPECIFIED TAX CREDIT BOND" HAS THE SAME MEANING AS SET FORTH IN

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

## SECTION 6431 OF THE INTERNAL REVENUE CODE.

**SECTION 2.** 11-59.7-104 (1) (g) and (1) (l), Colorado Revised Statutes, are amended to read:

**11-59.7-104. Stimulus obligations authorized under state law - ancillary agreements.** (1) Public entities may issue or enter into stimulus obligations as authorized by this article. Except as otherwise provided in this section and section 11-59.7-105, each type of stimulus obligation shall be issued or entered into by a public entity in accordance with a law of the state that authorizes or permits the public entity to issue bonds or enter into a lease-purchase agreement to finance or refinance a project that may be financed or refinanced with proceeds of the type of stimulus obligation under federal law. Notwithstanding any inconsistent provision of any other law of the state:

(g) Section 22-41-110, C.R.S., relating to timely payment of school district obligations, shall apply to a ~~qualified school construction bond~~ STIMULUS OBLIGATION issued or entered into by a school district that is a general obligation bond issued by a school district pursuant to article 42 or 43 of title 22, C.R.S., an obligation of a school district in connection with a lease agreement or installment purchase agreement entered into by a school district under section 22-32-127 or 22-45-103 (1) (c), C.R.S., or a refunding bond issued by a school district pursuant to article 56 of this title.

(l) The interest on and income from any stimulus obligation shall be exempt from all taxation and assessments in the state. In the stimulus obligation documents, the public entity that issues or enters into a stimulus obligation may make elections under the internal revenue code, including but not limited to an election to designate the stimulus obligation as a qualified tax-exempt obligation for purposes of section 265 of the internal revenue code, AN ELECTION TO TREAT THE STIMULUS OBLIGATION AS A SPECIFIED TAX CREDIT BOND, OR AN ELECTION TO RECEIVE FEDERAL DIRECT PAYMENTS WITH RESPECT TO THE STIMULUS OBLIGATION, and may waive the exemption of the interest on and income from any stimulus obligation from taxation and assessments in the state.

**SECTION 3.** Article 59.7 of title 11, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**11-59.7-113.5. Specified tax credit bonds.** A PUBLIC ENTITY MAY ELECT PURSUANT TO THE INTERNAL REVENUE CODE TO TREAT ANY STIMULUS OBLIGATION AS A SPECIFIED TAX CREDIT BOND. ANY VOLUME CAP ALLOCATED TO A PUBLIC ENTITY FOR STIMULUS OBLIGATIONS OF THE SAME TYPE AS A STIMULUS OBLIGATION FOR WHICH SUCH AN ELECTION HAS BEEN MADE SHALL APPLY TO THE STIMULUS OBLIGATION.

**SECTION 4. 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 18, 2010