

CHAPTER 146

**EDUCATION - POSTSECONDARY**

SENATE BILL 13-199

BY SENATOR(S) Giron, Baumgardner, Schwartz, Newell;  
also REPRESENTATIVE(S) Fischer, Szabo, Vigil, Buckner, Court, Garcia, Ginal, Hullinghorst, Lebsack, Melton, Mitsch Bush,  
Pabon, Priola, Rosenthal, Young.

**AN ACT**

**CONCERNING MODIFICATION OF THE STANDARD FOR DETERMINING WHETHER BONDS ISSUED BY A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION QUALIFY FOR THE HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM.**

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

**SECTION 1.** In Colorado Revised Statutes, 23-5-139, **amend** (1) (b) introductory portion and (1) (b) (I); and **add** (1) (c) as follows:

**23-5-139. Higher education revenue bond intercept program.** (1) (b) This section applies to revenue bonds issued by an institution pursuant to this article on or after ~~June 4, 2008~~ THE EFFECTIVE DATE OF THIS PARAGRAPH (b), AS AMENDED, and to refunding bonds issued by an institution pursuant to article 54, 56, or 57 of title 11, C.R.S., on or after ~~June 4, 2008~~ THE EFFECTIVE DATE OF THIS PARAGRAPH (b), AS AMENDED, if, on the date the bonds are issued:

(I) ~~The maximum total annual debt service payments of the revenue bond issue and any other bonds to which this section applies issued by the same institution are one hundred percent or less of the institution's prior year fee-for-service contract revenue;~~ THE GOVERNING BODY OF THE INSTITUTION HAS:

(A) A CREDIT RATING IN ONE OF THE THREE HIGHEST CATEGORIES, WITHOUT REGARD TO MODIFIERS WITHIN A CATEGORY, FROM AT LEAST ONE NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION AND, IF MORE THAN ONE SUCH ORGANIZATION HAS RATED AN INSTITUTION, NO CREDIT RATING THAT IS IN A CATEGORY BELOW THE THREE HIGHEST CATEGORIES, WITHOUT REGARD TO MODIFIERS WITHIN A CATEGORY; AND

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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.*

(B) A DEBT SERVICE COVERAGE RATIO OF AT LEAST ONE AND ONE-HALF TO ONE, MEASURED BY DIVIDING THE INSTITUTION'S NET REVENUE AVAILABLE FOR ANNUAL DEBT SERVICE OVER THE TOTAL AMOUNT OF ANNUAL DEBT SERVICE SUBJECT TO THIS ARTICLE AND THE ANNUAL DEBT SERVICE TO BE ISSUED PURSUANT TO THIS ARTICLE; AND

(c) THE STATE TREASURER MAY EXEMPT AN INSTITUTION FROM THE REQUIREMENTS OF SUBPARAGRAPH (I) OF PARAGRAPH (b) OF THIS SUBSECTION (1) IF THE REVENUE BONDS TO BE ISSUED ARE REFUNDING BONDS THAT RESULT IN COST SAVINGS TO THE INSTITUTION.

**SECTION 2. 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: April 26, 2013