

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0416.02 Jason Gelender x4330

SENATE BILL 18-001

SENATE SPONSORSHIP

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Senate Committees
Transportation

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A BILL FOR AN ACT

101 **CONCERNING TRANSPORTATION INFRASTRUCTURE FUNDING, AND, IN**
102 **CONNECTION THEREWITH, REQUIRING THE TRANSPORTATION**
103 **COMMISSION TO SUBMIT A BALLOT QUESTION TO THE VOTERS OF**
104 **THE STATE AT THE NOVEMBER 2018 GENERAL ELECTION,**
105 **WHICH, IF APPROVED, WOULD AUTHORIZE THE STATE, WITH NO**
106 **INCREASE IN ANY TAXES, TO ISSUE ADDITIONAL**
107 **TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE**
108 **PURPOSE OF ADDRESSING CRITICAL PRIORITY TRANSPORTATION**
109 **NEEDS IN THE STATE BY FUNDING TRANSPORTATION PROJECTS;**
110 **WOULD EXCLUDE NOTE PROCEEDS AND INVESTMENT EARNINGS**
111 **ON NOTE PROCEEDS FROM STATE FISCAL YEAR SPENDING**
112 **LIMITS; WOULD REPEAL AN EXISTING REQUIREMENT THAT THE**
113 **STATE TREASURER EXECUTE LEASE-PURCHASE AGREEMENTS**

*Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

101 **FOR THE PURPOSE OF FUNDING TRANSPORTATION PROJECTS;**
102 **AND WOULD REQUIRE TEN PERCENT OF STATE SALES AND USE**
103 **TAX NET REVENUE TO BE CREDITED TO THE STATE HIGHWAY**
104 **FUND FOR THE PURPOSE OF REPAYING ANY NOTES ISSUED AND**
105 **FUNDING TRANSPORTATION PROJECTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

In 1999, the voters of the state authorized the executive director of the department of transportation (executive director) to issue transportation revenue anticipation notes (TRANs) in a maximum principal amount of \$1.7 billion and with a maximum repayment cost of \$2.3 billion in order to provide financing to accelerate the construction of qualified federal aid transportation projects. The executive director issued the TRANs as authorized, and the TRANs have been fully repaid.

Section 8 of the bill requires the transportation commission (commission) to submit a ballot question to the voters of the state at the November 2018 statewide election, which, if approved:

- ! Would authorize the executive director to issue additional TRANs in a maximum principal amount of \$3.5 billion and with a maximum repayment cost of \$5 billion; and
- ! Would, in conjunction with **sections 3, 4, and 7**, repeal current law, enacted by Senate Bill 17-267, that requires the state treasurer to execute lease-purchase agreements of up to \$1.88 billion for the purpose of funding high-priority qualified federal aid transportation projects.

The additional TRANs must have a maximum repayment term of 20 years, and the certificate, trust indenture, or other instrument authorizing their issuance must provide that the state may pay them in full before the end of the specified payment term without penalty. Additional TRANs must otherwise generally be issued subject to the same requirements and for the same purposes as the original TRANs; except that the commission must pledge to annually allocate from legally available money under its control any money needed for payment of the notes until the notes are fully repaid. **Section 9** requires TRANs proceeds not otherwise pledged for TRANs payments to be credited to the state highway fund.

On and after July 1, 2018, **section 5** requires 10% of state sales and use tax net revenue to be credited to the state highway fund and used first to make TRANs payments. **Section 6** specifies that state sales and use tax net revenue credited to the state highway fund that is not expended to make TRANs payments and TRANs net proceeds credited to the state highway fund must be used only for qualified federal aid transportation projects that are included in the strategic transportation project investment program of the department of transportation (CDOT) and designated for tier 1 funding as 10-year development program projects on CDOT's development program project list. At least 25% of the TRANs net proceeds must be used for projects in counties with populations of 50,000 or less and at least 10% of the TRANs net proceeds must be used for transit purposes or transit-related capital improvements. **Section 7** requires CDOT to include specified information about the state sales and use tax net revenue and TRANs net proceeds in its annual report to the senate transportation committee and the house transportation and energy committee.

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

2 **SECTION 1. Short title.** The short title of this act is the "Fix
3 Colorado Roads Act".

4 **SECTION 2. Legislative declaration.** (1) The general assembly
5 hereby finds and declares that:

6 (a) Colorado's population is expected to increase to over six
7 million nine hundred thousand in 2030;

8 (b) Population growth has significantly increased traffic and
9 congestion and will continue to do so in the future, causing longer travel
10 times, increasing air pollution, decreasing Coloradans' access to
11 recreational opportunities, and accelerating the deterioration of
12 Colorado's transportation infrastructure;

13 (c) The growth of the economy of the state has prompted new and
14 ever-increasing uses of public highways, roads, and other transportation
15 infrastructure, and the existing transportation infrastructure of the state
16 cannot accommodate such greatly increased uses; and

1 (d) In order to preserve and improve Colorado's economic
2 prosperity and quality of life, it is necessary to develop and maintain a
3 modern, efficient, and cost-effective multimodal transportation system
4 that can move people, goods, and information without undue delays or
5 environmental consequences.

6 (2) The general assembly further finds and declares that:

7 (a) One of the major concerns of the citizens of the state is the
8 ability of the state and local governments to address the long-term
9 transportation infrastructure needs of the state that are critical to the
10 continued growth of the state's economy and the maintenance of citizens'
11 quality of life;

12 (b) The state has significantly decreased its contribution of general
13 state revenues available in recent years to fund critical priority
14 transportation infrastructure needs, and current transportation funding
15 mechanisms do not provide adequate revenues to keep pace with the
16 increasing demands on transportation infrastructure statewide;

17 (c) State and regional economically significant transportation
18 corridors, and their related congestion relief projects, remain unfunded or
19 underfunded while construction costs escalate and congestion worsens;

20 (d) In 1999, the general assembly and the voters of the state
21 approved Referendum A, which authorized the state to issue
22 transportation revenue anticipation notes to accelerate the funding and
23 completion of twenty-eight strategic transportation projects in significant
24 corridors, including the T-REX project, the highly successful expansion
25 and congestion mitigation project for the Interstate 25 corridor in the
26 Denver metropolitan area;

27 (e) The success of the 1999 transportation revenue anticipation

1 notes program shows that leveraging existing revenue is a prudent and
2 cost-effective means to accelerate and deliver large-scale and
3 economically significant transportation projects throughout the state;

4 (f) In 2017, the general assembly enacted Senate Bill 17-267,
5 which:

6 (I) Requires the state, no sooner than July 1, 2018, to enter into
7 lease-purchase agreements for state facilities in order to accelerate the
8 funding of high-priority transportation projects throughout the state; and

9 (II) Significantly increases the amount of money that the state may
10 retain and spend under its fiscal year spending limit;

11 (g) While the lease-purchase agreements required by Senate Bill
12 17-267 will provide some increased funding for transportation, such
13 agreements leverage state capital assets, rather than state revenue, and
14 cost the state more money in borrowing costs than transportation revenue
15 anticipation notes do;

16 (h) It is therefore reasonable, necessary, and appropriate, if
17 required statewide voter approval can be obtained, to use transportation
18 revenue anticipation notes instead of lease-purchase agreements to
19 finance federal aid transportation projects because doing so will generate
20 a larger amount of up-front revenue for the projects and enable the state
21 to design and construct the projects more efficiently;

22 (i) It is the intent of the general assembly to annually appropriate
23 a portion of the additional money that the state may retain and spend
24 under its fiscal year spending limit due to the enactment of Senate Bill
25 17-267 for the purpose of repaying transportation revenue anticipation
26 notes; and

27 (j) The issuance of new transportation revenue anticipation notes

1 in lieu of the execution of lease-purchase agreements will accelerate the
2 funding and efficient completion of a greater number of specific and
3 designated projects throughout the state that the Colorado department of
4 transportation and the transportation planning regions of the state have
5 determined to be of highest priority and economically significant to the
6 state and the regions in which they will be built.

7 **SECTION 3.** In Colorado Revised Statutes, 24-82-1301, **amend**
8 (1)(a) and (1)(b) as follows:

9 **24-82-1301. Legislative declaration.** (1) The general assembly
10 hereby finds and declares that:

11 (a) Due to insufficient funding, necessary high-priority ~~state~~
12 ~~highway projects~~ and state capital construction projects, including
13 projects at state institutions of higher education, in all areas of the state
14 have been delayed, and the state has also delayed critical controlled
15 maintenance and upkeep of state capital assets;

16 (b) By issuing lease-purchase agreements using state buildings as
17 collateral as authorized by this part 13, the state can generate sufficient
18 funds to accelerate the completion of many of the necessary high-priority
19 ~~state highway projects~~ and capital construction projects that have been
20 delayed and better maintain and preserve existing state capital assets;

21 **SECTION 4.** In Colorado Revised Statutes, 24-82-1303, **amend**
22 (2)(a), (2)(b), (2)(d), (3)(a), and (4); and **repeal** (1) as follows:

23 **24-82-1303. Lease-purchase agreements for capital**
24 **construction and transportation projects.** (1) ~~On or before December~~
25 ~~31, 2017, the state architect, the director of the office of state planning~~
26 ~~and budgeting or his or her designee, and the state institutions of higher~~
27 ~~education shall identify and prepare a collaborative list of eligible state~~

1 facilities that can be collateralized as part of the lease-purchase
2 agreements for capital construction and transportation projects authorized
3 in this part 13. The total current replacement value of the identified
4 buildings must equal at least two billion dollars.

5 (2) (a) Notwithstanding the provisions of sections 24-82-102
6 (1)(b) and 24-82-801, and pursuant to section 24-36-121, ~~no sooner than~~
7 ~~July 1, 2018,~~ DURING THE 2018-19 STATE FISCAL YEAR the state, acting by
8 and through the state treasurer, shall execute lease-purchase agreements,
9 each for no more than twenty years of annual payments, IN THE AMOUNT
10 OF ONE HUNDRED TWENTY MILLION DOLLARS for the projects described in
11 subsection (4) of this section. ~~The state shall execute the lease-purchase~~
12 ~~agreements only in accordance with the following schedule:~~

13 (I) ~~During the 2018-19 state fiscal year, the state shall execute~~
14 ~~lease-purchase agreements in an amount up to five hundred million~~
15 ~~dollars;~~

16 (II) ~~During the 2019-20 state fiscal year, the state shall execute~~
17 ~~lease-purchase agreements in an amount up to five hundred million~~
18 ~~dollars;~~

19 (III) ~~During the 2020-21 state fiscal year, the state shall execute~~
20 ~~lease-purchase agreements in an amount up to five hundred million~~
21 ~~dollars; and~~

22 (IV) ~~During the 2021-22 fiscal year, the state shall execute~~
23 ~~lease-purchase agreements in an amount up to five hundred million~~
24 ~~dollars.~~

25 (b) The anticipated annual state-funded payments for the principal
26 and interest components of the amount payable under all lease-purchase
27 agreements entered into pursuant to subsection (2)(a) of this section shall

1 not exceed ~~one hundred fifty~~ NINE million dollars.

2 (d) Any lease-purchase agreement executed as required by
3 subsection (2)(a) of this section shall provide that all of the obligations of
4 the state under the agreement are subject to the action of the general
5 assembly in annually making money available for all payments
6 thereunder. Payments under any lease-purchase agreement must be made,
7 subject to ~~annual allocation pursuant to section 43-1-113 by the~~
8 ~~transportation commission created in section 43-1-106 (1) or subject to~~
9 annual appropriation by the general assembly, ~~as applicable,~~ from the
10 following sources of money:

11 (I) ~~First, nine million dollars annually, or any lesser amount that~~
12 ~~is sufficient to make each full payment due, shall be paid from the general~~
13 ~~fund or any other legally available source of money for the purpose of~~
14 ~~fully funding the controlled maintenance and capital construction projects~~
15 ~~in the state to be funded with the proceeds of lease-purchase agreements~~
16 ~~as specified in subsection (4)(a) of this section;~~ (4) OF THIS SECTION.

17 (II) ~~Next, fifty million dollars annually, or any lesser amount that~~
18 ~~is sufficient to make each full payment due, shall be paid from any legally~~
19 ~~available money under the control of the transportation commission solely~~
20 ~~for the purpose of allowing the construction, supervision, and~~
21 ~~maintenance of state highways to be funded with the proceeds of~~
22 ~~lease-purchase agreements as specified in subsection (4)(b) of this section~~
23 ~~and section 43-4-206 (1)(b)(V); and~~

24 (III) ~~The remainder of the amount needed, in addition to the~~
25 ~~amounts specified in subsections (2)(d)(I) and (2)(d)(II) of this section,~~
26 ~~to make each full payment due shall be paid from the general fund or any~~
27 ~~other legally available source of money.~~

1 (3) (a) Before executing a lease-purchase agreement required by
2 subsection (2)(a) of this section, in order to protect against future interest
3 rate increases, the state, acting by and through the state treasurer and at
4 the discretion of the state treasurer, may enter into an interest rate
5 exchange agreement pursuant to article 59.3 of title 11. A lease-purchase
6 agreement executed as required by subsection (2)(a) of this section is a
7 proposed public security for the purposes of article 59.3 of title 11. Any
8 payments made by the state under an agreement entered into pursuant to
9 this subsection (3) must be made solely from money made available to the
10 state treasurer from the execution of a lease-purchase agreement or from
11 money described in ~~subsections (2)(d)(I) and (2)(d)(II)~~ SUBSECTION (2)(d)
12 of this section.

13 (4) Proceeds of lease-purchase agreements executed as required
14 by subsection (2)(a) of this section shall be used as follows:

15 ~~(a) (I) The first one hundred twenty million dollars of the proceeds~~
16 ~~of lease-purchase agreements issued during the 2018-19 state fiscal year~~
17 ~~shall be used for controlled maintenance and capital construction projects~~
18 in the state as follows:

19 ~~(A)~~ (a) Thirteen million six thousand eighty-one dollars for level
20 I controlled maintenance;

21 ~~(B)~~ (b) Sixty million six hundred thirty-seven thousand three
22 hundred five dollars for level II controlled maintenance;

23 ~~(C)~~ (c) Forty million two hundred nine thousand five hundred
24 thirty-five dollars for level III controlled maintenance; and

25 ~~(D)~~ (d) The remainder for capital construction projects as
26 prioritized by the capital development committee.

27 ~~(H) The capital development committee shall post the list of~~

1 ~~specific controlled maintenance projects and the cost of each project~~
2 ~~funded pursuant to subsection (4)(a)(I)(A), (4)(a)(I)(B), or (4)(a)(I)(C) of~~
3 ~~this section on its official website no later than May 11, 2017.~~

4 ~~(b) The remainder of the proceeds shall be credited to the state~~
5 ~~highway fund created in section 43-1-219 and used by the department of~~
6 ~~transportation in accordance with section 43-4-206 (1)(b)(V).~~

7 **SECTION 5.** In Colorado Revised Statutes, 39-26-123, **amend**
8 **(3); and add (3.2) as follows:**

9 **39-26-123. Receipts - disposition - transfers of general fund**
10 **surplus - sales tax holding fund - creation - definitions.** (3) For any
11 state fiscal year commencing on or after ~~July 1, 2013~~ JULY 1, 2018, the
12 state treasurer shall credit eighty-five percent of all net revenue
13 ATTRIBUTABLE TO FILING PERIODS COMMENCING ON OR AFTER JULY 1,
14 2018, THAT IS collected under the provisions of this ~~article~~ ARTICLE 26 to
15 the old age pension fund created in section 1 of article XXIV of the state
16 constitution. The state treasurer shall credit ~~to the general fund~~ the
17 remaining fifteen percent of the net revenue ~~less ten million dollars,~~
18 ~~which the state treasurer shall credit~~ AS FOLLOWS:

19 (a) TEN PERCENT OF THE NET REVENUE TO THE STATE HIGHWAY
20 FUND CREATED IN SECTION 43-1-219;

21 (b) FIVE PERCENT OF THE NET REVENUE LESS TEN MILLION
22 DOLLARS TO THE GENERAL FUND; AND

23 (c) TEN MILLION DOLLARS to the older Coloradans cash fund
24 created in section 26-11-205.5 (5). ~~C.R.S.~~

25 (3.2) THE DEPARTMENT OF TRANSPORTATION SHALL EXPEND ANY
26 MONEY CREDITED TO THE STATE HIGHWAY FUND CREATED IN SECTION
27 43-1-219 IN ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION FIRST TO

1 MAKE PAYMENTS ON TRANSPORTATION REVENUE ANTICIPATION NOTES
2 ISSUED PURSUANT TO SECTION 43-4-705 (13)(b). THE DEPARTMENT SHALL
3 EXPEND ANY OF THE MONEY NOT NEEDED TO MAKE PAYMENTS ON
4 TRANSPORTATION REVENUE ANTICIPATION NOTES AS PROVIDED IN SECTION
5 43-1-220.5.

6 **SECTION 6.** In Colorado Revised Statutes, **add** 43-1-220.5 as
7 follows:

8 **43-1-220.5. State highway fund - use of sales and use tax net**
9 **revenue and net proceeds of additional revenue transportation notes.**

10 ALL STATE SALES AND USE TAX NET REVENUE CREDITED TO THE STATE
11 HIGHWAY FUND PURSUANT TO SECTION 39-26-123 (3)(a) THAT IS NOT
12 EXPENDED TO MAKE PAYMENTS ON ADDITIONAL TRANSPORTATION
13 REVENUE ANTICIPATION NOTES ISSUED PURSUANT TO SECTION 43-4-705
14 (13)(b) AS REQUIRED BY SECTION 39-26-123 (3.2) AND ALL NET PROCEEDS
15 OF SUCH ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES
16 CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-714
17 (2) SHALL BE EXPENDED ONLY FOR QUALIFIED FEDERAL AID
18 TRANSPORTATION PROJECTS THAT ARE INCLUDED IN THE STRATEGIC
19 TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT
20 OF TRANSPORTATION AND THAT ARE DESIGNATED FOR TIER 1 FUNDING AS
21 TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S
22 DEVELOPMENT PROGRAM PROJECT LIST, WITH AT LEAST TWENTY-FIVE
23 PERCENT OF THE NET PROCEEDS OF TRANSPORTATION REVENUE
24 ANTICIPATION NOTES BEING USED FOR PROJECTS THAT ARE LOCATED IN
25 COUNTIES WITH POPULATIONS OF FIFTY THOUSAND OR LESS AS OF JULY
26 2015 AS REPORTED BY THE STATE DEMOGRAPHY OFFICE OF THE
27 DEPARTMENT OF LOCAL AFFAIRS. NO MORE THAN NINETY PERCENT OF THE

1 NET PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES SHALL
2 BE EXPENDED FOR HIGHWAY PURPOSES OR HIGHWAY-RELATED CAPITAL
3 IMPROVEMENTS, AND AT LEAST TEN PERCENT OF THE NET PROCEEDS SHALL
4 BE EXPENDED FOR TRANSIT PURPOSES OR FOR TRANSIT-RELATED CAPITAL
5 IMPROVEMENTS.

6 **SECTION 7.** In Colorado Revised Statutes, 43-4-206, **amend** (1)
7 introductory portion, (1)(b)(V), (2)(b) introductory portion, (2)(b)(III),
8 and (2)(b)(IV) as follows:

9 **43-4-206. State allocation.** (1) Except as otherwise provided in
10 ~~subsections (1)(a)(V)~~, SUBSECTIONS (1)(b)(V), (2), and (3) of this section,
11 after paying the costs of the Colorado state patrol and any other costs of
12 the department, exclusive of highway construction, highway
13 improvements, or highway maintenance, that are appropriated by the
14 general assembly, money in the highway users tax fund shall be paid to
15 the state highway fund and expended for the following purposes:

16 (b) Except as otherwise provided in subsection (2) of this section,
17 all money in the state highway fund not required for the creation,
18 maintenance, and application of the highway anticipation or sinking fund
19 and all money in the state highway supplementary fund are available to
20 pay for:

21 (V) The construction, reconstruction, repairs, improvement,
22 planning, supervision, and maintenance of the state highway system and
23 other public highways, including any county and municipal roads and
24 highways, together with the acquisition of rights-of-way and access rights
25 for the same. ~~Any proceeds of lease-purchase agreements executed as~~
26 ~~required by section 24-82-1303 (2)(a) that are credited to the state~~
27 ~~highway fund pursuant to section 24-82-1303 (4)(b) shall be used only for~~

1 qualified federal aid highway projects that are included in the strategic
2 transportation project investment program of the department of
3 transportation and that are designated for tier 1 funding as ten-year
4 development program projects on the department's development program
5 project list, with at least twenty-five percent of the money being used for
6 projects that are located in counties with populations of fifty thousand or
7 less as of July 2015 as reported by the state demography office of the
8 department of local affairs. No more than ninety percent of the proceeds
9 shall be expended for highway purposes or highway-related capital
10 improvements, and at least ten percent of the proceeds shall be expended
11 for transit purposes or for transit-related capital improvements.

12 (2) (b) Beginning in 1998, the department of transportation shall
13 report annually to the transportation committee of the senate and the
14 transportation and energy committee of the house of representatives
15 concerning the revenue expended by the department pursuant to
16 subsection (2)(a) of this section and, beginning in ~~2018~~ 2019, any STATE
17 SALES AND USE TAX NET REVENUE THAT IS CREDITED TO THE STATE
18 HIGHWAY FUND PURSUANT TO SECTION 39-26-123 (3) AND EXPENDED BY
19 THE DEPARTMENT PURSUANT TO SECTION 43-1-220.5, AND ANY NET
20 proceeds of ~~lease-purchase agreements executed as required by section~~
21 ~~24-82-1303 (2)(a)~~ ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION
22 NOTES that are credited to the state highway fund pursuant to ~~section~~
23 ~~24-82-1303 (4)(b)~~ SECTION 43-4-714 (2) and expended by the department
24 pursuant to ~~subsection (1)(b)(V) of this section~~ SECTION 43-1-220.5. The
25 department shall present the report at the joint meeting required under
26 section 43-1-113 (9)(a), and the report shall describe for each fiscal year,
27 if applicable:

1 (III) The projected amounts of revenue and net proceeds that the
2 department expects to receive under this subsection (2), ~~and subsection~~
3 ~~(1)(b)(V) of this section~~ SECTION 39-26-123 (3), AND SECTION 43-4-714
4 (2) during the fiscal year;

5 (IV) The amount of revenue and net proceeds that the department
6 has already received under this subsection (2), ~~and subsection (1)(b)(V)~~
7 ~~of this section~~ SECTION 39-26-123 (3), AND SECTION 43-4-714 (2) during
8 the fiscal year; and

9 **SECTION 8.** In Colorado Revised Statutes, 43-4-705, **amend**
10 (13) as follows:

11 **43-4-705. Revenue anticipation notes - repeal.**

12 (13) (a) Notwithstanding any other provision of this part 7 to the
13 contrary, the executive director shall have the authority to issue revenue
14 anticipation notes pursuant to this part 7 only if voters statewide approve
15 the ballot question submitted at the November 1999 statewide election
16 pursuant to section 43-4-703 (1) and only then to the extent allowed under
17 the maximum amounts of debt and repayment cost so approved.

18 (b) (I) SUBJECT TO VOTER APPROVAL OF THE BALLOT ISSUE
19 SUBMITTED AT THE NOVEMBER 2018 GENERAL ELECTION PURSUANT TO
20 SUBSECTION (13)(b)(III) OF THIS SECTION AND THE REPAYMENT FUNDING
21 COMMITMENT REQUIREMENT SPECIFIED IN SUBSECTION (13)(b)(II) OF THIS
22 SECTION, THE EXECUTIVE DIRECTOR MAY ISSUE ADDITIONAL
23 TRANSPORTATION REVENUE ANTICIPATION NOTES IN A MAXIMUM AMOUNT
24 OF THREE BILLION FIVE HUNDRED MILLION DOLLARS AND WITH A
25 MAXIMUM REPAYMENT COST OF FIVE BILLION DOLLARS. THE MAXIMUM
26 REPAYMENT TERM FOR ANY NOTES ISSUED PURSUANT TO THIS SUBSECTION
27 (13)(b) IS TWENTY YEARS, AND THE CERTIFICATE, TRUST INDENTURE, OR

1 OTHER INSTRUMENT AUTHORIZING THEIR ISSUANCE SHALL PROVIDE THAT
2 THE STATE MAY PAY THE NOTES IN FULL BEFORE THE END OF THE
3 SPECIFIED PAYMENT TERM WITHOUT PENALTY.

4 (II) NOTWITHSTANDING SECTION 43-1-113 (19) AND SUBSECTION
5 (12)(a) OF THIS SECTION, BEFORE ISSUING ANY REVENUE ANTICIPATION
6 NOTES AS AUTHORIZED BY SUBSECTION (13)(b)(I) OF THIS SECTION, THE
7 TRANSPORTATION COMMISSION SHALL ADOPT A RESOLUTION PLEDGING TO
8 ANNUALLY ALLOCATE FROM LEGALLY AVAILABLE MONEY UNDER ITS
9 CONTROL ANY AMOUNT NEEDED FOR PAYMENT OF THE NOTES UNTIL THE
10 NOTES ARE FULLY REPAID.

11 (III) THE TRANSPORTATION COMMISSION SHALL DIRECT THE
12 SECRETARY OF STATE TO SUBMIT TO THE REGISTERED ELECTORS OF THE
13 STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018
14 GENERAL ELECTION THE FOLLOWING BALLOT ISSUE: "SHALL STATE OF
15 COLORADO DEBT BE INCREASED UP TO \$3,500,000,000, WITH A MAXIMUM
16 REPAYMENT COST OF \$5,000,000,000, THROUGH THE ISSUANCE OF
17 ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE
18 PURPOSE OF ADDRESSING CRITICAL PRIORITY TRANSPORTATION NEEDS IN
19 THE STATE BY FINANCING TRANSPORTATION PROJECTS, SHALL NOTE
20 PROCEEDS AND INVESTMENT EARNINGS ON NOTE PROCEEDS BE EXCLUDED
21 FROM STATE FISCAL YEAR SPENDING LIMITS, AND SHALL AN EXISTING
22 REQUIREMENT THAT THE STATE TREASURER EXECUTE LEASE-PURCHASE
23 AGREEMENTS FOR THE PURPOSE OF FUNDING TRANSPORTATION PROJECTS
24 BE REPEALED?"

25 (IV) WITHIN FORTY-FIVE DAYS OF THE EFFECTIVE DATE OF THIS
26 SUBSECTION (13)(b)(IV), THE DEPARTMENT SHALL PROVIDE TO THE
27 DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL THE MOST RECENT

1 AVAILABLE LIST OF QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS,
2 INCLUDING MULTIMODAL CAPITAL PROJECTS, THAT ARE DESIGNATED FOR
3 TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE
4 DEPARTMENT'S 2018 DEVELOPMENT PROGRAM PROJECT LIST AND THAT
5 THE DEPARTMENT WILL FUND WITH PROCEEDS OF ANY ADDITIONAL
6 TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED
7 BY THIS SUBSECTION (13)(b). IN ORDER TO FULLY INFORM THE VOTERS OF
8 THE STATE CONCERNING THE PROJECTS TO BE FUNDED WITH PROCEEDS OF
9 ANY SUCH ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES
10 BEFORE THE VOTERS VOTE ON THE BALLOT QUESTION SPECIFIED IN
11 SUBSECTION (13)(b)(III) OF THIS SECTION, THE DIRECTOR OF RESEARCH
12 SHALL PUBLISH THE LIST, INCLUDING ANY SUBSEQUENT UPDATES TO THE
13 LIST MADE BEFORE FINAL APPROVAL BY THE LEGISLATIVE COUNCIL OF THE
14 2018 BALLOT INFORMATION BOOKLET PREPARED PURSUANT TO SECTION
15 1-40-124.5, WHICH UPDATES THE DEPARTMENT SHALL EXPEDITIOUSLY
16 PROVIDE TO THE DIRECTOR OF RESEARCH, IN THE BALLOT INFORMATION
17 BOOKLET.

18 (V) (A) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT
19 ISSUE IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "NO/AGAINST",
20 THEN THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2019.

21 (B) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE
22 IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "YES/FOR", THEN THIS
23 SUBSECTION (13)(b)(V) IS REPEALED, EFFECTIVE JANUARY 1, 2019.

24 **SECTION 9.** In Colorado Revised Statutes, **amend** 43-4-714 as
25 follows:

26 **43-4-714. Priority of strategic transportation project**
27 **investment program - additional contract award process**

1 **requirements.** (1) If the executive director issues any revenue
2 anticipation notes in accordance with the provisions of this part 7, the
3 proceeds from the sale of such notes that are not otherwise pledged for
4 the payment of such notes shall be used for the qualified federal aid
5 transportation projects included in the strategic transportation project
6 investment program of the department of transportation.

7 (2) IN ADDITION TO THE REQUIREMENT SPECIFIED IN SUBSECTION
8 (1) OF THIS SECTION, NET PROCEEDS FROM THE SALE OF ANY ADDITIONAL
9 TRANSPORTATION REVENUE ANTICIPATION NOTES THAT THE EXECUTIVE
10 DIRECTOR ISSUES PURSUANT TO SECTION 43-4-705 (13)(b) THAT ARE NOT
11 OTHERWISE PLEDGED FOR THE PAYMENT OF THE NOTES SHALL BE
12 CREDITED TO THE STATE HIGHWAY FUND AND EXPENDED BY THE
13 DEPARTMENT ONLY AS SPECIFIED IN SECTION 43-1-220.5.

14 **SECTION 10. Effective date.** (1) Except as otherwise provided
15 in subsection (2) of this section, this act takes effect only if, at the
16 November 2018 general election, a majority of voters approve the ballot
17 issue submitted pursuant to section 43-4-705 (13)(b), Colorado Revised
18 Statutes, as enacted in section 8 of this act, and, in such case, this act
19 takes effect on the date of the official declaration of the vote thereon by
20 the governor.

21 (2) This section 10 and sections 1, 2, 5, 6, 8, and 11 of this act
22 take effect upon passage.

23 **SECTION 11. Safety clause.** The general assembly hereby finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, and safety.