

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 19-0643.01 Jason Gelender x4330

HOUSE BILL 19-1055

HOUSE SPONSORSHIP

Bird,

SENATE SPONSORSHIP

Zenzinger,

House Committees

Education
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROVISION OF STATE FINANCIAL ASSISTANCE FOR**
102 **PUBLIC SCHOOL CAPITAL CONSTRUCTION, AND, IN CONNECTION**
103 **THEREWITH, INCREASING THE AMOUNT OF RETAIL MARIJUANA**
104 **EXCISE TAX REVENUE THAT IS CREDITED TO THE PUBLIC SCHOOL**
105 **CAPITAL CONSTRUCTION ASSISTANCE FUND, INCREASING THE**
106 **MAXIMUM TOTAL AMOUNT OF ANNUAL LEASE PAYMENTS**
107 **PAYABLE BY THE STATE FOR FINANCIAL ASSISTANCE PROVIDED**
108 **UNDER THE TERMS OF LEASE-PURCHASE AGREEMENTS, AND**
109 **MORE PRECISELY TYING THE TOTAL AMOUNT OF FINANCIAL**
110 **ASSISTANCE PROVIDED TO CHARTER SCHOOLS TO THE NUMBER**
111 **OF STUDENTS ENROLLED IN CHARTER SCHOOLS.**

Bill Summary

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.

(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>.)

Current law requires the greater of the first \$40 million of state retail marijuana excise tax revenue or 90% of the revenue to be credited to the public school capital construction assistance fund (assistance fund) and limits the maximum total amount of annual lease payments payable by the state under the terms of all outstanding lease-purchase agreements entered into as authorized by the "Building Excellent Schools Today Act" (BEST) to \$100 million. Beginning July 1, 2019, the bill:

- ! Requires all state retail marijuana excise tax revenue to be credited to the assistance fund;
- ! Increases the maximum total amount of BEST annual lease payments to \$105 million for state fiscal year 2019-20 and to \$110 million for state fiscal year 2020-21 and each state fiscal year thereafter;
- ! Changes the percentage of the state retail marijuana excise tax revenue credited to the assistance fund that is further credited to the charter school facilities assistance account of the assistance fund for distribution to charter schools from 12.5% to a percentage equal to the percentage of students included in the statewide funded pupil count who were enrolled in charter schools for the prior school year; and
- ! Changes the total amount of money annually appropriated from the state education fund for charter school capital construction from a flat amount of \$20 million per year to \$20 million per year annually adjusted for changes in the percentage of students included in the statewide funded pupil count who are enrolled in charter schools.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-43.7-104, **amend**
3 (2)(d) and (3) as follows:

4 **22-43.7-104. Public school capital construction assistance fund**
5 **- creation - crediting of money to fund - use of fund - emergency**
6 **reserve - creation - reserve account - creation and use.**

1 ~~(2) (d) Beginning January 1, 2014, and ending June 30, 2018, the state~~
2 ~~treasurer, as provided in section 39-28.8-305 (1)(a), shall annually credit~~
3 ~~to the assistance fund the first forty million dollars received and collected~~
4 ~~from the excise tax on retail marijuana imposed pursuant to part 3 of~~
5 ~~article 28.8 of title 39. On and after~~ FOR THE STATE FISCAL YEAR
6 COMMENCING July 1, 2018, the state treasurer, as provided in section
7 39-28.8-305 (1)(a), shall annually credit to the assistance fund the greater
8 of the first forty million dollars received and collected from the excise tax
9 on retail marijuana imposed pursuant to part 3 of article 28.8 of title 39
10 or ninety percent of the money received and collected from the tax. FOR
11 THE STATE FISCAL YEAR COMMENCING JULY 1, 2019, AND FOR EACH STATE
12 FISCAL YEAR THEREAFTER, THE STATE TREASURER, AS PROVIDED IN
13 SECTION 39-28.8-305 (1)(a), SHALL ANNUALLY CREDIT TO THE
14 ASSISTANCE FUND ALL OF THE MONEY RECEIVED AND COLLECTED FROM
15 THE EXCISE TAX ON RETAIL MARIJUANA IMPOSED PURSUANT TO PART 3 OF
16 ARTICLE 28.8 OF TITLE 39. FOR STATE FISCAL YEARS COMMENCING BEFORE
17 JULY 1, 2019, the state treasurer shall credit twelve and five-tenths
18 percent of the amount annually credited pursuant to this subsection (2)(d)
19 to the charter school facilities assistance account, which account is
20 created within the assistance fund. FOR EACH STATE FISCAL YEAR
21 COMMENCING ON OR AFTER JULY 1, 2019, THE STATE TREASURER SHALL
22 CREDIT TO THE CHARTER SCHOOL FACILITIES ASSISTANCE ACCOUNT A
23 PERCENTAGE OF THE AMOUNT CREDITED PURSUANT TO THIS SUBSECTION
24 (2)(d) THAT IS EQUAL TO THE PERCENTAGE OF STUDENTS INCLUDED IN THE
25 STATEWIDE FUNDED PUPIL COUNT WHO WERE ENROLLED IN CHARTER
26 SCHOOLS FOR THE PRIOR SCHOOL YEAR. THE DEPARTMENT OF EDUCATION
27 SHALL NOTIFY THE STATE TREASURER OF THE APPLICABLE PERCENTAGE NO

1 LATER THAN JUNE 1 OF THE IMMEDIATELY PRECEDING FISCAL YEAR.

2 (3) (a) FOR STATE FISCAL YEARS ENDING BEFORE JULY 1, 2018,
3 AND FOR STATE FISCAL YEARS COMMENCING ON AND AFTER JULY 1, 2020,
4 subject to annual appropriation, the department may expend ~~moneys~~
5 MONEY in the assistance fund for the purposes of paying the direct and
6 indirect administrative costs, including but not limited to the costs of
7 conducting or contracting for the financial assistance priority assessment
8 required by section 22-43.7-108 (1), incurred by the division, the board,
9 and the department in exercising their powers and duties pursuant to this
10 ~~article~~ ARTICLE 43.7, providing financial assistance, ~~making payments~~
11 ~~required by section 22-43.7-114~~, and paying any transaction costs
12 necessarily incurred in connection with the provision of financial
13 assistance as authorized by this ~~article~~ ARTICLE 43.7.

14 (b) FOR STATE FISCAL YEARS COMMENCING ON AND AFTER JULY
15 1, 2018, BUT BEFORE JULY 1, 2020, THE ASSISTANCE FUND IS
16 CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT, WHICH MAY EXPEND
17 MONEY IN THE ASSISTANCE FUND FOR THE PURPOSES OF PAYING THE
18 DIRECT AND INDIRECT ADMINISTRATIVE COSTS, INCLUDING BUT NOT
19 LIMITED TO THE COSTS OF CONDUCTING OR CONTRACTING FOR THE
20 FINANCIAL ASSISTANCE PRIORITY ASSESSMENT REQUIRED BY SECTION
21 22-43.7-108 (1), INCURRED BY THE DIVISION, THE BOARD, AND THE
22 DEPARTMENT IN EXERCISING THEIR POWERS AND DUTIES PURSUANT TO
23 THIS ARTICLE 43.7, PROVIDING FINANCIAL ASSISTANCE, AND PAYING ANY
24 TRANSACTION COSTS NECESSARILY INCURRED IN CONNECTION WITH THE
25 PROVISION OF FINANCIAL ASSISTANCE AS AUTHORIZED BY THIS ARTICLE
26 43.7.

27 **SECTION 2.** In Colorado Revised Statutes, 22-43.7-110, **amend**

1 (2)(a) introductory portion, (2)(a)(V), and (2)(a)(VI); and **add** (2)(a)(VII)
2 and (2)(a)(VIII) as follows:

3 **22-43.7-110. Financial assistance - grants - lease-purchase**
4 **agreements.** (2) Subject to the following requirements and limitations,
5 the board may also instruct the state treasurer to enter into lease-purchase
6 agreements on behalf of the state to provide financial assistance to
7 applicants by financing public school facility capital construction projects
8 for which the state board has recommended and the capital development
9 committee has authorized the provision of financial assistance that
10 involves a lease-purchase agreement pursuant to section 22-43.7-109 (7):

11 (a) Subject to the limitation specified in ~~paragraph (b) of this~~
12 ~~subsection (2)~~ SUBSECTION (2)(b) OF THIS SECTION, the maximum total
13 amount of annual lease payments payable by the state during any fiscal
14 year under the terms of all outstanding lease-purchase agreements entered
15 into by the state treasurer as instructed by the board pursuant to this
16 subsection (2) is:

- 17 (V) Ninety million dollars for the 2016-17 fiscal year; ~~and~~
- 18 (VI) One hundred million dollars for the 2017-18 ~~fiscal year and~~
19 ~~for each fiscal year thereafter.~~ AND 2018-19 FISCAL YEARS;
- 20 (VII) ONE HUNDRED FIVE MILLION DOLLARS FOR THE 2019-20
21 FISCAL YEAR; AND
- 22 (VIII) ONE HUNDRED TEN MILLION DOLLARS FOR THE 2020-21
23 FISCAL YEAR AND FOR EACH FISCAL YEAR THEREAFTER.

24 **SECTION 3.** In Colorado Revised Statutes, 22-54-124, **amend**
25 (3)(a)(IV)(B); and **add** (3)(a)(IV)(C) as follows:

26 **22-54-124. State aid for charter schools - use of state education**
27 **fund money - definitions.** (3) (a) (IV) (B) The total amount of state

1 education fund ~~moneys~~ MONEY to be appropriated for all eligible districts
2 and all eligible institute charter schools for the 2015-16 budget year and
3 FOR each budget year thereafter THROUGH THE 2018-19 BUDGET YEAR is
4 twenty million dollars.

5 (C) THE TOTAL AMOUNT OF STATE EDUCATION FUND MONEY TO BE
6 APPROPRIATED FOR ALL ELIGIBLE DISTRICTS AND ALL ELIGIBLE INSTITUTE
7 CHARTER SCHOOLS FOR THE 2019-20 BUDGET YEAR AND FOR EACH
8 BUDGET YEAR THEREAFTER IS TWENTY MILLION DOLLARS MULTIPLIED BY
9 THE QUOTIENT OF THE NUMBER OF STUDENTS INCLUDED IN THE STATEWIDE
10 FUNDED PUPIL COUNT WHO WERE ENROLLED IN CHARTER SCHOOLS FOR
11 THE SCHOOL YEAR IMMEDIATELY PRECEDING THE BUDGET YEAR AND THE
12 NUMBER OF STUDENTS INCLUDED IN THE STATEWIDE FUNDED PUPIL COUNT
13 WHO WERE ENROLLED IN CHARTER SCHOOLS FOR THE 2017-18 SCHOOL
14 YEAR.

15 **SECTION 4.** In Colorado Revised Statutes, **amend** 39-28.8-305
16 as follows:

17 **39-28.8-305. Distribution of tax collected - repeal.** (1) All
18 money received and collected in payment of the tax imposed by this part
19 3 shall be transmitted to the state treasurer, who shall distribute the money
20 as follows:

21 (a) (I) ~~Until June 30, 2018, the first forty million dollars received~~
22 ~~and collected annually shall be transferred to the public school capital~~
23 ~~construction assistance fund created by article 43.7 of title 22 or to any~~
24 ~~successor fund dedicated to a similar purpose; and~~

25 (II) (A) ~~On and after~~ FOR THE STATE FISCAL YEAR COMMENCING
26 July 1, 2018, the greater of the first forty million dollars received and
27 collected annually or ninety percent of the money received and collected

1 annually shall be transferred to the public school capital construction
2 assistance fund created by article 43.7 of title 22 or to any successor fund
3 dedicated to a similar ~~purpose~~, and PURPOSE.

4 (B) THIS SUBSECTION (1)(a)(II) IS REPEALED, EFFECTIVE JULY 1,
5 2020.

6 (III) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2019, AND
7 FOR EACH STATE FISCAL YEAR THEREAFTER, ALL OF THE MONEY RECEIVED
8 AND COLLECTED ANNUALLY SHALL BE TRANSFERRED TO THE PUBLIC
9 SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND CREATED BY ARTICLE
10 43.7 OF TITLE 22 OR TO ANY SUCCESSOR FUND DEDICATED TO A SIMILAR
11 PURPOSE.

12 (b) (I) Any amount remaining after the transfer IS MADE pursuant
13 to ~~subsection (1)(a)~~ SUBSECTION (1)(a)(II) of this section shall be
14 transferred to the public school fund created in section 3 of article IX of
15 the state constitution, which is the same as the public school fund
16 described in section 22-41-102.

17 (II) THIS SUBSECTION (1)(b) IS REPEALED, EFFECTIVE JULY 1, 2020.

18 **SECTION 5. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, and safety.