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An Act

HOUSE BILL 21-1316

BY REPRESENTATIVE(S) Pico and Valdez D., Lynch, Woodrow, Gray, Ricks;
also SENATOR(S) Kirkmeyer and Moreno, Woodward, Zenzinger, Priola.

CONCERNING CHANGES TO THE TERM "LEASE-PURCHASE" AS IT RELATES TO STATE OR LOCAL PUBLIC AGREEMENTS TO CLARIFY THAT SUCH AGREEMENTS ARE TO BE ACCOUNTED FOR BY THE STATE CONTROLLER AS FINANCED PURCHASES OF ASSETS, AND, IN CONNECTION THEREWITH, CONFORMING THE COLORADO REVISED STATUTES WITH THE CURRENT ACCOUNTING STANDARDS SET BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD.

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

SECTION 1. In Colorado Revised Statutes, 11-59.7-103, **amend** the introductory portion, (1)(b), (4), (7), (19), (20) introductory portion, (20)(o), (39), and (40); **repeal** (17); and **add** (5.5) and (11.5) as follows:

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

(1) "Ancillary agreement" means any contract, agreement, or other

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

arrangement that a public entity determines is necessary or convenient in connection with a stimulus obligation, including but not limited to any agreement, contract, or other arrangement:

(b) Relating to property that is leased or subleased pursuant to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or on which the proceeds of a ~~lease-purchase financing~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT are spent;

(4) "Bond" means any bond, note, interim certificate, contract, evidence of indebtedness, loan, financing agreement, installment purchase or sale agreement, lease, ~~or lease-purchase~~ FINANCED PURCHASE OF AN ASSET AGREEMENT, OR CERTIFICATE OF PARTICIPATION agreement on which payments by a public entity are not subject to annual appropriation by its governing body or any debt or multiple-fiscal year financial obligation issued or entered into by a public entity.

(5.5) "CERTIFICATE OF PARTICIPATION" MEANS ANY CERTIFICATE EVIDENCING A PARTICIPATION RIGHT OR A PROPORTIONATE INTEREST IN ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE PAYMENTS FROM THE STATE OR AGENCY DUE UNDER ANY FINANCING AGREEMENT.

(7) "Charter school bond issuer" means any public entity that is authorized under state law to finance or refinance a project for the benefit of a charter school through the issuance of bonds or the execution of a loan agreement, financing agreement, ~~or lease-purchase~~ FINANCED PURCHASE OF AN ASSET, OR CERTIFICATE OF PARTICIPATION agreement with a charter school.

(11.5) "FINANCED PURCHASE OF AN ASSET AGREEMENT" MEANS A FINANCING AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

(17) ~~"Lease-purchase agreement" means any agreement between a public entity and any other person:~~

~~(a) That is a lease or lease-purchase agreement under the laws of this state;~~

~~(b) Pursuant to which the public entity has agreed to make payments in future fiscal years subject to annual appropriation of the payments by the governing body of the public entity, and~~

~~(c) That is treated as an installment sale agreement for federal income tax purposes.~~

(19) "Project" means any property, goods, or services on which the proceeds of a bond or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION financing are or may be spent, including but not limited to any job training or educational program on which the proceeds of recovery zone economic development bonds may be spent under federal law.

(20) "Public entity" means the state, any agency, department, or political subdivision of the state, any quasi-governmental entity, or any other entity created by or pursuant to the constitution or laws of the state that is authorized under state law to issue bonds or enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including but not limited to:

(o) A nonprofit corporation organized under the laws of the state that is authorized by law, or a trust created under the laws of the state that is authorized under its governing documents, to issue bonds or enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of one or more public entities listed in ~~paragraphs (a) to (n) of this subsection (20)~~ SUBSECTIONS (20)(a) TO (20)(n) OF THIS SECTION.

(39) "Stimulus obligation" means any bond or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that qualifies as a build America bond, clean renewable energy bond, new clean renewable energy bond, qualified energy conservation bond, qualified school construction bond, qualified zone academy bond, or recovery zone bond.

(40) "Stimulus obligation document" means any resolution, ordinance, trust indenture, loan agreement, financing agreement, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET AGREEMENT, CERTIFICATE OF PARTICIPATION agreement, lease, agreement, contract, or other

instrument under which a stimulus obligation is issued or entered into or pursuant to which a public entity incurs obligations with respect to a stimulus obligation and any ancillary agreement entered into pursuant to section 11-59.7-104 (2).

SECTION 2. In Colorado Revised Statutes, 11-59.7-104, **amend** (1) introductory portion, (1)(a), and (1)(b)(II) as follows:

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~~ ARTICLE 59.7. 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~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION 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:

(a) Any public entity that is authorized or permitted under the laws of the state to issue bonds to finance or refinance a project that under federal law may be financed or refinanced with proceeds of build America bonds may issue the bonds as build America bonds. Any public entity that is authorized or permitted under the laws of the state to enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement to finance or refinance a project that may be financed or refinanced under federal law with proceeds of build America bonds may enter into the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement as a build America bond.

(b) (II) Any public entity that is authorized or permitted under the laws of the state to enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement to finance or refinance a project that may be financed or refinanced under federal law with proceeds of a type of stimulus obligation other than a build America bond may:

(A) Enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement to finance or refinance any

project that may be financed or refinanced under federal law with proceeds of the type of stimulus obligation; and

(B) Enter into the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement as a stimulus obligation under federal law.

SECTION 3. In Colorado Revised Statutes, 11-59.7-105, **amend** (5) as follows:

11-59.7-105. Federal tax credits - federal direct payments. (5) A public entity may identify federal direct payments expected to be received in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that qualifies as a stimulus obligation as the intended source for payment of any portion of the ~~lease~~ payments under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. Any portion of the ~~lease~~ payments payable under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that qualifies as a stimulus obligation may be payable in amounts corresponding to expected federal direct payments, and federal direct payments may be identified as the intended sole source or intended priority source for payment of any portion of the ~~lease~~ payments payable under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that qualifies as a stimulus obligation. If, and to the extent that, a public entity identifies federal direct payments expected to be received in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement as an intended source of payment, ~~of lease payments~~; the federal direct payments that the public entity expects to receive with respect to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall be netted against and shall reduce the amount of ~~lease~~ payments under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement representing interest, and all other amounts payable by the public entity under or with respect to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, for purposes of applying any limitation or restriction under the state constitution, any state law, any ballot question or ballot issue, any ancillary agreement, or any ordinance or resolution of the governing body of the public entity relating to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

PARTICIPATION agreement, including but not limited to any limitation on interest or any other amount payable under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and any determination as to the reasonableness of the ~~lease~~ payments under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

SECTION 4. In Colorado Revised Statutes, **amend** 11-59.7-106 as follows:

11-59.7-106. Qualified school construction bond volume cap.

(1) The state qualified school construction bond volume cap shall be allocated to the public school capital construction assistance board, which, subject to the provisions of subsections (3) and (4) of this section, shall use the volume cap to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to assist the financing or refinancing of projects pursuant to article 43.7 of title 22. ~~C.R.S.~~

(2) Any portion of the school district qualified school construction bond volume cap for a calendar year that is allocated to a school district that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the school district or for which a contract to purchase bonds or instruments evidencing interests in a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has not been entered into on or before November 10 of the calendar year shall, on November 11 of the calendar year, automatically by law and without any action by the school district be reallocated by the school district to the public school capital construction assistance board. If a contract to purchase has been entered into on or before November 10 of the calendar year but the related bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is not issued or entered into on or before November 30 of the calendar year, the volume cap shall automatically revert to the public school capital construction assistance board on December 1 of the calendar year.

(3) If the public school capital construction assistance board determines that it cannot use, or that a school district or a charter school bond issuer can make better use of, any portion of the state qualified school construction bond volume cap for a calendar year or any portion of the

school district qualified school construction bond volume cap for a calendar year that is reallocated to the board pursuant to subsection (2) of this section, the board may allocate the portion of the volume cap to the school district or charter school bond issuer for the purpose of financing or refinancing a project approved by the board. Any volume cap allocated to a school district or charter school bond issuer pursuant to this subsection (3) that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into or for which a contract to purchase bonds or instruments evidencing interests in a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has not been entered into on or before November 10 of any calendar year shall, on November 11 of the calendar year, automatically revert to the public school capital construction assistance board. If a contract to purchase has been entered into on or before November 10 of the calendar year but the related bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is not issued or entered into on or before November 30 of the calendar year, the volume cap shall automatically revert to the public school capital construction assistance board on December 1 of the calendar year. The public school capital construction assistance board may use or reallocate to any school district or charter school bond issuer, for the purpose of financing or refinancing a project approved by the board, any volume cap that reverts to the board pursuant to this subsection (3) or may carry the volume cap forward pursuant to subsection (4) of this section. Any volume cap that is reallocated to a school district or charter school bond issuer pursuant to this subsection (3) that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by noon, prevailing Denver time, on December 31 of a calendar year shall, at 12:01 p.m., prevailing Denver time, on December 31 of the calendar year, automatically revert to the public school capital construction assistance board.

(4) The public school capital construction assistance board shall carry forward to the next calendar year any portion of the qualified school construction bond volume cap that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the end of a calendar year. In selecting projects to assist the financing or refinancing of pursuant to article 43.7 of title 22, ~~C.R.S.~~, and in selecting projects of school districts for the purpose of allocating the qualified school construction bond volume cap

pursuant to this section, the public school capital construction assistance board shall prioritize projects that are ready to be financed or refinanced and that are most consistent with the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b). The public school capital construction assistance board shall use or allocate the qualified school construction bond volume cap in a manner consistent with federal law and the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b) to minimize the qualified school construction bond volume cap that has not been used on bonds issued or one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into on or before the expiration of the qualified school construction bond program. A school district to which the school district qualified school construction bond volume cap has been allocated under federal law or a school district or charter school bond issuer to which the qualified school construction bond volume cap has been allocated pursuant to this section may, at any time, relinquish the volume cap to the public school capital construction assistance board. Any volume cap relinquished may be used by the public school capital construction assistance board to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to assist the financing or refinancing of projects pursuant to article 43.7 of title 22 ~~C.R.S.~~, may be reallocated by the board to a school district or charter school bond issuer for the purpose of financing or refinancing a project approved by the board, or may be carried forward to the next calendar year. The public school capital construction assistance board may promulgate rules in accordance with article 4 of title 24 ~~C.R.S.~~, regarding the manner in which the qualified school construction bond volume cap will be allocated.

SECTION 5. In Colorado Revised Statutes, 11-59.7-107, **amend** (3) and (4) as follows:

11-59.7-107. Qualified energy conservation bond volume cap.
(3) Any portion of the qualified energy conservation bond volume cap for a calendar year that is allocated to a large local government pursuant to subsection (1) of this section that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into or for which a contract to purchase bonds or instruments evidencing interests in a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has not been entered into on or before November 10 of the calendar year shall,

on November 11 of the calendar year, automatically revert to the Colorado energy office. If a contract to purchase has been entered into on or before November 10 of the calendar year but the related bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is not issued or entered into on or before November 30 of the calendar year, the volume cap shall automatically revert to the Colorado energy office on December 1 of the calendar year. The Colorado energy office may reallocate to any public entity for the purpose of financing or refinancing a project approved by the office, or carry forward pursuant to subsection (4) of this section, any volume cap that reverts to the office pursuant to this subsection (3). Any volume cap that is reallocated to a public entity pursuant to this subsection (3) that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by noon, prevailing Denver time, on December 31 of a calendar year shall, at 12:01 p.m., prevailing Denver time, on December 31 of the calendar year, automatically revert to the Colorado energy office.

(4) The Colorado energy office shall carry forward to the next calendar year any portion of the qualified energy conservation bond volume cap that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the end of a calendar year. In selecting projects for the purpose of allocating the qualified energy conservation bond volume cap, the Colorado energy office shall prioritize projects that are ready to be financed or refinanced and that are most consistent with the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b). The Colorado energy office shall allocate the qualified energy conservation bond volume cap in a manner consistent with federal law and the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b) to minimize the qualified energy conservation bond volume cap that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into on or before the expiration of the qualified energy conservation bond program. The Colorado energy office may allocate the qualified energy conservation bond volume cap to the state pursuant to this section in anticipation of the enactment by the general assembly of legislation authorizing a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. The state, any large local government, or any other public entity to which the qualified energy conservation bond volume

cap has been allocated pursuant to this section may, at any time, relinquish the volume cap to the Colorado energy office. Any volume cap relinquished may be reallocated by the Colorado energy office to any public entity to finance or refinance a project approved by the office or may be carried forward to the next calendar year. The department of local affairs, in consultation with the Colorado energy office, may promulgate rules in accordance with article 4 of title 24 C.R.S., regarding the manner in which the qualified energy conservation bond volume cap will be allocated.

SECTION 6. In Colorado Revised Statutes, 11-59.7-108, **amend** (3), (4), (5), and (6) as follows:

11-59.7-108. Recovery zone economic development bond volume cap - recovery zone facility bond volume cap. (3) Except as otherwise provided in subsection (5) of this section, any portion of the recovery zone economic development bond volume cap or recovery zone facility bond volume cap allocated to a county or a large municipality pursuant to subsection (2) of this section that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into to finance or refinance a project that is located in a recovery zone, is approved by the commission on higher education, and either is or is to be owned or used by one or more public institutions of higher education or is expected to increase economic development in the vicinity of a facility that is or is to be owned or used by one or more public institutions of higher education in a manner that is complementary to the use of such higher education facility or for which a contract to purchase bonds or instruments evidencing interests in a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has not been entered into on or before November 10 of any calendar year shall, on November 11 of the calendar year, automatically revert to the commission. If a contract to purchase has been entered into on or before November 10 of the calendar year but the related bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is not issued or entered into on or before November 30 of the calendar year, the volume cap shall automatically revert to the commission on higher education on December 1 of the calendar year. The commission on higher education may reallocate any recovery zone economic development bond volume cap or recovery zone facility bond volume cap that reverts to the commission pursuant to this subsection (3) to any public entity for the purpose of financing or refinancing a project that

is located in a recovery zone, is approved by the commission, and either is or is to be owned or used by one or more public institutions of higher education or is expected to increase economic development in the vicinity of a facility that is or is to be owned or used by one or more public institutions of higher education in a manner that is complementary to the use of such higher education facility or may carry the volume cap forward pursuant to subsection (4) of this section. Any recovery zone economic development bond volume cap or recovery zone facility bond volume cap that is reallocated to a public entity pursuant to this subsection (3) that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into to finance or refinance a project that is located in a recovery zone, is approved by the commission on higher education, and either is or is to be owned or used by one or more public institutions of higher education or is expected to increase economic development in the vicinity of a facility that is or is to be owned or used by one or more public institutions of higher education in a manner that is complementary to the use of such higher education facility by noon, prevailing Denver time, on December 31 of a calendar year, shall, at 12:01 p.m., prevailing Denver time, on December 31 of the calendar year, automatically revert to the commission.

(4) The commission on higher education shall carry forward to the next calendar year any portion of the recovery zone economic development bond volume cap or recovery zone facility bond volume cap that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the end of a calendar year.

(5) Notwithstanding any other provision of this section, if any portion of the recovery zone economic development bond volume cap or the recovery zone facility bond volume cap, including any portion that has been carried forward pursuant to subsection (4) of this section, has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the ninetieth day preceding the date on which the recovery zone economic development bond program or recovery zone facility bond program, as applicable, is to expire under federal law, the remaining volume cap shall be allocated by the department of local affairs to public entities for the purpose of financing or refinancing any project that is located in a recovery zone and that qualifies for financing or refinancing with recovery zone economic development

bonds or recovery zone facility bonds, as applicable. Any portion of any volume cap so allocated that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the fifteenth day preceding the date on which the recovery zone economic development bond program or recovery zone facility bond program, as applicable, is to expire under federal law shall revert to the department of local affairs, which shall reallocate the volume cap to public entities for the purpose of financing or refinancing any project that is located in a recovery zone and that qualifies for financing or refinancing with recovery zone economic development bonds or recovery zone facility bonds, as applicable.

(6) In selecting projects for the purpose of allocating the recovery zone economic development bond volume cap or recovery zone facility bond volume cap, the commission on higher education and the department of local affairs shall prioritize projects that are ready to be financed or refinanced and that are most consistent with the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b). The commission on higher education and the department of local affairs shall allocate the recovery zone economic development bond volume cap and the recovery zone facility bond volume cap in a manner consistent with federal law and the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b) to minimize the volume cap that has not been used on bonds issued or one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into at the expiration of the recovery zone economic development bond program or the recovery zone facility bond program, as applicable, under federal law. Any county or large municipality to which the recovery zone economic development bond volume cap or recovery zone facility bond volume cap has been allocated pursuant to this section may, at any time, relinquish the volume cap to the commission on higher education or, in the circumstances described in subsection (5) of this section, the department of local affairs. Any volume cap relinquished may be reallocated by the commission on higher education to any public entity for the purpose of financing or refinancing a project that is located in a recovery zone, has been approved by the commission, and either is or is to be owned or used by one or more public institutions of higher education or is expected to increase economic development in the vicinity of a facility that is or is to be owned or used by one or more public institutions of higher education in a manner that is complementary to the use of such higher education facility, may be carried forward to the next

calendar year, or, if the circumstances described in subsection (5) of this section apply, may be reallocated by the department of local affairs for the purpose of financing or refinancing any project that is located in a recovery zone and that qualifies for financing or refinancing with recovery zone economic development bonds or recovery zone facility bonds, as applicable. The commission on higher education and the department of local affairs may promulgate rules in accordance with article 4 of title 24 C.R.S., regarding the manner in which the recovery zone economic development bond volume cap and the recovery zone facility bond volume cap that they are respectively responsible for allocating pursuant to this section will be allocated.

SECTION 7. In Colorado Revised Statutes, 11-59.7-109, **amend** (2), (3), and (4) as follows:

11-59.7-109. Qualified zone academy bond volume cap. (2) Any portion of the qualified zone academy bond volume cap for a calendar year that is allocated to a school district pursuant to subsection (1) of this section and that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into or for which a contract to purchase bonds or instruments evidencing interests in a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has not been entered into on or before November 10 of the calendar year shall, on November 11 of the calendar year, automatically revert to the public school capital construction assistance board. If a contract to purchase has been entered into on or before November 10 of the calendar year but the related bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is not issued or entered into on or before November 30 of the calendar year, the volume cap shall automatically revert to the public school capital construction assistance board on December 1 of the calendar year. The public school capital construction assistance board may reallocate to any school district for the purpose of financing or refinancing a project approved by the board any volume cap that reverts to the board pursuant to this subsection (2) or may carry the volume cap forward pursuant to subsection (3) of this section. Any volume cap that is reallocated to a school district pursuant to this subsection (2) that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by noon, prevailing Denver time, on December 31 of a calendar year shall, at 12:01 p.m.,

prevailing Denver time, on December 31 of the calendar year, automatically revert to the public school capital construction assistance board.

(3) The public school capital construction assistance board shall carry forward to the next calendar year any portion of the qualified zone academy bond volume cap that has not been used on bonds issued or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the end of a calendar year.

(4) In selecting projects for the purpose of allocating the qualified zone academy bond volume cap, the public school capital construction assistance board shall prioritize projects that are ready to be financed or refinanced and that are most consistent with the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b). The public school capital construction assistance board shall allocate the qualified zone academy bond volume cap in a manner consistent with federal law and the purpose of this ~~article~~ ARTICLE 59.7 described in section 11-59.7-102 (1)(b) to minimize the qualified zone academy bond volume cap that has not been used on bonds issued or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into by the expiration of the qualified zone academy bond program. Any school district to which the qualified zone academy bond volume cap has been allocated pursuant to this section may, at any time, relinquish the volume cap to the public school capital construction assistance board. Any volume cap relinquished may be reallocated by the public school capital construction assistance board to a school district to finance or refinance a project approved by the board or may be carried forward to the next calendar year. The public school capital construction assistance board may promulgate rules in accordance with article 4 of title 24 C.R.S., regarding the manner in which the qualified zone academy bond volume cap will be allocated.

SECTION 8. In Colorado Revised Statutes, 11-59.7-110, **amend** (2)(e), (3)(a), (6), and (7) as follows:

11-59.7-110. Recovery and reinvestment act finance authorities.

(2) The contract pursuant to which a recovery and reinvestment act finance authority is created shall specify:

(e) The term of the contract creating the authority, which may be continued for a definite term or until rescinded or terminated, and the

method, if any, by which it may be rescinded or terminated; except that the contract may not be rescinded or terminated so long as the authority has bonds or one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements outstanding unless provision for full payment of the bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or agreements, by escrow or otherwise, has been made pursuant to the terms of the bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or agreements;

(3) The general powers of a recovery and reinvestment finance authority shall include the following powers:

(a) To issue or enter into bonds and ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that qualify as the type or types of stimulus obligations identified in the contract;

(6) The contracting public entities may provide in the contract creating a recovery and reinvestment act financing authority for payment to the authority of ~~moneys~~ MONEY from any legally available source to be used for payment of the bonds, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, and contractual and other obligations and liabilities of the authority.

(7) (a) To carry out the purposes for which a recovery and reinvestment act finance authority was created, the authority may issue bonds and enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements payable solely from amounts paid to the authority from the contracting public entities, amounts paid to the authority by other persons, and any other available ~~moneys~~ MONEY of the authority. The terms, conditions, and details of the bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements and the procedures related thereto shall be set forth in the stimulus obligation documents authorizing the bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements. The terms, conditions, and details of the bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements shall, as nearly as may be practicable and subject to the provisions of sections 11-59.7-104 and 11-59.7-105, be substantially the same as those provided in part 6 of article 4 of title 43

~~C.R.S.~~, relating to regional transportation authorities. Bonds or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements issued or entered into under this subsection (7) shall not constitute a debt of a recovery and reinvestment act finance authority or a debt or multiple-fiscal year financial obligation of the state or any of the contracting public entities within the meaning of any constitutional or statutory limitations or provisions. Each bond or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement issued or entered into under this subsection (7) shall recite in substance that the bond or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including the interest thereon, is payable solely from the revenues and other available funds of the recovery and reinvestment act finance authority pledged for the payment thereof and that the bond or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement does not constitute a debt of the authority or a debt or multiple-fiscal year financial obligation of the state or any of the contracting public entities within the meaning of any constitutional or statutory limitations or provisions.

(b) The stimulus obligation documents under which bonds are issued or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements are entered into pursuant to ~~paragraph (a) of this subsection (7)~~ SUBSECTION (7)(a) OF THIS SECTION shall constitute a contract with the holders thereof and may contain such provisions as are determined by the board of the recovery and reinvestment act finance authority to be appropriate and necessary in connection therewith and to provide security for the payment thereof, including, without limitation, any mortgage or other security interest in any revenues, funds, rights, or properties of the authority.

SECTION 9. In Colorado Revised Statutes, 13-32-101, **amend** (7)(a) and (7)(c) as follows:

13-32-101. Docket fees in civil actions - judicial stabilization cash fund - justice center cash fund - justice center maintenance fund - created - legislative declaration - report. (7) (a) There is hereby created in the state treasury the justice center cash fund, referred to in this subsection (7) as the "fund", that shall consist of all fees required by law to be deposited in the fund and any lease payments received by the judicial

department from agencies occupying the state justice center. The ~~moneys~~ MONEY in the fund shall be subject to annual appropriation by the general assembly for the expenses related to the design, construction, maintenance, operation, and interim accommodations for the state justice center, including but not limited to payments on any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to the provisions of section 2 of Senate Bill 08-206, as enacted at the second regular session of the sixty-sixth general assembly, collectively referred to in this subsection (7) as "~~lease-purchase~~ "FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements". Any ~~moneys~~ MONEY in the fund not expended for the purpose of this subsection (7) may be invested by the state treasurer as provided in section 24-36-113. ~~C.R.S.~~ All interest and income derived from the investment and deposit of ~~moneys~~ MONEY in the fund shall be credited to the fund. Any unexpended and unencumbered ~~moneys~~ MONEY remaining in the fund at the end of any fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or any other fund.

(c) (I) For the fiscal year commencing July 1, 2014, and each fiscal year thereafter so long as there are any payments due under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, the executive director of the department of personnel shall calculate the net savings to the state by locating the department of law and any other executive branch agency in the new state justice center.

(II) For the fiscal year commencing July 1, 2014, and each year thereafter so long as there are payments due on any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, the general assembly shall appropriate from the general fund to the fund the amount of savings calculated by the executive director of the department of personnel pursuant to ~~subparagraph (I) of this paragraph (c)~~ SUBSECTION (7)(c)(I) OF THIS SECTION. Any ~~moneys~~ MONEY received in the fund pursuant to this ~~paragraph (c)~~ SUBSECTION (7)(c) shall be used to prepay any obligations due pursuant to any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

SECTION 10. In Colorado Revised Statutes, 17-24-106, **amend** (1) introductory portion and (1)(f)(II) as follows:

17-24-106. General powers of the division. (1) In addition to any other powers granted to the division by this ~~article~~ ARTICLE 24, the division shall have the following powers:

(f) (II) To sell such goods to ~~lessors~~ ENTITIES who have entered into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements with any public entity enumerated in ~~subparagraph (f) of this paragraph~~ (f) SUBSECTION (1)(f)(I) OF THIS SECTION pursuant to which such goods are ~~leased to and~~ used by such public entity;

SECTION 11. In Colorado Revised Statutes, 17-24-111, **amend** (1)(a) as follows:

17-24-111. Purchasing requirement. (1) (a) The director is hereby authorized to develop programs that produce goods and services, including capital construction items, which are used by agencies financed in whole or in part by the state, any political subdivision thereof, or the federal government and to develop programs that produce goods, including capital construction items, which are used by public entities involved in ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as provided in section 17-24-106 (1)(f)(II). The director shall also develop programs to market goods and services to distributor networks, nonprofit organizations, private sector retailers, and the general public. The state and its institutions, agencies, and departments may purchase through the department of personnel or purchasing agency authorized by section 24-102-302 (2) such goods and services as are produced by the division, unless similar goods and services can be obtained at or below the amount established for small purchases which are exempt from the invitation-for-bids requirements of the "Procurement Code" contained in part 2 of article 103 of title 24. Goods and services produced by the division shall be provided at a price comparable to the current market price for similar goods and services. State agencies may purchase goods and services from sources other than the division; except that office furniture and office systems shall be purchased from the division. Printing services shall be purchased from the division unless a state agency operates its own printing operation. If the division is not able to provide its goods or services at a price or level of quality which is comparable to that provided by the private sector or provide them in a timely manner, which price, level of quality, or timeliness is determined by the department of personnel, the department of personnel shall make a certification to that effect, and the

state agency purchasing such goods or services shall not be required to purchase them from the division.

SECTION 12. In Colorado Revised Statutes, 22-32-108.5, **amend** (2)(a) as follows:

22-32-108.5. Board of education - distribution of additional mill levy revenue - definitions - legislative declaration. (2) As used in this section, unless the context otherwise requires:

(a) "Additional mill levy revenue" means the amount of property tax revenue that a school district collects from mills that are authorized by voters before, on, or after June 2, 2017, and that a school district levies in addition to the school district's total program mill levy established in section 22-54-106 (2) or (2.1), whichever is applicable, not including mills that a school district may levy for purposes of incurring or repaying bonded indebtedness or for paying amounts due pursuant to installment sales agreements, ~~or lease-purchase~~ FINANCED PURCHASE OF AN ASSET AGREEMENTS, OR CERTIFICATE OF PARTICIPATION agreements entered into as of June 2, 2017, for which additional mill levy revenue was contractually committed as of June 2, 2017.

SECTION 13. In Colorado Revised Statutes, 22-32-127, **amend** (4) as follows:

22-32-127. Leases or installment purchases for periods exceeding one year. (4) The principal amount of any indebtedness incurred by a school district by means of installment purchase, ~~or lease-purchase~~ FINANCED PURCHASE OF AN ASSET, OR CERTIFICATE OF PARTICIPATION, or ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements having terms of more than one year shall be subject to the limitation imposed by law on the amount of bonded indebtedness that may be incurred by a school district.

SECTION 14. In Colorado Revised Statutes, 22-43.7-102, **amend** (2)(b), (2)(c), and (2)(d) as follows:

22-43.7-102. Legislative findings and declarations. (2) The general assembly further finds and declares that:

(b) It is necessary and appropriate for the state to build excellent schools today by assisting school districts, boards of cooperative services, and charter schools in completing needed public school facility capital construction projects more quickly by:

(I) Entering into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for the purpose of financing such projects; and

(II) Subject to the annual appropriation of such ~~moneys~~ MONEY by the general assembly, using a portion of the rental income and royalties derived from state school lands and, unless and until the state treasurer, pursuant to section 22-43.7-104 (2)(b)(I)(B), provides written notice to the joint budget committee of the general assembly that the state treasurer has determined that the use of interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund to make lease payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 (2) will prevent the interest component of the ~~lease~~ payments from qualifying for exemption from federal income taxation and at any time after the state treasurer, pursuant to section 22-43.7-104 (2)(b)(I)(C), has rescinded any such determination, interest, and other income, other than land sale proceeds, derived from state school lands, as well as certain other available state ~~moneys~~ MONEY and matching ~~moneys~~ MONEY provided by school districts, boards of cooperative services, and charter schools, to make ~~lease~~ payments payable under the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.

(c) It is also necessary and appropriate for the state to use a portion of such rental income and royalties and, unless and until the state treasurer, pursuant to section 22-43.7-104 (2)(b)(I)(B), provides written notice to the joint budget committee of the general assembly that the state treasurer has determined that the use of interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund to make ~~lease~~ payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 (2) will prevent the interest component of the ~~lease~~ payments from qualifying for exemption from federal income taxation and at any time after the state treasurer, pursuant to section 22-43.7-104 (2)(b)(I)(C), has rescinded any such determination, interest and other income, as well as

certain other available state ~~moneys~~ MONEY to continue to provide financial assistance to school districts, boards of cooperative services, and charter schools in the form of cash funding for school renovation and controlled maintenance projects.

(d) In accordance with the decision of the Colorado court of appeals in the case denominated *Colorado Criminal Justice Reform Coalition v. Ortiz*, Case No. 04 CA 0879 (April 7, 2005), the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to be entered into by the state pursuant to this ~~article~~ ARTICLE 43.7 do not constitute a multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever for purposes of section 20 (4)(a) of article X of the state constitution.

SECTION 15. In Colorado Revised Statutes, 22-43.7-104, **amend** (2)(b) introductory portion, (2)(b)(I), (2)(b)(II), (2)(b)(IV), (3.5), (4), (5), and (6) as follows:

22-43.7-104. Public school capital construction assistance fund - creation - crediting of money to fund - use of fund - emergency reserve - creation - reserve account - creation and use. (2) (b) For each fiscal year commencing on or after July 1, 2008, the following ~~moneys~~ MONEY shall be credited to the assistance fund:

(I) (A) Unless and until the state treasurer, pursuant to ~~sub-subparagraph (B) of this subparagraph (I)~~ SUBSECTION (2)(b)(I)(B) OF THIS SECTION, provides written notice to the joint budget committee of the general assembly that the state treasurer has determined that the use of interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund to make ~~lease~~ payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 (2) will prevent the interest component of the ~~lease~~ payments from qualifying for exemption from federal income taxation, the greater of thirty-five percent of the gross amount of public school lands income received during the fiscal year or forty million dollars. The ~~moneys~~ MONEY required to be credited to the assistance fund pursuant to this ~~sub-subparagraph (A)~~ SUBSECTION (2)(b)(I)(A) may be taken from any single source or combination of sources of public school lands income.

(B) Except as otherwise provided in ~~sub-subparagraph (C) of this subparagraph (F)~~ SUBSECTION (2)(b)(I)(C) OF THIS SECTION, if the state treasurer determines during any fiscal year that the use of interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund to make ~~lease~~ payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement will prevent the interest component of the ~~lease~~ payments from qualifying for exemption from federal income taxation and provides written notice to the joint budget committee of the general assembly of the determination, for the portion of the fiscal year beginning on the date the written notice is provided to the joint budget committee and for each subsequent fiscal year, the greater of fifty percent of the gross amount of public school lands income other than interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund received during the fiscal year or forty million dollars. The ~~moneys~~ MONEY required to be credited to the assistance fund pursuant to this ~~sub-subparagraph (B)~~ SUBSECTION (2)(b)(I)(B) may be taken from any single source or combination of sources of public school lands income other than interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund.

(C) If, after making a determination and providing notice pursuant to ~~sub-subparagraph (B) of this subparagraph (F)~~ SUBSECTION (2)(b)(I)(B) OF THIS SECTION, the state treasurer makes a new determination during any fiscal year that the use of interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund to make ~~lease~~ payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 (2) will not prevent the interest component of the ~~lease~~ payments from qualifying for exemption from federal income taxation and the state treasurer provides written notice to the joint budget committee of the general assembly that the state treasurer has made a new determination and is rescinding the determination made pursuant to ~~said sub-subparagraph (B)~~ SUBSECTION (2)(b)(I)(B) OF THIS SECTION as of the date the written notice is provided, for the portion of the fiscal year beginning on the date the written notice is provided to the joint budget committee and for each subsequent fiscal year, the greater of thirty-five percent of the gross amount of public school lands income received during the fiscal year or forty million dollars. The ~~moneys~~ MONEY required to be credited to the assistance fund pursuant to this ~~sub-subparagraph (C)~~ SUBSECTION (2)(b)(I)(C) may be taken from any single source or combination of sources of public school

lands income.

(II) The net proceeds made available to the state from the sale of instruments evidencing rights to receive ~~lease~~ payments made and to be made under the terms of any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 (2), unless otherwise required by the documents pursuant to which the instruments are issued;

(IV) Matching ~~moneys~~ MONEY paid to the state for use by the state in making scheduled payments payable by the state under the terms of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to section 22-43.7-110 (2);

(3.5) In determining the amount of financial assistance that it provides and in so doing managing the balance of the assistance fund, the board shall ensure that, effective June 30, 2013, and effective each June 30 thereafter, the balance of the assistance fund, not including the amounts credited to the charter school facilities assistance account pursuant to ~~paragraph (d) of subsection (2)~~ SUBSECTION (2)(d) of this section, is at least equal to the total amount of payments to be made by the state during the next fiscal year under the terms of any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to section 22-43.7-110 (2) less the amount of any school district matching ~~moneys~~ MONEY and any federal ~~moneys~~ MONEY to be received for the purpose of making the payments.

(4) For each fiscal year commencing on or after July 1, 2008, an emergency reserve of at least one million dollars shall be maintained in the assistance fund; except that an emergency reserve need not be maintained in any fiscal year in which the amount of either public school lands income or public school lands income other than interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund, or both, credited to the assistance fund pursuant to ~~subparagraph (I) of paragraph (b) of subsection (2)~~ SUBSECTION (2)(b)(I) of this section is an amount equal to the difference between the total amount of ~~lease~~ payments to be made by the state under the terms of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to section 22-43.7-110 (2) and the total amount of matching ~~moneys~~ MONEY to be paid to the state as ~~lease~~ payments under the

terms of ~~sublease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to section 22-43.7-110 (2) rather than, to the extent applicable, thirty-five percent of the gross amount of public school lands income received by the state during the fiscal year or fifty percent of the gross amount of public school lands income other than interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund received by the state during the fiscal year. The board may expend ~~moneys~~ MONEY from the emergency reserve only to provide emergency financial assistance to address a public school facility emergency in accordance with section 22-43.7-109 (8).

(5) If the state treasurer, pursuant to ~~sub-subparagraph (B) of subparagraph (f) of paragraph (b) of subsection (2)~~ SUBSECTION (2)(b)(I)(B) of this section, provides written notice to the joint budget committee of the general assembly that the state treasurer has determined that the use of interest or income earned on the deposit and investment of ~~moneys~~ MONEY in the public school fund to make ~~lease~~ payments under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 (2) will prevent the interest component of the ~~lease~~ payments from qualifying for exemption from federal income taxation, any such interest or income credited to the assistance fund before the treasurer provides the written notice shall be segregated into a separate restricted account of the assistance fund. All interest and income earned on the deposit and investment of ~~moneys~~ MONEY in the restricted account shall be credited to the restricted account. ~~Moneys~~ MONEY in the restricted account shall not be commingled with other ~~moneys~~ MONEY in the assistance fund. Notwithstanding any other provision of law, ~~moneys~~ MONEY in the restricted account shall not be used and shall not be available to pay ~~lease~~ payments under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to section 22-43.7-110 (2) unless and until the state treasurer, pursuant to ~~sub-subparagraph (C) of subparagraph (f) of paragraph (b) of subsection (2)~~ SUBSECTION (2)(b)(I)(C) of this section, provides written notice to the joint budget committee of the general assembly that the state treasurer is rescinding the determination made pursuant to ~~sub-subparagraph (B) of said subparagraph (f)~~ SUBSECTION (2)(b)(I)(B) OF THIS SECTION as of the date the written notice is provided. ~~Moneys~~ MONEY in the restricted account may be used for the other purposes for which ~~moneys~~ MONEY in the assistance fund may be used under this ~~article~~ ARTICLE 43.7.

(6) If the amount of ~~moneys~~ MONEY in the assistance fund that, subject to the limitations set forth in subsection (5) of this section, is available to pay ~~lease~~ payments under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to section 22-43.7-110 (2) will be insufficient to cover the full amount of the ~~lease~~ payments required by the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, the general assembly may appropriate or transfer from any legally available source to the assistance fund sufficient ~~moneys~~ MONEY to make the ~~lease~~ payments.

SECTION 16. In Colorado Revised Statutes, 22-43.7-106, **amend** (2) introductory portion, (2)(g), and (2)(h) as follows:

22-43.7-106. Public school capital construction assistance board - creation - general powers and duties - rules. (2) The function of the board is to protect the health and safety of students, teachers, and other persons using public school facilities and maximize student achievement by ensuring that the condition and capacity of public school facilities are sufficient to provide a safe and uncrowded environment that is conducive to students' learning. In performing its function, the board shall ensure the most equitable, efficient, and effective use of state revenues dedicated to provide financial assistance for capital construction projects pursuant to the provisions of this ~~article~~ ARTICLE 43.7 by assessing public school capital construction needs throughout the state and providing expert recommendations based on objective criteria to the state board regarding the appropriate prioritization and allocation of such financial assistance. To further the performance of its function, the board, in addition to any other powers and duties specified in this ~~article~~ ARTICLE 43.7, has the following powers and duties:

(g) To authorize the state treasurer to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state as authorized by this ~~article~~ ARTICLE 43.7 in order to finance public school facility capital construction;

(h) To enter into ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state to ~~sublease~~ SUB-FINANCE public school facilities financed by the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

PARTICIPATION agreements to applicants; and

SECTION 17. In Colorado Revised Statutes, 22-43.7-109, **amend** (1) introductory portion, (1)(a), (3), (4)(f), (7), (9) introductory portion, (9)(a)(VII), and (9)(b)(VII) as follows:

22-43.7-109. Financial assistance for public school capital construction - application requirements - evaluation criteria - local match requirements - technology grants - career and technical education capital construction grants - rules - definition. (1) For fiscal years commencing on or after July 1, 2008, the board, with the support of the division and subject to the approval of the state board and, in the case of financial assistance that involves ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, subject to both the preliminary approval of the state board and the final approval of the capital development committee, regarding financial assistance awards as specified in this section, shall provide financial assistance as specified in this section subject to the following limitations:

(a) The board may only provide financial assistance for a capital construction project for a public school facility that the applicant owns or will have the right to own in the future under the terms of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement with the owner of the facility or a ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement with the state entered into pursuant to section 22-43.7-110 (2).

(3) A charter school that chooses to apply for financial assistance must apply directly to the board. A charter school shall notify its authorizer if the charter school applies for financial assistance. The authorizer for an applying charter school may submit a letter to the board stating its position on the application. The Colorado school for the deaf and blind shall also apply for financial assistance directly. Financial assistance awarded to a charter school as a matching cash grant shall be provided to the authorizer, which shall distribute all financial assistance received as a grant to the charter school and may not retain any portion of such ~~moneys~~ MONEY for any purpose. All other financial assistance shall be provided in the form of ~~lease~~ payments made by the board directly to a lessor or trustee as required by the terms of the applicable ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(4) Applications for financial assistance submitted to the board must be in a form prescribed by the board and must include:

(f) A statement regarding the means by which the applicant intends to provide matching money required for the projects, including but not limited to means such as voter-approved multiple-fiscal year debt or other financial obligations; utility cost savings associated with any utility costs-savings contract, as defined in section 24-30-2001 (6); gifts, grants, donations, a loan obtained pursuant to section 22-43.7-110.5, or any other means of financing permitted by law; or the intent of the applicant to seek a waiver of the matching money requirement pursuant to subsection (10) of this section. If an applicant that is a school district or a board of cooperative services with a participating school district intends to raise matching money by obtaining voter approval to enter into a ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that constitutes an indebtedness of the district as authorized by section 22-32-127, it shall indicate whether it has received the required voter approval or, if the election has not already been held, the anticipated date of the election.

(7) (a) Pursuant to the timelines established pursuant to subsection (2) of this section for any fiscal year for which financial assistance is to be awarded, and after prioritizing public school facility capital construction projects as specified in subsection (5) of this section, the board shall submit to the state board a prioritized list of projects for which the board recommends the provision of financial assistance. The prioritized list must include the board's recommendation as to the amount and type of financial assistance to be provided and a statement of the source and amount of applicant matching ~~moneys~~ MONEY for each recommended project based upon information provided by the applicant. The board may recommend that any specific project only receive financial assistance if another higher priority project or group of projects becomes ineligible for financial assistance due to the inability of an applicant to raise required matching ~~moneys~~ MONEY by a deadline prescribed by the board as a condition of a financial assistance award for the higher priority project or group of projects. If an applicant is approved for an award of financial assistance as an alternate award recipient and the applicant successfully raises required matching ~~moneys~~ MONEY through voter-approval of a ballot question for contracting bonded indebtedness but does not actually receive financial assistance because all primary award recipients or higher priority alternate

award recipients also successfully raised required matching ~~moneys~~ MONEY, the alternate award recipient may resubmit its application for financial assistance as previously approved during the next application cycle. If the board, in consultation with the state treasurer, determines that the combination of matching ~~moneys~~ MONEY raised by the alternate award recipient, plus either unspent proceeds from completed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements or ~~moneys~~ MONEY to be raised through entry into an additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that the state has the capacity to execute, or both, are sufficient to fund the applicant's project, the board may award financial assistance to the applicant and, if necessary, order the state treasurer to enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on behalf of the state. The state board shall review and make decisions regarding the prioritized list no later than June 20 of each year and may approve, disapprove, or modify the provision of financial assistance for any project recommended by the board if the state board concludes that the board misinterpreted the results of the prioritization assessment conducted pursuant to section 22-43.7-108 or misapplied the prioritization criteria specified in subsection (5) of this section. The state board shall specifically explain in writing its reasons for finding that the board misinterpreted the results of the priority assessment or misapplied the prioritization criteria when disapproving or modifying any financial assistance award recommended by the board.

(b) No later than June 25 of each year, the state board shall submit to the capital development committee a revised prioritized list that includes only those projects for which the state board is recommending awards of financial assistance that involve ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements. The state board shall submit with the list the information regarding the details of the financing of the listed projects that the board submitted to the state board as required by ~~paragraph (a) of this subsection (7)~~ SUBSECTION (7)(a) OF THIS SECTION. No later than July 15 of each year, the capital development committee may approve the list or may disapprove the list if the committee concludes that the inclusion of one or more of the projects on the list will unreasonably increase the cost of providing financial assistance that involves ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for all of the projects on the list. If the capital development committee does not approve or disapprove the list by July 15,

it is deemed to have approved the list as submitted.

(c) If the capital development committee disapproves the revised prioritized list, it shall provide its reasons for doing so in writing to the board no later than July 20. No later than August 1, the board may resubmit the list with modifications or additional information, or both, that address the committee's concerns. No later than August 15, the capital development committee may approve the entire resubmitted list or may disapprove one or more projects on the resubmitted list if the committee again concludes that the inclusion of the project or projects will unreasonably increase the cost of providing financial assistance that involves ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for all of the projects on the list. If the capital development committee disapproves a project on the resubmitted list, the project shall not receive financial assistance that involves ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, and the remaining projects on the resubmitted list shall receive such financial assistance as recommended by the state board. If the capital development committee does not approve or disapprove the resubmitted list by August 15, it is deemed to have approved the list as resubmitted.

(9) Except as otherwise provided in subsection (10) of this section, the board may recommend, and the state board may approve financial assistance that does not involve a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for or recommend to the capital development committee the approval of financial assistance that involves a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for a public school facility capital construction project only if the applicant provides matching ~~moneys~~ MONEY in an amount equal to a percentage of the total financing for the project determined by the board after consideration of the applicant's financial capacity, as determined by the following factors:

(a) With respect to a school district's application for financial assistance:

(VII) The amount of effort put forth by the school district to obtain voter approval for a ballot question for bonded indebtedness, including but not limited to a ballot question for entry by the district into a ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE

OF PARTICIPATION agreement of the type that constitutes an indebtedness of the district pursuant to section 22-32-127, during the ten years preceding the year in which the district submitted the application, which factor may be used only to reduce the percentage of matching ~~moneys~~ MONEY required from a district that has put forth such effort and not to increase the amount of matching ~~moneys~~ MONEY required from any district;

(b) With respect to a board of cooperative services' application for financial assistance:

(VII) The amount of effort put forth by the members of the board of cooperative services to obtain voter approval for a ballot question for bonded indebtedness, including but not limited to a ballot question for entry by any member into a ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement of the type that constitutes an indebtedness of the member pursuant to section 22-32-127, during the ten years preceding the year in which the board of cooperative services submitted the application. This factor may be used only to reduce the percentage of matching ~~moneys~~ MONEY required from a board of cooperative services if one or more of its members have put forth such effort and may not be used to increase the amount of matching ~~moneys~~ MONEY required from any board of cooperative services.

SECTION 18. In Colorado Revised Statutes, 22-43.7-110, **amend** (2) introductory portion, (2)(a) introductory portion, (2)(b)(I), (2)(c), (2)(d), (2)(e), (2)(f), (2)(g), and (2)(h) as follows:

22-43.7-110. Financial assistance - grants - financed purchase of an asset agreements. (2) Subject to the following requirements and limitations, the board may also instruct the state treasurer to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state to provide financial assistance to applicants by financing public school facility capital construction projects for which the state board has recommended and the capital development committee has authorized the provision of financial assistance that involves a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement pursuant to section 22-43.7-109 (7):

(a) Subject to the limitation specified in subsection (2)(b) of this

section, the maximum total amount of annual ~~lease~~ payments payable by the state during any fiscal year under the terms of all outstanding ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into by the state treasurer as instructed by the board pursuant to this subsection (2) is:

(b) (I) The state treasurer may enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for which the aggregate annual ~~lease~~ payments of principal or interest for any fiscal year exceed one-half of the maximum total amount of annual ~~lease~~ payments permitted for the fiscal year pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION only if the aggregate amount of matching ~~moneys~~ MONEY expected to be credited to the assistance fund pursuant to ~~paragraph (c) of this subsection (2)~~ SUBSECTION (2)(c) OF THIS SECTION and section 22-43.7-104 (2)(b)(IV) and any interest or income derived from the deposit and investment of the matching ~~moneys~~ MONEY is at least equal to the annual ~~lease~~ payments of principal and interest that exceed one-half of said maximum total amount.

(c) Whenever the state treasurer enters into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on behalf of the state pursuant to this subsection (2) to finance a public school facility, the board shall enter into a ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for the facility on behalf of the state with the applicant that will use the facility. The ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall require the applicant to perform for the state all duties of the state to maintain and operate the public school facility that are required by the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and to make periodic rental payments to the state, which payments shall be credited to the assistance fund as matching ~~moneys~~ MONEY of the applicant. The ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall also provide for the transfer of ownership of the public school facility from the state to the applicant upon the fulfillment of both the state's obligations under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and the applicant's obligations under the ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. A ~~sublease-purchase~~ SUB-FINANCED

PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement may provide that the legal obligation of an applicant to make periodic rental payments is subject to the annual appropriation of ~~moneys~~ MONEY for that purpose by the applicant if the absence of such a provision would create a district multiple-year fiscal obligation without voter approval in advance in violation of section 20 (4)(b) of article X of the state constitution.

(d) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer on behalf of the state pursuant to this subsection (2) shall provide that all payment obligations of the state under the agreement are subject to annual appropriation by the general assembly and that obligations shall not be deemed or construed as creating an indebtedness of the state within the meaning of any provision of the state constitution or the laws of the state concerning or limiting the creation of indebtedness by the state.

(e) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer on behalf of the state pursuant to this subsection (2) may contain such terms, provisions, and conditions as the state treasurer may deem appropriate. The provisions shall allow the state to receive title to the real and personal property that is the subject of the agreement on or prior to the expiration of the entire term of the agreement, including all optional renewal terms. Such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement may further provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made and to be made under the agreement. Such instruments shall not be notes, bonds, or any other evidence of indebtedness of the state within the meaning of any provision of the state constitution or the laws of the state concerning or limiting the creation of indebtedness by the state. Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including interest represented by such instruments, shall be exempt from Colorado income tax.

(f) The board may only enter into a ~~sublease-purchase~~ SUB-FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on behalf of the state pursuant to this subsection (2) if the state treasurer has reviewed the agreement and provided written authorization to the board to enter into the agreement.

(g) If the state treasurer deems it to be necessary or advisable, the state treasurer may enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on behalf of the state for only a portion of a public school facility for which financial assistance is being provided or for all or a portion of a different public school facility or other property of a school district.

(h) Notwithstanding the authority of the board to instruct the state treasurer to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state, in order to ensure that ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements are entered into under favorable financial market conditions, the state treasurer shall have sole discretion to determine the timing of the state treasurer's entry into any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on behalf of the state pursuant to this subsection (2).

SECTION 19. In Colorado Revised Statutes, 22-43.7-110.5, **amend** (2)(b), (4)(b), and (4)(c) as follows:

22-43.7-110.5. Charter school matching money loan program - rules - definitions. (2) (b) The board shall direct the state treasurer to include the amount of a loan approved pursuant to this section in the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 (2) to provide financial assistance to the eligible charter school for which the loan is approved.

(4) To receive a loan through the loan program, an eligible charter school shall:

(b) Pay an interest rate on the loan that is equal to the interest rate paid by the state treasurer on the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 to provide financial assistance to the eligible charter school for which the loan is approved;

(c) Amortize the loan payments over the same period in years as the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to section 22-43.7-110 to

provide financial assistance to the eligible charter school for which the loan is approved; except that the eligible charter school may pay the full amount of the loan early without incurring a prepayment penalty; and

SECTION 20. In Colorado Revised Statutes, 22-43.7-111, **amend** (1)(a)(I), (1)(a)(II), and (1)(e) as follows:

22-43.7-111. Reporting requirements - auditing by state auditor.

(1) Notwithstanding section 24-1-136 (1)(a)(I), no later than February 15, 2010, and no later than each February 15 thereafter, the board shall present a written report to the education and finance committees of the house of representatives and the senate and the capital development committee, or any successor committees, regarding the provision of financial assistance to applicants pursuant to this article 43.7. The report must include, at a minimum:

(a) An accounting of the financial assistance provided through the prior fiscal year that includes:

(I) A statement of the aggregate amount of financial assistance awarded through the prior fiscal year, including statements of the amount of grants provided, and the amount of payments made and payments committed to be made but not yet made in connection with ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements;

(II) A statement of the aggregate amount of financial assistance provided as grants and the aggregate amount of payments made in connection with ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements during the prior fiscal year;

(e) An estimate, to the extent feasible, of the total amounts of revenues to be credited to the assistance fund during the current fiscal year and the next fiscal year and financial assistance to be awarded during the next fiscal year, including separate estimates of the total amounts of financial assistance to be awarded as cash grants and under the terms of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to section 22-43.7-110 (2).

SECTION 21. In Colorado Revised Statutes, 22-44-105, **amend**

(1)(c.5) as follows:

22-44-105. Budget - contents - mandatory. (1) The budget shall be presented in the standard budget report format established by the state board of education by rule pursuant to subsection (5) of this section. The standard budget report format established by the state board shall be substantially consistent from year to year and shall adhere to the following guidelines:

(c.5) The budget shall ensure that the school district holds unrestricted general fund or cash fund emergency reserves in the amount required under the provisions of section 20 (5) of article X of the state constitution; except that, if a board of education provides for a district emergency reserve in the general fund for the budget year, established at an amount equal to at least three percent of the amount budgeted to the general fund, the board may:

(I) Designate real property owned by the district as all or a portion of the reserve required by section 20 (5) of article X of the state constitution so long as the board has filed with the state treasurer and the department of education a letter of intent that expresses the intent of the board to increase the liquidity of such property upon the occurrence of a declared emergency within the meaning of section 20 (5) of article X of the state constitution by entering into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements with respect to such property or by other means acceptable to the state treasurer; or

(II) Secure a letter of credit from an investment-grade bank as all or a portion of the reserve required by section 20 (5) of article X of the state constitution so long as the board has filed with the state treasurer and the department of education a letter of intent that expresses the intent of the board to satisfy its obligation to reimburse the bank for ~~moneys~~ MONEY drawn on the letter of credit upon the occurrence of a declared emergency within the meaning of section 20 (5) of article X of the state constitution that are not reimbursed to the bank within the same fiscal year by entering into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements with respect to real property owned by the district.

SECTION 22. In Colorado Revised Statutes, 22-45-112, **amend**

(2)(a)(II) and (2)(a)(III) as follows:

22-45-112. Sale of assets. (2) (a) Prior to July 1, 2005, a school district may sell land, buildings, or land and buildings and deposit in and expend from its general fund the proceeds, less costs, of the sale if:

(II) The school district sells the property to ~~a lessor~~ AN ENTITY, including but not limited to the state treasurer pursuant to section 22-54-110 (2)(d), who, at the time of the sale, ~~leases all of the property back to the district pursuant to a lease-purchase~~ ENTERS INTO A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement WITH THE DISTRICT COVERING ALL OF THE PROPERTY that is subject to annual appropriation by the school district and has a term of no more than one year; and

(III) The state treasurer approves in writing the terms of the sale and ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.

SECTION 23. In Colorado Revised Statutes, 22-54-110, **amend** (2)(d)(II), (2)(d)(III), and (2)(d)(V) as follows:

22-54-110. Loans to alleviate cash flow deficits - financed purchase of an asset agreements. (2) (d) (II) Such sale may only be made if:

(A) At the same time of the sale, the state treasurer ~~leases back all of the property to the district pursuant to a lease-purchase~~ ENTERS INTO A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement WITH THE DISTRICT COVERING ALL OF THE PROPERTY that is subject to annual appropriation by the school district;

(B) The district pays any legal or other transaction costs incurred by the state treasurer related to the sale of the property and the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement; and

(C) The state treasurer agrees to the sale of the property and the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(III) The provisions of ~~paragraph (c) of this subsection (2)~~ SUBSECTION (2)(c) OF THIS SECTION shall not apply to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, and no lien shall attach to any district tax revenues in order to secure the district's ~~lease~~ payments. The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall not authorize the district to receive fee title to the property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement prior to the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(V) If a district defaults in the payment of rent required by the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, it shall have thirty days to cure ~~such~~ THE default. If after thirty days the district has not cured the default and if the district remains in possession of the property, the state treasurer shall recover possession of the property pursuant to the provisions of article 40 of title 13. ~~C.R.S.~~ If a court enters a judgment in favor of the state treasurer and issues a writ of restitution pursuant to section 13-40-115, ~~C.R.S.~~, the state treasurer shall liquidate the property to the best advantage of the state.

SECTION 24. In Colorado Revised Statutes, 23-1-106.3, **amend** (1)(a), (1)(b)(I), (1)(b)(II), (1)(b)(IV), (1)(b)(V), (2), (3), (4)(a), (5)(a), and (5)(c) as follows:

23-1-106.3. Duties and powers of the commission - capital construction projects - federal mineral lease revenues fund - higher education institutions financed purchase of an asset cash fund.
(1) (a) As soon as possible after May 12, 2008, the commission, after consultation with the appropriate governing boards of state-supported institutions of higher education, shall submit to the office of state planning and budgeting and to the capital development committee of the general assembly, established pursuant to section 2-3-1302, ~~C.R.S.~~, a prioritized list of capital construction projects at the state-supported institutions of higher education to be constructed using ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements funded through the higher education federal mineral lease revenues fund established pursuant to section 23-19.9-102 (1) and referred to in this section as the "revenues fund". As soon as possible after receipt of the list from the commission, the

office of state planning and budgeting shall submit to the capital development committee a prioritized list of capital construction projects at state-supported institutions of higher education to be constructed using ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements funded through the revenues fund.

(b) (I) As soon as possible after receipt of the prioritized list from the office of state planning and budgeting, the capital development committee shall review the prioritized lists submitted by the commission and the office of state planning and budgeting and shall submit to the joint budget committee of the general assembly a prioritized list of capital construction projects at state-supported institutions of higher education to be constructed using ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements funded through the revenues fund.

(II) As soon as possible after receipt of the prioritized list from the capital development committee, the joint budget committee shall review the prioritized list submitted by the capital development committee and shall sponsor a joint resolution specifying a prioritized list of capital construction projects at state-supported institutions of higher education to be constructed using ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements funded through the revenues fund. The resolution shall contain a listing of the maximum amount of principal to be raised through ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to be paid from the revenues fund, the minimum amount of principal to be contributed by the institution, and the total anticipated cost of the project.

(IV) The anticipated annual state-funded payments for the principal and interest components of amount payable under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on the projects listed in the joint resolution adopted and approved pursuant to this ~~paragraph (b)~~ SUBSECTION (1)(b) entered into during the fiscal year commencing July 1, 2008, shall not exceed an average of sixteen million two hundred thousand dollars per year for the first ten years of payments and sixteen million eight hundred thousand dollars per year during the second ten years of payments.

(V) To the extent that any projects on the prioritized list contained

in the joint resolution introduced and approved pursuant to this subsection (1) are not the subject of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to subsection (3) of this section and to the extent that the state treasurer determines that there is sufficient money in the revenues fund to enter into an additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or agreements during the fiscal year commencing July 1, 2009, the remaining projects on the prioritized list in the joint resolution shall be the prioritized list for ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into during the fiscal year commencing July 1, 2009.

(2) (a) On or before August 15, 2009, and on or before August 15 of each year thereafter through August 15, 2015, the state treasurer shall notify the commission, the office of state planning and budgeting, the capital development committee, and the joint budget committee of the amount of money in the revenues fund and whether the treasurer determines that there ~~are~~ IS sufficient ~~moneys~~ MONEY in the revenues fund to enter into additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to be funded from the revenues fund. On and after April 14, 2016, the state shall not enter into any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to be funded from the revenues fund.

(b) After the notification required by ~~paragraph (a) of this subsection~~ (2) SUBSECTION (2)(a) OF THIS SECTION is received, and the treasurer has determined that there ~~are~~ IS sufficient ~~moneys~~ MONEY in the revenues fund to enter into additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, the commission, the office of state planning and budgeting, the capital development committee, and the joint budget committee, pursuant to the procedures established in subsection (1) of this section, may promptly consider a new prioritized list of capital construction projects at state-supported institutions of higher education to be constructed using ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements funded through the revenues fund. A joint resolution introduced pursuant to this ~~paragraph (b)~~ SUBSECTION (2)(b) shall also include a statement of the maximum average anticipated state-funded payments under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements to be authorized through the joint resolution.

(3) (a) (I) Notwithstanding the provisions of sections 24-82-102 (1)(b) and 24-82-801, ~~C.R.S.~~, the state of Colorado, acting by and through the state treasurer, is authorized to execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements each for no more than twenty years of annual payments on the projects listed in the joint resolution adopted and approved pursuant to ~~paragraph (b) of subsection (1) of this section or paragraph (b) of subsection (2)~~ SUBSECTION (1)(b) OR (2)(b) of this section. The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized pursuant to this ~~paragraph (a)~~ SUBSECTION (3)(a) may be for the total amount of the project cost as reflected in the joint resolution. A state-supported institution of higher education may either contribute the full amount of its share of the cost of the project at the commencement of the project or may have its share of the cost of the project included in the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. Based upon the total amount of money that one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements is able to raise, the treasurer shall enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in the order of the prioritized list contained in the joint resolution; except that, if, after funding all previous projects on the list, the amount of money is insufficient to fund the entire project that is next on the list, the treasurer may enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on the next project or projects on the list that may be completely funded.

(II) The state treasurer shall ensure that each state-supported institution of higher education submits a certificate of completion no later than August 1, 2012, for each project funded in whole or in part by the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer in 2008 pursuant to this section. After such certificates of completion are received by the state treasurer, the state treasurer and the state controller shall calculate the amount of unspent proceeds raised through the 2008 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. The state treasurer and the state controller shall also calculate the amount of the unspent institutional shares of the total project costs. The state treasurer and state controller shall provide these amounts to the capital development committee in writing no later than August 15, 2012. No later than thirty days after receiving such amounts, the

capital development committee shall hold a public meeting during the interim between the second regular session of the sixty-eighth general assembly and the first regular session of the sixty-ninth general assembly to decide, by majority vote, what the unspent proceeds raised through the 2008 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and the unspent institutional shares of the total project costs should be used to fund. The capital development committee's decision shall be limited to funding capital construction projects at state-supported institutions of higher education or, so long as such projects are identified as eligible by bond counsel, controlled maintenance projects at state-supported institutions of higher education. The capital development committee shall communicate the decision to the state treasurer in writing, and the state treasurer shall ensure that the approved project or projects are funded from the unspent proceeds raised through the 2008 ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and the unspent institutional shares of the total project costs as soon as possible.

(b) (I) The state of Colorado, acting by and through the state treasurer, at the state treasurer's sole discretion, may enter into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized by ~~paragraph (a) of this subsection~~ (3) SUBSECTION (3)(a) OF THIS SECTION with any for-profit or nonprofit corporation, trust, or commercial bank as a trustee, as lessor, including but not limited to the Colorado educational and cultural facilities authority created pursuant to section 23-15-104.

(II) (A) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~paragraph (a) of this subsection~~ (3) SUBSECTION (3)(a) OF THIS SECTION shall provide that all of the obligations of the state under the agreement shall be subject to the action of the general assembly in annually making ~~moneys~~ MONEY available for all payments thereunder. Payments under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall be made from the revenues fund and any money in the higher education institutions ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET cash fund established in subsection (4) of this section.

(B) Each agreement ~~shall~~ MUST also provide that the obligations of the state shall not be deemed or construed as creating an indebtedness of the

state within the meaning of any provision of the state constitution or the laws of the state of Colorado concerning or limiting the creation of indebtedness by the state of Colorado and shall not constitute a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution. In the event the state of Colorado does not renew a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION, the sole security available to the ~~lessor~~ SELLER shall be the property that is the subject of the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(III) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION may contain such terms, provisions, and conditions as the state treasurer, acting on behalf of the state of Colorado, may deem appropriate, including all optional terms; except that each ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall specifically authorize the state of Colorado or the governing board of the applicable state-supported institution of higher education to receive fee title to all real and personal property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on or prior to the expiration of the terms of the agreement. Any title to such property received by the state on or prior to the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall be held for the benefit and use of such governing board.

(IV) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION may provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made and to be made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. The instruments may be issued, distributed, or sold only by the ~~lessor~~ SELLER or any person designated by the ~~lessor~~ SELLER and not by the state. The instruments shall not create a relationship between the purchasers of the instruments and the state or create any

obligation on the part of the state to the purchasers. The instruments shall not be notes, bonds, or any other evidence of indebtedness of the state within the meaning of any provision of the state constitution or the law of the state concerning or limiting the creation of indebtedness of the state and shall not constitute a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution.

(V) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION, including interest represented by the instruments, shall be exempt from Colorado income tax.

(VI) The state of Colorado, acting through the state treasurer and the governing board of the institutions of higher education, is authorized to enter into ancillary agreements and instruments as are deemed necessary or appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including but not limited to deeds, ground leases, sub-leases, easements, or other instruments relating to the real property on which the facilities are located or an agreement entered into pursuant to subsection (5) of this section.

(c) The provisions of section 24-30-202 (5)(b) ~~C.R.S.~~, shall not apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~paragraph (a) of this subsection (3)~~ SUBSECTION (3)(a) OF THIS SECTION or any ancillary agreement or instrument entered into pursuant to ~~paragraph (b) of this subsection (3)~~ SUBSECTION (3)(b) OF THIS SECTION. The state controller or his or her designee shall waive any provision of the fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) ~~C.R.S.~~, that the state controller deems to be incompatible or inapplicable with respect to said ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements or any such ancillary agreement or instrument.

(4) (a) A local government or the governing board of a state-supported institution of higher education may pay to the state treasurer an amount to assist the state in making payments on any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to ~~paragraph (a) of subsection (3)~~

SUBSECTION (3)(a) of this section. State-supported institutions of higher education, including but not limited to the Auraria higher education center and its constituent institutions, are authorized to transfer ~~moneys~~ MONEY to the state treasurer pursuant to this subsection (4) for the projects for which the state treasurer executes a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement pursuant to subsection (3) of this section without an appropriation from the general assembly. The state treasurer shall credit any ~~moneys~~ MONEY received pursuant to this subsection (4) to the higher education institutions ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET cash fund, referred to in this subsection (4) as the "fund", which fund is hereby created in the state treasury. Except as provided in ~~subparagraph (II) of paragraph (a) of subsection (3)~~ SUBSECTION (3)(a)(II) of this section, ~~moneys~~ MONEY in the fund ~~are~~ IS continuously appropriated to the state treasurer to make payments on ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements executed pursuant to ~~paragraph (a) of subsection (3)~~ SUBSECTION (3)(a) of this section. Any ~~moneys~~ MONEY in the fund not expended for the purpose of this section shall be invested by the state treasurer as provided by law. All interest and income derived from the investment and deposit of ~~moneys~~ MONEY in the fund shall be credited to the fund. Except as provided in ~~paragraph (b) of this subsection (4)~~ SUBSECTION (4)(b) OF THIS SECTION, any unexpended and unencumbered ~~moneys~~ MONEY remaining in the fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or another fund.

(5) (a) Prior to executing a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement pursuant to subsection (3) of this section, in order to protect against future interest rate increases, the state of Colorado, acting by and through the state treasurer and at the discretion of the state treasurer, may enter into an interest rate exchange agreement pursuant to article 59.3 of title 11. ~~C.R.S.~~ A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to subsection (3) of this section shall be a proposed public security for the purposes of article 59.3 of title 11. ~~C.R.S.~~ Any payments made by the state under an agreement entered into pursuant to this subsection (5) shall be made solely from ~~moneys~~ MONEY made available to the state treasurer from the execution of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or from ~~moneys~~ MONEY appropriated from the

revenues fund or the higher education institutions ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION cash fund created pursuant to subsection (4) of this section.

(c) Any ~~moneys~~ MONEY received by the state under an agreement entered into pursuant to this subsection (5) shall be used to make payments on ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to subsection (3) of this section or to pay the costs of the project for which a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement was executed.

SECTION 25. In Colorado Revised Statutes, 23-15-107, **amend** (1) introductory portion and (1)(g) as follows:

23-15-107. General powers of the authority. (1) In addition to any other powers granted to the authority by this ~~article~~ ARTICLE 15, the authority shall have the following powers:

(g) To ~~lease to~~ ENTER INTO AN AGREEMENT WITH a participating institution of postsecondary education or cultural institution COVERING any or all of the facilities upon such terms and conditions as the authority shall deem proper, including, but not limited to, renewable, one-year leases with institutions of postsecondary education supported in whole or in part by state funds if authorized pursuant to section 23-1-106 or section 24-82-709, ~~C.R.S.~~; or a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to sections 24-82-102 (1)(b) and 24-82-801; ~~C.R.S.~~; to charge and collect rent therefor and to terminate any such ~~lease~~ AGREEMENT upon the failure of the ~~lessee~~ BUYER to comply with any of the obligations thereof; and to include in any such ~~lease~~ AGREEMENT, if desired, provisions that the ~~lessee~~ BUYER thereof shall have options to renew the term of the ~~lease~~ AGREEMENT for such period or periods, at such rent, and upon such terms or conditions as shall be determined by the authority or to purchase any or all of the facilities or to include, if desired, provisions that, upon payment of all of the indebtedness incurred by the authority for the financing of such facilities, the authority will convey any or all of the facilities to the ~~lessee~~ BUYER or ~~lessees~~ BUYERS thereof with or without consideration;

SECTION 26. In Colorado Revised Statutes, 23-20-136, **amend**

(3.5)(a) and (5) as follows:

23-20-136. Fitzsimons trust fund - creation - legislative declaration - repeal. (3.5) (a) For the 2016-17 fiscal year and for each fiscal year thereafter in which the state receives ~~moneys~~ MONEY pursuant to the master settlement agreement, and in which money is due to a lessor under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to section 3 of House Bill 03-1256, enacted in 2003, the state treasurer shall transfer to the capital construction fund and the state controller shall transfer from the capital construction fund to the Fitzsimons trust fund, except as otherwise provided in section 24-75-1104.5 (5), ~~C.R.S.~~, eight percent of the total amount received by the state pursuant to the master settlement agreement, other than attorney fees and costs, during the preceding fiscal year.

(5) ~~Moneys~~ MONEY in the Fitzsimons trust fund may be appropriated to pay for capital construction projects for the university of Colorado health sciences center at the former Fitzsimons Army base that have received the prior approval of the board of regents of the university of Colorado, the Colorado commission on higher education, the capital development committee, the general assembly, and the joint budget committee or for ~~lease~~ payments on any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to section 3 of House Bill 03-1256, as enacted at the first regular session of the sixty-fourth general assembly.

SECTION 27. In Colorado Revised Statutes, 23-31-901, **amend** (1)(b)(II) introductory portion and (2)(i) introductory portion as follows:

23-31-901. Legislative declaration. (1) The general assembly hereby finds and declares that:

(b) It is important to sustain and grow the national western stock show in Denver for the next one hundred years so that the state can continue to realize the benefits that it provides and additional benefits estimated to accrue from its transformational redevelopment, which include but are not limited to:

(II) The following significant economic impacts, which an economic analysis by strategic advisory group estimates, of developing the Colorado

state university facilities at the national western center based upon the current ten-year build-out of the site without the use of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements:

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

(i) It is necessary, appropriate, and in the best interests of the state to authorize the state, acting by and through the state treasurer, to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for the purpose of providing financing for the construction of facilities for Colorado state university at the national western center and on-campus affiliated facilities, and such financing is contingent upon approval, through established state executive and legislative branch capital construction project review and approval processes, of specific projects to be financed and the voters of the city and county of Denver approving an extension of the lodging and car rental taxes or another similar tax, which would generate necessary funding for the national western center. Further, it is in the best interests of the state to accelerate the development of the Colorado state university educational facilities resulting in the following economic benefits to the state:

SECTION 28. In Colorado Revised Statutes, 23-31-902, **amend** (2) and (3) as follows:

23-31-902. Annual project report - national western center trust fund - creation - use. (2) The national western center trust fund is created in the state treasury. The trust fund consists of ~~moneys~~ MONEY transferred from the general fund to the trust fund pursuant to subsection (3) of this section. Interest and income derived from the deposit and investment of the trust fund is credited to the trust fund. All unexpended and unencumbered ~~moneys~~ MONEY in the trust fund at the end of a fiscal year remains in the trust fund and shall not be credited to the general fund or any other fund. Subject to annual appropriation by the general assembly, the board of governors of Colorado state university may expend money from the trust fund to make ~~lease~~ payments payable under the terms of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into as authorized by section 23-31-903. The principal and interest of the trust fund shall not be expended or appropriated for any other purpose.

(3) If, in order to contribute to the financing of the phased development of the national western center, the state enters into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as authorized by section 23-31-903, on July 1 of any fiscal year commencing on or after July 1, 2019, for which money is due to a ~~lessor~~ SELLER under such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, the state treasurer shall transfer from the general fund to the national western center trust fund the lesser of twenty million dollars or the amount due to any ~~lessor~~ SELLER during the fiscal year.

SECTION 29. In Colorado Revised Statutes, 23-31-903, **amend** (1), (2)(a), (2)(b)(I) introductory portion, (2)(b)(I)(A), (2)(b)(II), (2)(c), (2)(d), (2)(e), and (3) as follows:

23-31-903. Authorization for financed purchase of an asset or certificate of participation agreements. (1) (a) Subject to the requirements specified in ~~paragraph (c) of this subsection (1)~~ SUBSECTION (1)(c) OF THIS SECTION, the state of Colorado, acting by and through the state treasurer, may execute one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for up to twenty years of principal and interest payments for the state to finance the construction of facilities for Colorado state university at the national western center and affiliated facilities at the Colorado state university campus. The total amount of the principal component of said ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall not exceed two hundred fifty million dollars, plus reasonable and necessary administrative, monitoring, and closing costs and interest, including capitalized interest.

(b) Enactment of this part 9 satisfies the requirements of sections 24-82-102 (1)(b) and 24-82-801, ~~C.R.S.~~, which require authorization of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement by a bill other than an annual general appropriation bill or a supplemental appropriation bill.

(c) The state shall not enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement as authorized by this section unless the specific facilities to be financed by the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

PARTICIPATION agreement have been included in the unified, five-year capital improvements report prepared and transmitted by the Colorado commission on higher education pursuant to section 23-1-106, prioritized for funding by the office of state planning and budgeting in its submission to the capital development committee made pursuant to section 24-37-304 (1)(c.3)(I)(C), ~~C.R.S.~~, recommended for funding by the capital development committee pursuant to section 2-3-1305, ~~C.R.S.~~, and included in the governor's annual executive budget proposed to the general assembly pursuant to section 24-37-301. ~~C.R.S.~~ Prior to closing, the state controller must approve all agreements relating to the financing of the facilities, and the voters of the city and county of Denver must approve an extension of the lodging and car rental taxes or another similar tax.

(2) (a) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of this section must provide that all of the obligations of the state under the agreement are subject to the action of the general assembly in annually making ~~moneys~~ MONEY available for all payments thereunder. Payments under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall be made only from such action of the general assembly. No ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of this section creates any liability or indebtedness of Colorado state university. Such an agreement must also provide that the obligations do not create an indebtedness of the state within the meaning of any provision of the state constitution or the laws of the state of Colorado concerning or limiting the creation of indebtedness by the state of Colorado and do not constitute a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution. If the state of Colorado does not renew a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of this section, the sole security available to the ~~lessor~~ SELLER is the real property that is the subject of the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(b) (I) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of this section may contain such terms, provisions, and conditions as the state treasurer may deem appropriate, including all optional terms; except that the

~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must specifically authorize the state of Colorado to:

(A) Receive fee title to all real and personal property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on or prior to the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement; and

(II) Any title to property received by the state on or prior to the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement will be held by the state for the benefit and use of Colorado state university.

(c) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of this section may provide for the issuance, distribution, and sale of instruments evidencing rights to receive ~~rentals and other~~ payments made and to be made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. The instruments may be issued, distributed, or sold only by the ~~lessor~~ SELLER or any person designated by the ~~lessor~~ SELLER and not by the state. The instruments do not create a relationship between the purchasers of the instruments and the state or create any obligation on the part of the state to the purchasers. The instruments are not notes, bonds, or any other evidence of indebtedness of the state within the meaning of any provision of the state constitution or the law of the state concerning or limiting the creation of indebtedness of the state and do not constitute a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution.

(d) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of this section, including interest represented by the instruments, is exempt from state tax.

(e) The state of Colorado, acting through the state treasurer, is authorized to enter into such ancillary agreements and instruments as are deemed necessary or appropriate in connection with the ~~lease-purchase~~

FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, including but not limited to ground leases, easements, or other instruments relating to the facilities to be purchased.

(3) The provisions of section 24-30-202 (5)(b) ~~C.R.S.~~, do not apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (1) of this section or to any ancillary agreement entered into pursuant to ~~paragraph (c) of subsection (2)~~ SUBSECTION (2)(c) of this section. The state controller or his or her designee may waive any provision of the fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) ~~C.R.S.~~, that the state controller deems to be incompatible or inapplicable with respect to such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or ancillary agreement.

SECTION 30. In Colorado Revised Statutes, 24-1-136.5, **amend** (7) as follows:

24-1-136.5. Long-range planning for capital construction, controlled maintenance, capital renewal - policy - heads of principal departments. (7) Any acquisition or utilization of real property by a department that is conditional upon or requires expenditures of state funds or federal funds is subject to the approval of the executive director and the office of the state architect, regardless of whether the acquisition is by lease, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET, CERTIFICATE OF PARTICIPATION, purchase, gift, or otherwise.

SECTION 31. In Colorado Revised Statutes, 24-30-202, **amend** (5)(b) and (5.5) as follows:

24-30-202. Procedures - vouchers, warrants, and checks - rules - penalties - definitions. (5) (b) If a state department, institution, or agency enters into a contract to purchase real property or any interest therein that has a total purchase price of more than one hundred thousand dollars, the contract must contain a contingency clause that requires the state to secure an appraisal of the subject real property or interest therein prior to closing by an independent appraiser licensed in the state of Colorado to substantiate the purchase price and that makes the closing of the purchase contingent on the approval of the contract by the state controller. When the state department, institution, or agency entering into the contract receives the

appraisal, the state department, institution, or agency shall provide a copy of the appraisal to the state controller. This ~~paragraph (b)~~ SUBSECTION (5)(b) shall not apply to the acquisition of property by the department of transportation for the construction, maintenance, or supervision of the public highways of this state, nor shall it apply to any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to the master lease program authorized by part 7 of article 82 of this ~~title~~ TITLE 24.

(5.5) Any commitment voucher that provides that the financial obligations of the state in subsequent fiscal years are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available shall not be deemed to create any state multiple-fiscal year direct or indirect debt or other financial obligation whatsoever for purposes of section 20 (4)(b) of article X of the state constitution. If a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is subject to the requirement of specific authorization by the general assembly under part 8 of article 82 of this ~~title~~ TITLE 24, such committees shall make a recommendation to the general assembly concerning whether to authorize the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. ~~involving the issuance of certificates of participation or other instruments.~~ The department of personnel and the Colorado commission on higher education shall maintain comparative data which will assist in determining the relative costs to the state, over the entire term of the arrangement, of financing the purchase or lease of property through pay-as-you-go methods, certificates of participation, or other arrangements.

SECTION 32. In Colorado Revised Statutes, 24-30-1303.9, **amend** (7)(a)(VI) as follows:

24-30-1303.9. Eligibility for state controlled maintenance funding - legislative declaration. (7) (a) Controlled maintenance funds may not be used for:

(VI) Any real property acquired by a state agency or a state institution of higher education through a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement where the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement requires authorization set forth in section

24-82-801.

SECTION 33. In Colorado Revised Statutes, 24-30-1310, **amend** (2)(c) introductory portion as follows:

24-30-1310. Funding for capital construction, controlled maintenance, or capital renewal - definitions. (2) Except for the 2020-21 annual general appropriation act, for every appropriation in the capital construction section of the 2015-16 annual general appropriation act and every appropriation in the capital construction section of each annual general appropriation act thereafter, not including appropriations for information technology projects, additional funding must be set aside as follows:

(c) If the funding source for the appropriation is a financing arrangement, including a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement allowed pursuant to section 24-82-802, and the source of the funding for the financing payment is:

SECTION 34. In Colorado Revised Statutes, 24-30-1502, **amend** (4.5) as follows:

24-30-1502. Definitions. As used in this part 15, unless the context otherwise requires:

(4.5) "Property" means both real property as defined in section 39-1-102 (14) ~~C.R.S.~~, and personal property as defined in section 39-1-102 (11). ~~C.R.S.~~ For purposes of the self-insured property fund, "personal property" means personal property owned by the state of Colorado or personal property leased by the state of Colorado for which the state is required to provide insurance under the terms of a lease, ~~or lease-purchase~~ FINANCED PURCHASE OF AN ASSET, OR CERTIFICATE OF PARTICIPATION agreement. For purposes of the self-insured property fund, "personal property" does not include aircraft owned by the state of Colorado or vehicles licensed for use on highways or roads. For purposes of the self-insured property fund, "real property" means buildings owned by the state of Colorado or buildings leased by the state of Colorado for which the state is required to provide insurance under the terms of a lease or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreement, OR CERTIFICATE OF PARTICIPATION.

SECTION 35. In Colorado Revised Statutes, 24-30-2003, **amend** (3) and (4) as follows:

24-30-2003. Energy cost-savings contracts. (3) An energy cost-savings contract may include appropriate ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION or other authorized financing agreements.

(4) The legislative authorization required by section 24-82-801 (1) shall not apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement in an energy cost-savings contract and no subsequent legislative authorization shall be required for any payment made pursuant to such an agreement.

SECTION 36. In Colorado Revised Statutes, 24-36-121, **amend** (1)(g), (3)(a)(I)(A), (3)(c)(I), and (4)(a)(II) as follows:

24-36-121. Authority to manage state public financing - state public financing cash fund - rules - legislative declaration - definitions.

(1) The general assembly hereby finds, determines, and declares that:

(g) Senate Bill 12-150, enacted in 2012, is not intended to grant the state treasurer any authority that supersedes a state agency's authority to enter into or incur a financial obligation, nor is Senate Bill 12-150 intended to affect other state laws regarding the general assembly's approval of any ~~capital lease or lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement over five hundred thousand dollars.

(3) As used in this section, unless the context otherwise requires:

(a) (I) "Financial obligation" means any financial contract, note, warrant, check, bond, certificate, instrument, debenture, or other security, the principal amount of which is one million dollars or more, that is authorized to be issued or entered into by the state acting by and through a state agency under the laws of this state, that is fully or partially secured by any state revenues, and that is directly or indirectly related to the state's credit rating. "Financial obligation" includes, but is not limited to:

(A) Any ~~capital lease or lease-purchase~~ FINANCED PURCHASE OF AN

ASSET OR CERTIFICATE OF PARTICIPATION agreement the principal amount of which is one million dollars or more authorized pursuant to section 24-82-102 and part 8 of article 82 of this ~~title~~ TITLE 24; and

(c) (I) "State agency" means a department, board, bureau, commission, division, institution, quasi-governmental entity, or other agency or instrumentality of the state, including a state institution of higher education. "State agency" also includes an enterprise, as defined in section 24-77-102 (3), a nonprofit corporation organized under the laws of this state and created solely for the purpose of issuing financial obligations on behalf of the state acting by and through a state agency, and a trust that may be formed by the state or a state agency to implement ~~capital lease or lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION financing.

(4) (a) (II) For a state institution of higher education, for the 2012-13 state fiscal year and each state fiscal year thereafter, the state treasurer shall act as the issuing manager, subject to the criteria established in the state public financing policy promulgated as specified in subsection (5) of this section, for any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement similar to those authorized in section 23-1-106.3, ~~C.R.S.~~, and any financial contract, note, warrant, check, bond, certificate, instrument, debenture, or other security, the principal amount of which is one million dollars or more, that is authorized under the laws of this state to be issued or entered into by the state acting by and through a state agency other than a state institution of higher education and that finances improvements that benefit a state institution of higher education. The state treasurer has the sole discretion to manage the issuance or incurrence of such financial obligations for a state institution of higher education and shall manage the issuance or incurrence of such financial obligations in accordance with the duties set forth in ~~sub-subparagraphs (A) to (E) of subparagraph (I) of this paragraph (a)~~ SUBSECTIONS (4)(a)(I)(A) TO (4)(a)(I)(E) OF THIS SECTION. The state treasurer shall not act as the issuing manager for any bonds subject to the higher education revenue bond intercept program established in section 23-5-139. ~~C.R.S.~~

SECTION 37. In Colorado Revised Statutes, 24-38.5-106, **amend** (3)(a) introductory portion, (3)(a)(III)(A), (3)(b), (3)(c), (3)(d), (3)(e), (3)(f), (3)(g), (3)(h), and (4) as follows:

24-38.5-106. Financing of capital projects to make state government more energy efficient - financed purchase of asset agreements - legislative declaration - definition. (3) (a) Upon receipt of the letter from the capital development committee regarding its review pursuant to subsection (2) of this section, the state treasurer may enter into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state in order to generate the proceeds needed to complete the projects. A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement:

(III) Shall include provisions that:

(A) Specify that all payment obligations of the state under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement are subject to annual appropriation by the general assembly and that obligations shall not be deemed or construed as creating an indebtedness of the state within the meaning of any provision of the state constitution or the laws of the state concerning or limiting the creation of indebtedness by the state;

(b) Only a building or facility subject to an energy performance contract, as defined in section 24-30-2001 (1), that is under consideration by the office of the state architect as of thirty days following June 10, 2010, may be the subject of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer pursuant to this subsection (3).

(c) The state, acting by and through the state treasurer, may enter into ancillary agreements and instruments deemed necessary or appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to this subsection (3), including but not limited to deeds, leases, subleases, easements, or other instruments relating to the real property on which the facilities are located.

(d) The provisions of section 24-30-202 (5)(b) shall not apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or any ancillary agreement or instrument authorized pursuant to this subsection (3). Any provision of the fiscal rules

promulgated pursuant to section 24-30-202 (1) and (13) that the state controller deems to be incompatible or inapplicable with respect to such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or ancillary agreement or instrument may be waived by the controller or his or her designee within the office of the state controller.

(e) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including interest represented by such instruments, shall be exempt from state income tax.

(f) Notwithstanding the authority of the capital development committee of the general assembly to authorize, after approval by the office of state planning and budgeting, the state treasurer to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state, in order to ensure that ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements are entered into under favorable financial market conditions, the state treasurer shall have sole discretion to determine the timing of the state treasurer's entry into any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on behalf of the state pursuant to this subsection (3).

(g) The state treasurer shall coordinate with the office of state planning and budgeting in regard to the schedule of ~~lease~~ payments required in connection with any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(h) Once a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement has been executed, the state treasurer shall submit the schedule for annual payments to the office of state planning and budgeting and the joint budget committee of the general assembly. The office of state planning and budgeting shall submit a budget request to the joint budget committee to reduce any corresponding operating appropriations for state capital facilities realizing utility cost savings from projects financed by ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements and to appropriate annual payments in the capital construction section of the budget for those facilities for which operation and maintenance is funded in whole or in part with ~~moneys~~ MONEY that ~~are~~ IS subject to state appropriation. Upon receipt of the

budget request from the office of state planning and budgeting, the joint budget committee shall recommend to the general assembly an appropriation for annual payments in the capital construction section of the budget and a reduction of the same amount in the applicable utilities line item of the operating budget. The office of state planning and budgeting and the joint budget committee recommendation shall also include an appropriation of the original funding sources of the utility line item equal to the identified savings for transfer to the energy efficiency project proceeds fund created in subsection (4) of this section unless such transfer is prohibited by the requirements of the original funding source. It is the intent of the general assembly that the utilities line item reduction be permanent, and that any future appropriated increases be defended in relation to the balance for utilities that remain in the line.

(4) The energy efficiency project proceeds fund is hereby created in the state treasury. The principal of the fund shall consist of ~~moneys~~ MONEY received by the state in connection with any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to subsection (3) of this section and any other legally available ~~moneys~~ MONEY that may be appropriated or transferred to the fund. All interest and income derived from the deposit and investment of ~~moneys~~ MONEY in the fund shall be credited to the fund. Any unexpended and unencumbered ~~moneys~~ MONEY remaining in the fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or any other fund. ~~Moneys~~ MONEY in the fund that ~~were~~ WAS received by the state in connection with any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and that ~~are~~ IS trustee funds may be expended by the state treasurer, and other ~~moneys~~ MONEY in the fund not identified for funding annual payments or to be used to defray any incremental costs incurred by the state controller in managing accounting and reporting requirements related to ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to subsection (3) of this section ~~are~~ IS hereby continuously appropriated to the state treasurer, for the purpose of making disbursements necessary to complete projects associated with current utility cost-savings contracts that are authorized to be financed through ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into by the state treasurer on behalf of the state pursuant to subsection (3) of this section. ~~Moneys~~ MONEY in the fund shall also be subject to appropriation by the general assembly for the

purpose of paying the principal of and interest on and defraying any incremental costs incurred by the state controller in managing accounting and reporting requirements related to such ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.

SECTION 38. In Colorado Revised Statutes, 24-48.5-312, **amend** (3)(a)(II)(A), (3)(a)(III) introductory portion, and (3)(a)(III)(D) as follows:

24-48.5-312. Art in public places program - allocations from capital construction costs - guidelines - fund created - definitions. (3) (a) (II) (A) Except as provided in subsection (3)(a)(III) of this section, commencing after August 11, 2010, any capital construction project that is the subject of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, as defined in section 24-82-801 (4), that provides for ~~lease~~ payments from money that has been appropriated in full or in part by the state must include as a nondeductible item in the project budget an allocation of not less than one percent of the state-funded portion of the total construction costs to be used for the acquisition of works of art.

(III) The requirements specified in this ~~paragraph (a)~~ SUBSECTION (3)(a) do not apply to:

(D) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into by the state treasurer on behalf of the state pursuant to article 43.7 of title 22; ~~C.R.S.~~;

SECTION 39. In Colorado Revised Statutes, 24-75-108, **amend** (3)(b) and (12) as follows:

24-75-108. Intradepartmental transfers between appropriations - repeal. (3) (b) Any savings realized from an energy cost-savings contract pursuant to section 24-30-2003 may be transferred to an operating expense item for the purpose of making an annual payment on a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement under such contract.

(12) As used in this section, "utilities" means water, sewer service, electricity, or other fuel sources, equipment purchased for the purpose of utility cost savings, payments made to private companies for services

rendered or equipment installed for the purpose of reducing utility costs, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payments to private companies for the purpose of reducing utility costs, and all heating fuels.

SECTION 40. In Colorado Revised Statutes, 24-75-112, **amend** (1)(b) and (1)(r); **repeal** (1)(h); and **add** (1)(b.5) and (1)(c.5) as follows:

24-75-112. Annual general appropriation act - headnote definitions - general provisions - footnotes. (1) As used in the annual general appropriation act, the following definitions and general provisions shall apply for the headnote terms preceding and specifying the purpose of certain line items of appropriation:

(b) "Centralized appropriation" means the appropriation of funds to an executive director of a department or a central administrative program intended for subsequent allocation and expenditure at and among a department's divisions, programs, agencies, or long bill groups in order to reflect the amount of such resources actually used in each program or division. Such centralized appropriations may include salary survey, merit pay or anniversary increases, senior executive service, shift differential, group health and life insurance, capital outlay, ADP capital outlay, information technology asset maintenance, legal services, purchase of services from computer center, multiuse network payments, vehicle lease payments, leased space, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET, CERTIFICATE OF PARTICIPATION, payment to risk management and property funds, short-term disability insurance, utilities, communications services payments, amortization equalization disbursements, supplemental amortization equalization disbursements, administrative law judge services, and centralized ADP. As provided in ~~paragraph (1) of this subsection (1)~~ SUBSECTION (1)(l) OF THIS SECTION, capital outlay is included within the appropriation for "operating expenses".

(b.5) "CERTIFICATE OF PARTICIPATION" MEANS ANY CERTIFICATE EVIDENCING A PARTICIPATION RIGHT OR A PROPORTIONATE INTEREST IN ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE PAYMENTS FROM THE STATE OR AN AGENCY DUE UNDER ANY FINANCING AGREEMENT.

(c.5) "FINANCED PURCHASE OF AN ASSET" MEANS A FINANCING

AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

(h) ~~"Lease purchase" means a capital lease as defined in the generally accepted accounting principles issued by the governmental accounting standards board that the controller prescribes for the state as specified in section 24-30-202 (12).~~

(r) "Vehicle lease payments" means the annual payments to the department of personnel for the cost of administration, repayment of a loan from the state treasury, and ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payments for new and replacement vehicles.

SECTION 41. In Colorado Revised Statutes, 24-75-302, **amend** (3.5) as follows:

24-75-302. Capital construction fund - capital assessment fees - calculation - information technology capital account. (3.5) There is hereby created a special account within the capital construction fund established pursuant to subsection (1) of this section to be known as the ~~"lease-purchase~~ "FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION servicing account" for the benefit of the department of personnel. The state treasurer shall deposit into the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION servicing account all ~~moneys~~ MONEY transferred or received pursuant to section 24-82-802 (9). ~~Moneys~~ MONEY in the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION servicing account ~~are~~ IS subject to annual appropriation and may only be used to pay annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payments, as defined in section 24-82-802 (1)(a), for ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized pursuant to section 24-82-802 or for operating, maintenance, and controlled maintenance costs and to establish a reserve for controlled maintenance costs for the buildings subject to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements. All interest and income derived from the investment and deposit of ~~moneys~~ MONEY in the account shall be credited to the account. All ~~moneys~~ MONEY remaining in the account at the end of a fiscal year that ~~are~~ IS unexpended or unencumbered must remain in the account.

SECTION 42. In Colorado Revised Statutes, 24-75-303, **amend** (5)(a) introductory portion as follows:

24-75-303. Appropriation for capital construction. (5) (a) Except for an appropriation for a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment, except as provided in subsection (5)(b) of this section, and unless otherwise noted in a footnote in an appropriation act, an appropriation for a capital construction budget item or an information technology capital project, including capital construction, controlled maintenance, or capital renewal projects, as such terms are defined in section 24-30-1301, included in:

SECTION 43. In Colorado Revised Statutes, 24-75-307, **amend** (2) introductory portion and (2)(a) as follows:

24-75-307. Capitol complex master plan implementation fund - creation - transfers for fund. (2) On July 1, 2019, and on July 1 of each succeeding fiscal year, the state treasurer, upon the request of the capital development committee, may make a transfer from the general fund to the capitol complex master plan implementation fund in an amount equal to twenty million dollars less the amount transferred to the national western center trust fund pursuant to section 23-31-902 (3), ~~C.R.S.~~, subject to the following limitations:

(a) If the state has not entered into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as authorized by section 23-31-903, ~~C.R.S.~~, and no transfer is made to the national western center trust fund pursuant to section 23-31-902, ~~C.R.S.~~, ten million dollars may be transferred to the capitol complex master plan implementation fund and ten million dollars may be transferred to the controlled maintenance trust fund created in section 24-75-302.5 (2)(a); and

SECTION 44. In Colorado Revised Statutes, 24-75-601, **amend** (2) as follows:

24-75-601. Definitions. As used in this part 6, unless the context otherwise requires:

(2) "Public funds" means any funds in the custody, possession, or

control of a public entity; any funds over which a public entity has investment control; any funds over which a public entity would have investment control but for the entity's delegation of that control to another person; and any funds over which another person exercises investment control on behalf of or for the benefit of a public entity. "Public funds" includes, but is not limited to, proceeds of the sale of securities of a public entity and proceeds of certificates of participation or other securities evidencing rights in payments to be made by a public entity under a lease, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET AGREEMENT, CERTIFICATE OF PARTICIPATION agreement, or other similar arrangement, regardless of whether such proceeds are held by the public entity, a third-party trustee, or any other person. "Public funds" shall not include funds invested by the public employees' retirement association created in article 51 of this ~~title~~ TITLE 24 or any other funds invested for employee retirement or pensions. "Public funds" shall also not include trusts managed on behalf of the board of education of a school district coterminous with a city and county for the benefit of a retiree's health insurance and teacher compensation.

SECTION 45. In Colorado Revised Statutes, 24-75-601.1, **amend** (1)(h), (1)(h.5), and (1)(l)(III)(B) as follows:

24-75-601.1. Legal investments of public funds - definition. (1) It is lawful to invest public funds in any of the following securities:

(h) Any security of the investing public entity or any certificate of participation or other security evidencing rights in payments to be made by the investing public entity under a lease, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreement, or similar arrangement;

(h.5) Any certificate of participation or other security evidencing rights in payments to be made by a school district under a lease, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreement, or similar arrangement if the security, at the time of purchase, carries at least two credit ratings from NRSROs and is rated at or above "A- or A3" or its equivalent by all such organizations that have provided a rating;

(l) (III) (B) Contracts or agreements with a maturity period greater than three years shall only be purchased with proceeds of the sale of securities of a public entity and proceeds of certificates of participation or other securities evidencing rights in payments to be made by a public entity

under a lease, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreement, or other similar arrangement or if purchased by revenues pledged to the payment of such securities or certificates; except that no contract or agreement may be purchased pursuant to this ~~paragraph (f)~~ SUBSECTION (1)(l) with the proceeds of any of the foregoing that are held in an escrow or otherwise for the purpose of refunding bonds or other obligations of a public entity.

SECTION 46. In Colorado Revised Statutes, 24-82-102, **amend** (1)(a), (1)(b), and (1)(f) as follows:

24-82-102. State authorized to acquire property - disposition.

(1) (a) On behalf of the state of Colorado and with the approval of the governor, the executive director of the department of personnel is authorized to acquire fee simple title, or any lesser interest therein, to any real property for present or future use by the state. Title to such property may be acquired by purchase, donation, ~~or lease-purchase~~ FINANCED PURCHASE OF AN ASSET AGREEMENTS, OR CERTIFICATE OF PARTICIPATION agreements or by the exercise of the power of eminent domain through condemnation proceedings in accordance with law from funds appropriated by the general assembly or from funds donated to the state for the purpose. In the event that the executive director plans to acquire any real property by any of the means authorized by this ~~paragraph (a)~~ SUBSECTION (1)(a), except for easements or rights-of-way, or to sell or otherwise dispose of such property, the executive director shall first submit a report to the capital development committee which outlines the anticipated use of the real property, the maintenance costs related to the property, the current value of the property, any conditions or limitations which may restrict the use of the property, and, in the event real property is acquired, the potential liability to the state which will result from such acquisition. The capital development committee shall review the reports submitted by the executive director and make recommendations to the executive director concerning the disposition of the real property. The executive director shall not acquire, sell, or otherwise dispose of any real property without considering the recommendations of the capital development committee.

(b) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that is entered into pursuant to ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION shall comply with the requirements of section 24-82-801.

(f) As used in this section: "~~lease-purchase~~

(I) "CERTIFICATE OF PARTICIPATION AGREEMENT" MEANS ANY CERTIFICATE EVIDENCING A PARTICIPATION RIGHT OF A PROPORTIONATE INTEREST IN ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE PAYMENTS FROM THE STATE OR AN AGENCY DUE UNDER ANY FINANCING AGREEMENT.

(II) "~~FINANCED PURCHASE OF AN ASSET agreement~~" means a ~~capital lease as defined in the generally accepted accounting principles issued by the governmental accounting standards board that the controller prescribes for the state as specified in section 24-30-202 (12)~~ FINANCING AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

SECTION 47. In Colorado Revised Statutes, 24-82-103, **amend** (4)(b) as follows:

24-82-103. Off-street parking - financing. (4) (b) Notwithstanding ~~the provisions of paragraph (a) of this subsection (4)~~ SUBSECTION (4)(a) OF THIS SECTION, the department of personnel is authorized, subject to appropriation by the general assembly, to expend ~~moneys~~ MONEY in the special account described in ~~paragraph (a) of this subsection (4)~~ SUBSECTION (4)(a) OF THIS SECTION for the purpose of demolishing the state-owned buildings in the capitol complex at 1550 Lincoln street and making payments on a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for a parking structure on the southeast corner of fourteenth avenue and Lincoln street in the capitol complex.

SECTION 48. In Colorado Revised Statutes, 24-82-701, **amend** (1), (3), and (4); **repeal** (3.5); and **add** (3.3) as follows:

24-82-701. Definitions. As used in this part 7, unless the context otherwise requires:

(1) "~~Additional lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement" means any transaction entered into on or after July 1, 1987, in which the state, acting by and through the department of personnel as provided by this part 7, is the lessee of real or personal property, which shall be used by the state and in which the state

has an option to purchase such real or personal property.

(3) "~~Existing lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement" means any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into prior to July 1, 1987, in which the state is the lessee of real or personal property which shall be used by the state and in which the state has an option to purchase such real or personal property.

(3.3) "FINANCED PURCHASE OF ASSET" MEANS A FINANCING AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

(3.5) "~~Lease purchase~~" ~~means a capital lease as defined in the generally accepted accounting principles issued by the governmental accounting standards board that the controller prescribes for the state as specified in section 24-30-202 (12).~~

(4) "Master ~~lease~~ FINANCING program" means the refinancing, revising, replacement, or consolidation of any existing or additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or agreements.

SECTION 49. In Colorado Revised Statutes, 24-82-702, **amend** (1) as follows:

24-82-702. Financed purchase of an asset or certificate of participation agreements. (1) If the director determines that the state will realize economic or other benefits by revising or replacing existing ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, or by entering into additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, or by combining all or any portion of existing or additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized by appropriations made by the general assembly, the director may develop a master ~~lease~~ FINANCING program and execute such agreements. Any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed by the director pursuant to this part 7 may include personal property ~~which~~ THAT is the subject of an existing ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or personal property for which an appropriation has been made

by the general assembly for the fiscal year commencing July 1, 1987, and any fiscal year thereafter. An additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed by the director pursuant to this part 7 may include real property only if the initial acquisition of such property by means of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement was specifically authorized by a separate bill enacted by the general assembly pursuant to section 24-82-801. For the purposes of this subsection (1), appropriations made by the general assembly do not include continuing appropriations made by permanent statute.

SECTION 50. In Colorado Revised Statutes, 24-82-703, **amend** (1) and (2)(a) as follows:

24-82-703. Seller. (1) The ~~lessor~~ SELLER under any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the director pursuant to the provisions of this part 7 shall be any for-profit or nonprofit corporation, trust, or commercial bank as trustee.

(2) On and after August 11, 2010:

(a) The director is authorized to execute on behalf of the nonprofit corporation abolished by Senate Bill 10-122, enacted in 2010, any documents related to any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for which said nonprofit corporation was the ~~lessor~~ SELLER pursuant to ~~the provisions of~~ this part 7;

SECTION 51. In Colorado Revised Statutes, **amend** 24-82-704 as follows:

24-82-704. Payment obligations subject to annual appropriation by the general assembly. Every additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized by the director pursuant to ~~the provisions of~~ this part 7 shall provide that all payment obligations of the state under such additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement are subject to annual appropriation by the general assembly and that such obligations shall not be deemed or construed as

creating an indebtedness of the state within the meaning of any provision of the Colorado constitution or the laws of the state of Colorado concerning or limiting the creation of indebtedness by the state of Colorado.

SECTION 52. In Colorado Revised Statutes, **amend** 24-82-705 as follows:

24-82-705. Terms and conditions of financed purchase of an asset or certificate of participation agreements. Any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the director pursuant to ~~the provisions of this part 7~~ may contain such terms, provisions, and conditions as the director may deem appropriate. Such provisions may allow the state to receive fee title to the real and personal property which is the subject of such additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on or prior to the expiration of the entire term of the agreement, including all optional renewal terms. Any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to ~~the provisions of this part 7~~ may further provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made and to be made under such additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, but only if and after a court of competent jurisdiction renders a final decision as to the constitutionality of the issuance of certificates of participation or other instruments evidencing the commitment of a district to make payments in subsequent fiscal years of ~~moneys~~ MONEY due under an installment purchase agreement for the purchase of real or personal property which requires payments during more than one fiscal year, or any agreement for the lease or rental of real or personal property which requires payments during more than one fiscal year and under which such district is entitled to receive title to the property at the end of the term for nominal or no additional consideration. Such instruments shall not be notes, bonds, or any other evidence of indebtedness of the state of Colorado within the meaning of any provision of the Colorado constitution or the laws of the state of Colorado concerning or limiting the creation of indebtedness by the state of Colorado. Interest paid under any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to this part 7, including interest represented by such instruments, shall be exempt from Colorado income tax. Any such

additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements shall provide an option for the state to purchase the property ~~which~~ THAT is the subject of the ~~lease~~ AGREEMENT prior to the termination of such additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. In no event shall any individual representing a firm ~~which~~ THAT was the successful bidder for a proposed financial services contract, which contract related to a master ~~leasing~~ FINANCING program, prior to June 20, 1987, be allowed to become the underwriter or financial advisor for any master ~~leasing~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the director prior to June 30, 1988, pursuant to ~~the provisions of~~ this part 7.

SECTION 53. In Colorado Revised Statutes, **amend** 24-82-706 as follows:

24-82-706. Subsequent payments. Rentals and other payments made by the state under any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to ~~the provisions of~~ this part 7 may be made from ~~moneys~~ MONEY appropriated by the general assembly without the necessity of a separate bill.

SECTION 54. In Colorado Revised Statutes, **amend** 24-82-707 as follows:

24-82-707. Ancillary agreements. The director may enter into or execute or may negotiate with any officer of the state to enter into or execute any deed, conveyance, escrow agreement, or other agreement or instrument ~~which~~ THAT he deems necessary or appropriate in connection with any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to this part 7.

SECTION 55. In Colorado Revised Statutes, 24-82-708, **amend** (1) as follows:

24-82-708. Fiscal rules inapplicable - independent powers.
(1) The provisions of section 24-30-202 (5)(b) shall not apply to any additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE

OF PARTICIPATION agreement or ancillary agreement entered into pursuant to this part 7. Any provision of the fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) ~~which~~ THAT the controller deems to be incompatible or inapplicable with respect to any such ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or ancillary agreement may be waived by the controller or his designee.

SECTION 56. In Colorado Revised Statutes, **amend** 24-82-709 as follows:

24-82-709. Participation by institutions of postsecondary education. Institutions of postsecondary education, including the board of directors of the Auraria higher education center, may utilize the provisions of this part 7 so long as the criteria established by this part 7 for inclusion in a master ~~lease~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT are satisfied and so long as such institutions act in a manner ~~which~~ THAT is consistent with ~~the provisions of~~ section 23-1-104. ~~C.R.S.~~

SECTION 57. In Colorado Revised Statutes, 24-82-801, **amend** (1)(a)(I), (1)(a)(II)(A), (1)(b), (1)(c), (2), (3), (4), (5), (6), and (8) as follows:

24-82-801. Financed purchase of an asset or certification of participation agreements for acquisition of real or personal property - definition. (1) (a) (I) Except as provided in subsection (6) of this section, and subject to the requirement set forth in subsection (1)(a)(II) of this section, no ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for real property that requires total payments exceeding five hundred thousand dollars over the term of the agreement shall be entered into unless such agreement is specifically authorized, prior to its execution, by a bill enacted by the general assembly, other than the annual general appropriation act or a supplemental appropriation act.

(II) (A) Each bill enacted by the general assembly on or after August 8, 2018, as required in subsection (1)(a)(I) of this section, must include a requirement that the state agency or state institution of higher education entering into the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR

CERTIFICATE OF PARTICIPATION agreement present a plan to the capital development committee, no later than the December of the fourteenth calendar year or the January of the fifteenth calendar year after either the date of the substantial completion of the construction or after the date of acquisition, that details how the state agency or state institution of higher education is prepared to fund the controlled maintenance needs of the real property so that at least an amount equal to an estimation of the sum of one percent of the insured value of the real property for each year starting with the sixteenth year after either the date of the substantial completion of the construction or after the date of acquisition is available for a total period of twenty-five years for the real property's controlled maintenance needs. The plan presented by the state agency or state institution of higher education may include a request for an additional ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for such controlled maintenance needs or may include a request for partial or complete state funding of such controlled maintenance needs. The capital development committee shall review the plan presented by the state agency or state institution of higher education. Any approved plan shall be authorized by bill enacted by the general assembly, other than the annual general appropriation act or a supplemental appropriation act; except that, if the approved plan is for a state institution of higher education to fund such controlled maintenance needs from cash funds then the plan may be approved by majority vote of the capital development committee.

(b) Except as provided in subsection (6) of this section, no ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for personal property that requires total payments exceeding five hundred thousand dollars over the term of the agreement shall be entered into unless such agreement is specifically authorized, prior to its execution, by a bill enacted by the general assembly, other than the annual general appropriation act or a supplemental appropriation act, or specifically authorized by appropriation in the annual general appropriation act or a supplemental appropriation act.

(c) Subsequent to the general assembly's authorization of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement as specified in ~~paragraphs (a) and (b) of this subsection~~ (1) SUBSECTIONS (1)(a) AND (1)(b) OF THIS SECTION, rentals and other payments by the state under any such ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement may

be made from ~~moneys~~ MONEY appropriated by the general assembly as a separate line item in the capital construction or operating section of an annual general appropriation act or a supplemental appropriation act.

(2) Except as provided in subsection (6) of this section, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that require total payments of five hundred thousand dollars or less over the term of the agreement shall require an appropriation by the general assembly in an annual general appropriation act or a supplemental appropriation act.

(3) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that requires total payments in excess of five hundred thousand dollars over the term of the agreement shall require, prior to its execution, approval by the state controller as authorized by section 24-30-202.

(4) As used in this section:

(a) ~~"lease-purchase agreement" means a capital lease as defined in the generally accepted accounting principles issued by the governmental accounting standards board that the controller prescribes for the state as specified in section 24-30-202 (12).~~ "CERTIFICATE OF PARTICIPATION AGREEMENT" MEANS ANY CERTIFICATE EVIDENCING A PARTICIPATION RIGHT OF A PROPORTIONATE INTEREST IN ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE PAYMENTS FROM THE STATE OR AN AGENCY DUE UNDER ANY FINANCING AGREEMENT.

(b) "FINANCED PURCHASE OF AN ASSET AGREEMENT" MEANS A FINANCING AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

(5) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement may further provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made by the state, but only if the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement includes a provision that payments made by the state are subject to annual appropriation. A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall not include notes, bonds, or any other evidence of indebtedness of the state within the meaning of any

provision of the constitution or laws of the state of Colorado concerning or limiting the creation of indebtedness by the state.

(6)(a) Notwithstanding any provision of this section to the contrary, the department of transportation, institutions of higher education, the Auraria higher education center established in article 70 of title 23, ~~C.R.S.~~, and the state treasurer may enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements if the state controller as authorized by section 24-30-202 approves each ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement that requires total payments in excess of five hundred thousand dollars over the term of the agreement or as otherwise provided by law.

(b) Notwithstanding any provision of this section to the contrary, the legislative department may enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements pursuant to section 2-2-320. ~~C.R.S.~~

(8) All ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements described in section 24-48.5-312 (3)(a)(II) shall include the terms specified in said section.

SECTION 58. In Colorado Revised Statutes, 24-82-802, **amend** (1)(a)(I) introductory portion, (1)(a)(I)(A), (1)(e), (2), (3) introductory portion, (3)(a), (3)(b), (3)(c), (3)(d), (3)(e), (3)(f), (4), (5), (6), (7)(a), (7)(b) introductory portion, (7)(b)(II)(A), (7)(b)(II)(B), (7)(c), (7)(d), (7)(e), (7)(f), (8), (9), (10)(a) introductory portion, (10)(b)(I), and (10)(b)(II) as follows:

24-82-802. Financed purchase of an asset or certificate of participation agreements for real property - definitions - financed purchase of an asset or certificate of participation rental cash fund.

(1) As used in this section, unless the context otherwise requires:

(a) (I) "Annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment" means the total amount due from the state on property subject to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and includes:

(A) The annual base rent scheduled to be paid and the additional rent estimated to be paid on or pursuant to the ~~lease-purchase~~ FINANCED

PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and any ancillary agreements that may include, but need not be limited to, any of the following that are paid on a current basis and not paid by a lessor SELLER or other third party as part of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement: All acquisition costs, such as due diligence costs associated with evaluation of an existing building; land acquisition; penalties for breaking lease agreements; a capital reserve for space planning and capital improvements needed in the building for demolition and construction of tenant space for state agencies or the release to existing tenants; relocation costs; office furniture and equipment; insurance; and the costs associated with any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION financing; plus

(e) "~~Lease-purchase~~ "FINANCED PURCHASE OF AN ASSET agreement" AND "CERTIFICATE OF PARTICIPATION AGREEMENT" shall have the same definition MEANINGS as provided in section 24-82-801 (4).

(2) (a) Subject to the provisions of this section, the state treasurer, on behalf of the state of Colorado for the use of the department, is authorized to enter into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements for real and associated personal property existing or to be constructed pursuant to requirements of the state to be exclusively used, possessed, and managed by the department for state agencies and nonstate lessees of the department as the executive director may solely determine according to the plan approved pursuant to subsection (4) of this section and subject to the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(b) Subject to ~~the provisions of~~ section 2 of article XI of the state constitution, the state treasurer, for the use and benefit of the department, may enter into such ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in conjunction with the state board of land commissioners, created pursuant to section 9 of article IX of the state constitution, or with a private person. The state treasurer shall transfer all benefits and responsibilities under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement to the department. The department shall manage the property for the state as the executive director may solely determine, subject to the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

PARTICIPATION agreement.

(3) The state treasurer shall enter into a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to subsection (2) of this section on behalf of the state for the use and benefit of the department only if, at the time that the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is executed:

(a) The state agencies that will be located in the property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement are funded, in whole or in part, by appropriations and a portion of the appropriations are being expended to pay rent to a ~~lessor~~ SELLER;

(b) The projected annual rent costs of the state agencies that will be located in the property plus any current rental payments or rental payments projected to be received from nonstate lessees for each fiscal year during the maximum term of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement exceed the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment for the property, adjusted as appropriate to account for any differences in services provided to, or costs paid for the benefit of, the state under the related leases and ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements;

(c) The property or proposed construction plan for the property has been reviewed by the state architect who shall make written recommendations to the executive director for controlled maintenance needs during the term of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement;

(d) The plan for the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION transaction has been approved first by the office of state planning and budgeting and the capital development committee of the general assembly pursuant to subsection (4) of this section;

(e) The executive director acknowledges his or her approval of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR

CERTIFICATE OF PARTICIPATION agreements and any ancillary agreements;

(f) The agreements for the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION transaction accurately reflect the plan approved by the office of state planning and budgeting and the capital development committee; and

(4) Prior to the state treasurer entering into any ~~lease-purchase agreement~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION pursuant to this section, the executive director shall submit the report required by section 24-82-102 (1) and the plan for the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION transaction to the office of state planning and budgeting. If the office of state planning and budgeting approves the report and the plan, it shall submit the report and the plan to the capital development committee of the general assembly. The capital development committee shall approve the plan or refer its recommendations regarding the plan, with written comments, to the executive director and the office of state planning and budgeting.

(5) Approval of the plan by the office of state planning and budgeting shall not authorize the department to expend any ~~moneys~~ MONEY on the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment in any fiscal year in an amount greater than the projected annual rent costs of the state agencies plus any rental payments projected to be received from nonstate lessees for such fiscal year, adjusted as appropriate to account for any differences in services provided to, or costs paid for the benefit of, the state under the related leases and ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.

(6) The state of Colorado, acting by and through the state treasurer, for the use and benefit of the department may, at the state treasurer's sole discretion, enter into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized by subsection (2) of this section with any for-profit or nonprofit corporation, trust, or commercial bank as a trustee, as ~~lessor~~ SELLER.

(7) (a) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of

this section shall provide that all of the obligations of the state under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall be subject to the action of the general assembly in annually making ~~moneys~~ MONEY available for all payments thereunder. The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall also provide that the obligations shall not be deemed or construed as creating an indebtedness of the state within the meaning of any provision of the state constitution or the laws of the state of Colorado concerning or limiting the creation of indebtedness by the state of Colorado and shall not constitute a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution. In the event the state of Colorado does not renew a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of this section, the sole security available to the ~~lessor~~ SELLER shall be the property encumbered to secure the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or equivalent substitute collateral provided by the state.

(b) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of this section may contain such terms, provisions, and conditions as the state treasurer, acting on behalf of the state of Colorado and for the use and benefit of the department, may deem appropriate, including all optional terms; except that a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement:

(II) Shall specifically authorize the state of Colorado:

(A) To receive title to all real and personal property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on or prior to the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement; and

(B) To reduce the term of the ~~lease~~ AGREEMENT through prepayment of rental and other payments subject to the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and any ancillary agreement.

(c) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of this section may provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made and to be made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. The instruments shall not be notes, bonds, or any other evidence of indebtedness of the state within the meaning of any provision of the state constitution or the law of the state concerning or limiting the creation of indebtedness of the state and shall not constitute a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution.

(d) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of this section, including interest represented by the instruments, shall be exempt from Colorado income tax.

(e) The state of Colorado, acting through the state treasurer, for the use and benefit of the department, is authorized, if the executive director concurs, to enter into ancillary agreements and instruments as are deemed necessary or appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including but not limited to ground leases, site leases, easements, or other instruments relating to the real property on which the facilities are located; except that no ancillary agreement is authorized that would cause the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment to exceed the annual rent costs appropriated to the state agencies prior to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement plus any rent projected to be received from nonstate lessees.

(f) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in subsection (2) of this section may require the state to provide insurance; except that no insurance is authorized that would cause the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment to exceed the annual rent costs of the state agencies prior to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement plus any rent projected to be received from

nonstate lessees, adjusted as described in ~~paragraph (b) of subsection (3)~~ SUBSECTION (3)(b) of this section. The insurance may be provided through the self-insured property fund created pursuant to section 24-30-1510.5.

(8) Any provision of the fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) that the state controller deems to be incompatible or inapplicable with respect to said ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements or any such ancillary agreement may be waived by the controller or his or her designee.

(9) If a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to subsection (2) of this section is executed, during the term of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, ~~moneys~~ MONEY that at the time of the execution ~~are~~ IS appropriated to a state agency for rental payments in an amount equal to the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment, less any payments projected to be received from nonstate lessees pursuant to subsection (10) of this section, shall be transferred to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION servicing account of the capital construction fund, created in section 24-75-302 (3.5), and, subject to annual appropriation, shall be used to pay the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payments for the property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or for operating, maintenance, and controlled maintenance costs for the property subject to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. ~~Moneys~~ MONEY held in the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION servicing account shall be for the benefit of the department.

(10) (a) If the executive director determines that, in a property subject to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to subsection (2) of this section, there is space that is not needed by a state agency, the executive director, separately or in conjunction with the state board of land commissioners or another person, may:

(b) (I) Any ~~moneys~~ MONEY received by the executive director on

behalf of nonstate lessees pursuant to ~~paragraph (a) of this subsection (10)~~ SUBSECTION (10)(a) OF THIS SECTION shall be transmitted to the state treasurer, who shall credit the same to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION rental cash fund for the benefit of the department, which fund is hereby created and referred to in this section as the "fund". The ~~moneys~~ MONEY in the fund shall be subject to annual appropriation by the general assembly to the department of personnel and shall only be used for the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payments for ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized pursuant to subsection (2) of this section or for operating, maintenance, and controlled maintenance costs for the buildings subject to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.

(II) Any ~~moneys~~ MONEY in the fund not expended for the purpose of this subsection (10) may be invested by the state treasurer as provided by law. All interest and income derived from the investment and deposit of ~~moneys~~ MONEY in the fund shall be credited to the fund. Any unexpended and unencumbered ~~moneys~~ MONEY remaining in the fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or another fund.

SECTION 59. In Colorado Revised Statutes, 24-82-803, **amend** (1)(b)(I), (2), (3)(a), (3)(c), and (4) as follows:

24-82-803. Financed purchase of an asset or certificate of participation agreements for certain capital construction projects - legislative declaration. (1) (b) The general assembly further finds and declares that:

(I) The deadline to issue the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement in subsection (2)(a) of this section is meant to provide the state treasurer with as much flexibility as possible to ensure that the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement is executed on behalf of the state with the most favorable terms that the market will allow. The general assembly agrees with the need for this deadline flexibility and at the same time declares that the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement should be executed as

soon as possible.

(2) (a) Notwithstanding the provisions of sections 24-82-102 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no later than June 30, 2021, the state, acting by and through the state treasurer, shall execute a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement for the purpose described in subsection (4) of this section in an amount up to sixty-five million five hundred thousand dollars plus reasonable and necessary administrative, monitoring, and closing costs and interest, including capitalized interest and credit enhancement costs such as a debt service reserve fund or bond insurance.

(b) The anticipated annual state-funded payments for the principal and interest components of the amount payable under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to subsection (2)(a) of this section shall not exceed five million five hundred thousand dollars, with principal amortization not occurring before July 1, 2022.

(c) The state, acting by and through the state treasurer, at the state treasurer's sole discretion, may enter into the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized by subsection (2)(a) of this section with any for-profit or nonprofit corporation, trust, or commercial bank as a trustee as the ~~lessor~~ SELLER.

(d) The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section shall provide that all of the obligations of the state under the agreement are subject to the action of the general assembly in annually making money available for all payments thereunder. Payments under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must be made subject to annual appropriation by the general assembly, as applicable, from the capital construction fund, from the general fund, or from any other legally available source of money.

(e) The agreement must also provide that the state's obligation does not create state debt within the meaning of any provision of the state constitution or state law concerning or limiting the creation of state debt and

is not a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution. If the state does not renew the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section, the sole security available to the ~~lessor~~ SELLER is the property that is the subject of the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(f) (I) The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section may contain such terms, provisions, and conditions as the state treasurer, acting on behalf of the state, deems appropriate, including all optional terms; except that the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must specifically authorize the state or the governing board of the applicable state institution of higher education to receive fee title to all real and personal property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on or before the expiration of the terms of the agreement.

(II) The state treasurer, acting on behalf of the state, has the authority as he or she deems appropriate to determine what collateral to use for the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(g) The ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section may provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made and to be made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. The instrument may be issued, distributed, or sold only by the ~~lessor~~ SELLER or any person designated by the ~~lessor~~ SELLER and not by the state. The instrument does not create a relationship between the purchasers of the instrument and the state or create any obligation on the part of the state to the purchasers. The instrument is not a note, bond, or any other evidence of state debt within the meaning of any provision of the state constitution or state law concerning or limiting the creation of state debt and is not a multiple fiscal-year direct or indirect debt or other financial obligation of

the state within the meaning of section 20 (4) of article X of the state constitution.

(h) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to subsection (2)(a) of this section, including interest represented by the instruments, is exempt from Colorado income tax.

(i) The state, acting by and through the state treasurer and the governing boards of the institutions of higher education, is authorized to enter into ancillary agreements and instruments that are necessary or appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including but not limited to deeds, ground leases, sub-leases, easements, or other instruments relating to the real property on which the facilities are located.

(j) The provisions of section 24-30-202 (5)(b) do not apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by or to any ancillary agreement or instrument entered into pursuant to this subsection (2). The state controller or his or her designee shall waive any provision of the fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) that the state controller finds incompatible or inapplicable with respect to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or an ancillary agreement or instrument.

(3)(a) Before executing the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement required by subsection (2)(a) of this section, in order to protect against future interest rate increases, the state, acting by and through the state treasurer and at the discretion of the state treasurer, may enter into an interest rate exchange agreement pursuant to article 59.3 of title 11. A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section is a proposed public security for the purposes of article 59.3 of title 11. Any payments made by the state under an agreement entered into pursuant to this subsection (3) must be made solely from money made available to the state treasurer from the execution of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or from money described in subsection (2)(d) of this section.

(c) Any money received by the state under an agreement entered into pursuant to this subsection (3) shall be used to make payments on the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to subsection (2) of this section or to pay the costs of the projects for which a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement was executed.

(4) The proceeds of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section shall be used to fund certain capital construction needs for state institutions of higher education that are continuations of previously funded projects as specified by the capital development committee. The capital development committee shall post the list of specific projects and the cost of each project, on its official website no later than August 15, 2020. In the event of any excess money as a result of the issuance, the capital development committee shall also specify in their list what any remainder money must be used for.

SECTION 60. In Colorado Revised Statutes, **amend** 24-82-1204 as follows:

24-82-1204. Terms and conditions of lease agreements. (1) A lease AGREEMENT, FINANCED PURCHASE OF AN ASSET AGREEMENT, OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to ~~the provisions of~~ this part 12 may contain such terms, provisions, and conditions as the executive director of the leasing state department or the governing board of the leasing institution may deem appropriate. Any lease agreement entered into pursuant to this part 12 shall comply with the requirements of section 24-82-801.

(2) As used in this section: ~~"lease agreement" means a capital lease as defined in the generally accepted accounting principles issued by the governmental accounting standards board that the controller prescribes for the state as specified in section 24-30-202 (12).~~

(a) "CERTIFICATE OF PARTICIPATION" MEANS ANY CERTIFICATE EVIDENCING A PARTICIPATION RIGHT OF A PROPORTIONATE INTEREST IN ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE PAYMENTS FROM THE STATE OR AN AGENCY DUE UNDER ANY FINANCING

AGREEMENT.

(b) "FINANCED PURCHASE OF AN ASSET" MEANS A FINANCING AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

SECTION 61. In Colorado Revised Statutes, 24-82-1301, **amend** (1)(b) and (1)(c) as follows:

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

(b) By issuing ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements using state buildings as collateral as authorized by this part 13, the state can generate sufficient funds to accelerate the completion of many of the necessary high-priority state highway projects and capital construction projects that have been delayed and better maintain and preserve existing state capital assets;

(c) It is the intent of the general assembly that a majority of the additional funding for state capital construction projects realized from issuing ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements be used for controlled maintenance and upkeep of state capital assets.

SECTION 62. In Colorado Revised Statutes, 24-82-1303, **amend** (2)(a) introductory portion, (2)(c), (2)(d) introductory portion, (2)(d)(I), (2)(e), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), (3)(a), (3)(c), (4) introductory portion, (4)(a)(I) introductory portion, (4)(a)(III), and (4)(a.5) as follows:

24-82-1303. Financed purchase of an asset or certificate of participation agreements for capital construction and transportation projects. (2) (a) Notwithstanding the provisions of sections 24-82-102 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no sooner than July 1, 2018, the state, acting by and through the state treasurer, shall execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, each for no more than twenty years of annual payments, for the projects described in subsection (4) of this section. The state shall execute the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as soon as possible after July 1 of the applicable state fiscal year only in accordance with the following

schedule:

(c) The state, acting by and through the state treasurer, at the state treasurer's sole discretion, may enter into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized by subsection (2)(a) of this section with any for-profit or nonprofit corporation, trust, or commercial bank as a trustee as the ~~lessor~~ SELLER.

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

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

(e) Each agreement must also provide that the obligations of the state do not create state debt within the meaning of any provision of the state constitution or state law concerning or limiting the creation of state debt and are not a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution. If the state does not renew a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section, the sole security available to the ~~lessor~~ SELLER is the property that is the subject of the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(f) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section may contain such terms, provisions, and conditions as the state treasurer, acting on behalf of the state, deems appropriate, including all optional terms; except that each ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must specifically authorize the state or the governing board of the applicable state institution of higher education to receive fee title to all real and personal property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on or before the expiration of the terms of the agreement.

(g) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section may provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made and to be made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. The instruments may be issued, distributed, or sold only by the ~~lessor~~ SELLER or any person designated by the ~~lessor~~ SELLER and not by the state. The instruments do not create a relationship between the purchasers of the instruments and the state or create any obligation on the part of the state to the purchasers. The instruments are not notes, bonds, or any other evidence of state debt within the meaning of any provision of the state constitution or state law concerning or limiting the creation of state debt and are not a multiple fiscal-year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution.

(h) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to subsection (2)(a) of this section, including interest represented by the instruments, is exempt from Colorado income tax.

(i) The state, acting by and through the state treasurer and the governing boards of the institutions of higher education, is authorized to enter into ancillary agreements and instruments that are necessary or appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including but not limited to deeds, ground leases, sub-leases, easements, or other instruments

relating to the real property on which the facilities are located.

(j) The provisions of section 24-30-202 (5)(b) do not apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by or to any ancillary agreement or instrument entered into pursuant to this subsection (2). The state controller or his or her designee shall waive any provision of the fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) that the state controller finds incompatible or inapplicable with respect to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or an ancillary agreement or instrument.

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

(c) Any money received by the state under an agreement entered into pursuant to this subsection (3) shall be used to make payments on ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to subsection (2) of this section or to pay the costs of the project for which a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement was executed.

(4) Proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements executed as required by subsection (2)(a) of this section shall be used as follows:

(a) (I) The first one hundred twenty million dollars of the proceeds

of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements issued during the 2018-19 state fiscal year shall be used for controlled maintenance and capital construction projects in the state as follows:

(III) When the actual cost of a controlled maintenance project funded from the proceeds of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements executed as required by subsection (2)(a) of this section, as specifically set forth in subsections (4)(a)(I)(A) through (4)(a)(I)(C) of this section, is less than the amount specifically earmarked for such project, the executive director may utilize the savings to cover any additional cost of any other controlled maintenance project funded from the proceeds of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements executed as required by subsection (2)(a) of this section, as specifically set forth in subsections (4)(a)(I)(A) through (4)(a)(I)(C) of this section; except that the executive director's authority to use savings for other controlled maintenance projects may not in any way exceed the total allocation of one hundred thirteen million eight hundred fifty-two thousand nine hundred twenty-one dollars.

(a.5) Of the proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements executed as required by subsection (2)(a)(II) of this section, the lesser of all proceeds in excess of five hundred million dollars or forty-nine million dollars of such excess proceeds shall be credited to the capital construction fund created in section 24-75-302 (1)(a) and appropriated only for controlled maintenance projects, including controlled maintenance projects that are capital renewal projects, in the state.

SECTION 63. In Colorado Revised Statutes, 24-82-1303, **amend** (2)(a) introductory portion and (2)(d) introductory portion; and **amend as they exist until a ballot issue is proclaimed by the governor**, (2)(a)(I), (2)(a)(II), (2)(a)(III), (2)(a)(IV), (2)(b), and (2)(d)(II) as follows:

24-82-1303. Financed purchase of an asset or certificate of participation agreements for capital construction and transportation projects. (2) (a) Notwithstanding the provisions of sections 24-82-102 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no sooner than July 1, 2018, the state, acting by and through the state treasurer, shall

execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, each for no more than twenty years of annual payments, for the projects described in subsection (4) of this section. The state shall execute the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as soon as possible after July 1 of the applicable state fiscal year only in accordance with the following schedule:

(I) During the 2018-19 state fiscal year, the state shall execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in an amount up to five hundred million dollars;

(II) During the 2019-20 state fiscal year, the state shall execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in an amount up to five hundred million dollars;

(III) During the 2020-21 state fiscal year, the state shall execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in an amount up to five hundred million dollars; and

(IV) During the 2021-22 fiscal year, the state shall execute ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in an amount up to five hundred million dollars.

(b) The anticipated annual state-funded payments for the principal and interest components of the amount payable under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to subsection (2)(a) of this section shall not exceed one hundred fifty million dollars.

(d) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement executed as required by subsection (2)(a) of this section shall provide that all of the obligations of the state under the agreement are subject to the action of the general assembly in annually making money available for all payments thereunder. Payments under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must be made, subject to annual allocation pursuant to section 43-1-113 by the transportation commission created in section 43-1-106 (1) or subject to annual appropriation by the

general assembly, as applicable, from the following sources of money:

(II) Next, fifty million dollars annually, or any lesser amount that is sufficient to make each full payment due, shall be paid from any legally available money under the control of the transportation commission solely for the purpose of allowing the construction, supervision, and maintenance of state highways to be funded with the proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as specified in subsection (4)(b) of this section and section 43-4-206 (1)(b)(V); except that, for payments due during state fiscal years 2020-21 and 2021-22, sixty-two million dollars annually, or any lesser amount that is sufficient to make each full payment due shall be paid from such legally available money for said purpose; and

SECTION 64. In Colorado Revised Statutes, 24-82-1303, **amend** (2)(d) introductory portion; and **amend as they will become effective if a ballot issue is proclaimed by the governor** (2)(b) and (2)(d)(II) as follows:

24-82-1303. Financed purchase of an asset or certificate of participation agreements for capital construction and transportation projects. (2) (b) The anticipated annual state-funded payments for the principal and interest components of the amount payable under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to subsection (2)(a) of this section shall not exceed one hundred twelve million five hundred thousand dollars.

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

(II) Next, for state fiscal year 2021-22 and for each succeeding state fiscal year for which a payment under any ~~lease-purchase~~ FINANCED

PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement must be made, thirty-six million seven hundred thousand dollars annually, or any lesser amount that is sufficient to make each full payment due, shall be paid from any legally available money under the control of the transportation commission solely for the purpose of allowing the construction, supervision, and maintenance of state highways to be funded with the proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as specified in subsection (4)(b) of this section and section 43-4-206 (1)(b)(V); except that, for the payment due during state fiscal year 2021-22 only, forty-eight million seven hundred thousand dollars, or any lesser amount that is sufficient to make the full payment due shall be paid from such legally available money for said purpose; and

SECTION 65. In Colorado Revised Statutes, 24-90-114, **amend** (2) as follows:

24-90-114. Abolishment of libraries. (2) Following notice of public hearings, the abolishment of a joint library shall be by resolution of the legislative bodies of the governmental units ~~which~~ THAT established, operated, or maintained the joint library. The resolution shall specify that all indebtedness, including obligations arising from ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements, of the joint library must be fully protected until retired, that all trusts of the library will be continued as specified under current terms, and that all properties of the joint library will be divided as provided in the agreements entered into by the legislative bodies of the governmental units.

SECTION 66. In Colorado Revised Statutes, 29-1-103, **amend** (3)(a), (3)(c), (3)(d)(I), and (3)(e); and **add** (3)(c.5) and (3)(c.7) as follows:

29-1-103. Budgets required. (3) (a) The general assembly finds and declares that the use of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements by local governments creates financial obligations of those governments and that the disclosure of such obligations is in the public interest and is a matter of statewide concern.

(c) As used in this subsection (3), "~~lease-purchase~~ "LEASE agreement" means a ~~capital~~ lease as defined in the generally accepted

accounting principles issued by the governmental accounting standards board that the controller prescribes for the state as specified in section 24-30-202 (12). ~~C.R.S.~~

(c.5) AS USED IN THIS SUBSECTION (3), "CERTIFICATE OF PARTICIPATION" MEANS ANY CERTIFICATE EVIDENCING A PARTICIPATION RIGHT OF A PROPORTIONATE INTEREST IN ANY FINANCING AGREEMENT OR THE RIGHT TO RECEIVE PROPORTIONATE PAYMENTS FROM THE STATE OR AN AGENCY DUE UNDER ANY FINANCING AGREEMENT.

(c.7) AS USED IN THIS SUBSECTION (3), "FINANCED PURCHASE OF AN ASSET" MEANS A FINANCING AGREEMENT THAT INCLUDES THE PURCHASE OF AN ASSET.

(d) (I) The budget adopted by every local government shall separately set forth each of the following:

(A) The total amount to be expended during the ensuing fiscal year for payment obligations under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements involving real property;

(B) The total maximum payment liability of the local government under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements involving real property over the entire terms of such agreements, including all optional renewal terms;

(C) The total amount to be expended during the ensuing fiscal year for payment obligations under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements other than those involving real property;

(D) The total maximum payment liability of the local government under all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements other than those involving real property over the entire terms of such agreements, including all optional renewal terms.

(e) (I) No local government shall enter into any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement whose duration, including all optional renewal terms, exceeds

the weighted average useful life of the assets being financed. In the case of a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement involving both real property and other property, the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall provide that the real property involved shall be amortized over a period not to exceed its weighted average useful life and the other property shall be separately amortized over a period not to exceed its weighted average useful life. This provision shall not prevent a local government from releasing property from a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement pursuant to an amortization schedule reflecting the times when individual pieces of property have been amortized.

(II) Nothing contained in this ~~paragraph (c)~~ SUBSECTION (3)(e) shall be construed to apply to any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into prior to April 9, 1990.

SECTION 67. In Colorado Revised Statutes, 29-12.5-101, **amend** (4)(a) and (4)(c) as follows:

29-12.5-101. Definitions. As used in this article 12.5:

(4) "Energy saving measure" means:

(a) The acquisition and installation, by purchase, lease, ~~lease-purchase, lease with an option to buy~~, FINANCED PURCHASE OF AN ASSET, CERTIFICATE OF PARTICIPATION, or installment purchase, of a utility cost-savings measure and any attendant architectural and engineering consulting services;

(c) The acquisition and installation, by purchase, lease, ~~lease-purchase, lease with an option to buy~~, FINANCED PURCHASE OF AN ASSET, CERTIFICATE OF PARTICIPATION, or installment purchase of a vehicle fleet operational and fuel cost-savings measure.

SECTION 68. In Colorado Revised Statutes, 30-11-104.1, **amend** (1) and (3) as follows:

30-11-104.1. Financed purchase of an asset or certificate of

participation agreements. (1) In order to provide for financing of a public park, a public trail, a public golf course, or public open space, or a courthouse, jail, or other county building or equipment used, or to be used, for governmental purposes, any county is authorized to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.

(3) The obligation under any such ~~leases~~ AGREEMENTS may only be from year to year and may not constitute a mandatory charge or requirement in any ensuing budget year.

SECTION 69. In Colorado Revised Statutes, 30-11-104.2, **amend** (2) as follows:

30-11-104.2. Tax exemption. (2) (a) A courthouse, jail, or other county building subject to ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in force on May 29, 1981, shall be accorded the same tax-exempt status as a courthouse, jail, or other county building financed by such agreements entered into after such date.

(b) Equipment subject to ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements in force on May 25, 1983, shall be accorded the same tax-exempt status as equipment financed by such agreements entered into after such date.

SECTION 70. In Colorado Revised Statutes, 32-14-110, **amend** (1) introductory portion and (1)(a) as follows:

32-14-110. Privatization - study and consideration. (1) The board shall study, consider, and pursue opportunities for privatizing the costs of acquiring a stadium site, the costs of constructing a stadium, or the costs of operating a stadium in order to minimize the use of sales tax revenues to the greatest extent possible for the purposes of this ~~article~~ ARTICLE 14. Such methods to be studied, considered, and pursued by the board in order to achieve such privatization shall include, but not be limited to, the following:

(a) Financial incentives from private sources, including landowners and developers, available to offset the cost of a stadium site and the construction, maintenance, and operation of a stadium, including, but not limited to: Contributions of money, goods, equipment, and services;

~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreements; CERTIFICATE OF PARTICIPATION AGREEMENTS; sale-leaseback agreements; and joint venture proposals;

SECTION 71. In Colorado Revised Statutes, 32-15-106, **amend** (6)(a) introductory portion and (6)(a)(I) as follows:

32-15-106. Board of directors - powers and duties. (6) (a) The board shall study, consider, and pursue opportunities for privatizing the costs of acquiring Mile High stadium or acquiring a stadium site for a new stadium, the costs of renovating Mile High stadium or constructing a new stadium, or the costs of operating a stadium in order to minimize the use of sales tax revenues to the greatest extent possible for the purposes of this ~~article~~ ARTICLE 15. Such methods to be studied, considered, and pursued by the board in order to achieve such privatization shall include, but not be limited to, the following:

(I) Financial incentives from private sources, including landowners and developers, available to offset the cost of a stadium site and the construction of a new stadium, the cost of renovating Mile High stadium, and the cost of maintenance, and operation of a stadium, including, but not limited to: Contributions of money, goods, equipment, and services; ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET agreements; CERTIFICATE OF PARTICIPATION AGREEMENTS; sale-leaseback agreements; and joint venture proposals;

SECTION 72. In Colorado Revised Statutes, 33-60-103, **amend** (1)(c) introductory portion, (1)(c)(I) introductory portion, (1)(c)(I)(B), (1)(c)(I)(C), (1)(c)(I)(D), (1)(c)(II), and (1)(c)(III) as follows:

33-60-103. Distribution of net lottery proceeds - fourth quarter of fiscal year 1992-93 through fourth quarter of fiscal year 1997-98 - insufficiency - loan - repayment from net lottery proceeds. (1) Beginning with the proceeds from the fourth quarter of fiscal year 1992-93 through the fourth quarter of fiscal year 1997-98, the state treasurer shall make monthly distributions of net lottery proceeds as follows:

(c) To the debt service repayment account in the capital construction fund created pursuant to the provisions of section 24-75-302 (3), ~~C.R.S.~~; in an amount sufficient to defray all payments of principal and interest due on

or before the date of the distribution for the payment of the following outstanding financial obligations of the state:

(I) 1992 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET agreement in the original principal amount of \$108,310,000, less the principal amount of \$5,700,000 or the appraised value, whichever is greater, for the Kipling facility building, which shall not be included. The 1992 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET agreement represents the refunding of the following certificates of participation:

(B) 1986 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET agreement in the original amount of \$36,495,000;

(C) 1988 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET agreement in the original amount of \$63,025,000;

(D) 1989 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET agreement in the original amount of \$66,894,861.85; except that such refunding represents only that portion of the certificates which mature on and after November 1, 1999;

(II) 1990 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET agreement in the original amount of \$28,635,000; and

(III) 1989 master ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET agreement in the original amount of \$66,894,861.85, but only to the extent of payment for debt service from and including September 1, 1993, to and including November 30, 1998.

SECTION 73. In Colorado Revised Statutes, 34-63-102, **amend** (5.5)(b) as follows:

34-63-102. Creation of mineral leasing fund - distribution - advisory committee - local government permanent fund created - definitions - transfer of money. (5.5) (b) Notwithstanding the provisions of paragraph (a) of subsection (5.4) of this section ~~SUBSECTION (5.4)(a) OF THIS SECTION~~, if the amount of ~~moneys~~ MONEY in the higher education federal mineral lease revenues fund, established pursuant to section 23-19.9-102 (1), ~~C.R.S.~~, is insufficient to cover the full amount of the payments due to be made under ~~lease-purchase~~ FINANCED PURCHASE OF AN

ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized pursuant to section 23-1-106.3 (3), ~~C.R.S.~~, the general assembly may reduce the transfer to the state public school fund by the amount needed to cover the full amount of payments and transfer that amount to the higher education federal mineral lease revenues fund.

SECTION 74. In Colorado Revised Statutes, 36-1-118.5, **amend** (1)(d), (2)(a) introductory portion, (2)(a)(III), (2)(a)(IV), (2)(a)(V), (2)(a)(VI), (2)(c), (2)(e), (4)(a), (4)(b), (4)(c), (5), (6), (7)(a) introductory portion, (7)(b), (7)(c), (7)(d), (7)(e), (8), and (9)(b) as follows:

36-1-118.5. Financed purchase of an asset or certificate of participation agreements for commercial real property - state board of land commissioners financed fund - legislative declaration - definition - repeal. (1) The general assembly hereby finds and declares that:

(d) It is the general assembly's intent that annual payments on ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that the state board of land commissioners instructed the state treasurer to enter into pursuant to this section be made solely from the state board of land commissioners ~~lease-purchase~~ FINANCED fund with transfers first from commercial real property revenues, second from the reserve established in the state board of land commissioners ~~lease-purchase~~ FINANCED fund, and, in the event of any shortfall, from the state board of land commissioners investment and development fund.

(2)(a) Notwithstanding ~~the provisions of section 24-82-801, C.R.S.~~, the state board of land commissioners may instruct the state treasurer to enter into ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements on behalf of the state school lands for the acquisition, construction, renovation, and improvement of commercial real property that the board will then offer as lease space for state agencies or other tenants only if:

(III) The projected annual rent costs of the state agencies that will be located in the property plus any current rental payment or rental payment projected to be received from other nonstate agency tenants for each fiscal year during the maximum term of the proposed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement will exceed the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR

CERTIFICATE OF PARTICIPATION payment for the property;

(IV) A financial plan for the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION transaction that includes the items described in ~~paragraph (c) of this subsection (2)~~ SUBSECTION (2)(c) OF THIS SECTION has been approved by the office of state planning and budgeting and reviewed and recommended by the capital development committee of the general assembly pursuant to subsection (3) of this section;

(V) The state board of land commissioners approves the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements and any ancillary agreements;

(VI) The state board of land commissioners ensures that the agreements for the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION transaction accurately reflect the financial plan approved by the office of state planning and budgeting and the capital development committee; and

(c) The financial plan must include all necessary parameters of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including but not limited to leased-space needs, subleasing agreements, income, expenses, capital maintenance costs, interest rates, reserve requirements, amortization, expected return on investment, and overall benefit to the permanent school fund as related to the state board's duties enumerated in section 10 of article IX of the state constitution. The financial plan must also include any other financial consideration that the office of state planning and budgeting or the capital development committee might request after their review of the financial plan. The state board may utilize the services of the state's financial advisors in order to prepare the financial plan.

(e) The state treasurer shall issue the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements as specified in section 24-36-121. ~~C.R.S.~~

(4) (a) The maximum total amount of annual ~~lease~~ payments of principal and interest payable by the state during any fiscal year under the terms of all outstanding ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET

OR CERTIFICATE OF PARTICIPATION agreements entered into by the state treasurer as instructed by the state board pursuant to this section may not exceed the lesser of:

(I) The total amount of annual ~~lease~~ payments of principal and interest required to be paid per fiscal year on all outstanding ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements so long as the principal portions of the outstanding ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements do not exceed fifty million dollars; or

(II) Five million dollars per fiscal year in total annual lease payments of principal and interest required to be paid on all outstanding ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements.

(b) The term of any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer as instructed by the state board pursuant to this section may not exceed the shorter of the remaining useful life of the building or twenty-five years.

(c) Annual payments on ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that the state board of land commissioners instructed the state treasurer to enter into pursuant to this section must be made solely from the state board of land commissioners ~~lease-purchase~~ FINANCED fund with transfers first from the commercial real property operating fund created in section 36-1-153.7, second from the reserve described in ~~paragraph (d) of subsection (7)~~ SUBSECTION (7)(d) of this section, and, in the event of any shortfall, from the state board of land commissioners investment and development fund created in section 36-1-153.

(5) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer on behalf of the state board pursuant to this section shall provide that all payment obligations of the state under the agreement are subject to annual appropriation by the general assembly and that obligations are not deemed or construed as creating an indebtedness of the state within the meaning of any provision of the state constitution or the laws of the state concerning or

limiting the creation of indebtedness by the state and do not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4) of article X of the state constitution.

(6) (a) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer on behalf of the state board pursuant to this section may contain such terms, provisions, and conditions as the state treasurer deems appropriate. The provisions shall allow the board, on behalf of the state school lands, to receive title to the commercial real property that is the subject of the agreement on or prior to the expiration of the entire term of the agreement, including all optional renewal terms. Such ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement may further provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made and to be made under the agreement. Such instruments shall not be notes, bonds, or any other evidence of indebtedness of the state within the meaning of any provision of the state constitution or the laws of the state concerning or limiting the creation of indebtedness by the state. Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including interest represented by such instruments, is exempt from Colorado income tax.

(b) A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer on behalf of the state board pursuant to this section may require the state to provide insurance; except that no insurance is authorized that would cause the annual ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payment to exceed the annual rent costs of the state agencies prior to the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement plus any rent projected to be received from other nonstate agency tenants.

(c) Any provision of the fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) C.R.S., that the state controller deems to be incompatible or inapplicable with respect to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer on behalf of the state board pursuant to this section or any ancillary agreement may be waived by the state controller

or his or her designee.

(d) If a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into by the state treasurer on behalf of the state board pursuant to this section is executed, during the term of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, ~~moneys~~ MONEY that at the time of the execution ~~are~~ IS appropriated to a state agency for rental payments shall be transferred to the commercial real property operating fund created in section 36-1-153.7.

(7) (a) The state board of land commissioners ~~lease-purchase~~ FINANCED fund is hereby created in the state treasury. The principal of the fund consists of:

(b) All interest and income earned on the deposit and investment of ~~moneys~~ MONEY in the state board of land commissioners ~~lease-purchase~~ FINANCED fund are credited to the fund and may not be transferred to the general fund or any other fund at the end of any fiscal year. Any uncommitted fund balance at the end of a fiscal year, not including any amount held in reserve as required in ~~paragraph (d) of this subsection (7)~~ SUBSECTION (7)(d) OF THIS SECTION, is transferred to the permanent school fund.

(c) ~~Moneys~~ MONEY in the state board of land commissioners ~~lease-purchase~~ FINANCED fund ~~are~~ IS subject to annual appropriation by the general assembly in the capital section of the annual general appropriation act to make ~~lease or other~~ payments required by ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to this section.

(d) For each fiscal year commencing on or after July 1, 2014, a reserve consisting of ten percent of the principal of all outstanding ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to this section must be maintained. The reserve may only be expended upon a specific appropriation by the general assembly to meet any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION payments required by ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to this

section if there are insufficient revenues to cover the ~~lease~~ payment. The reserve must be replenished within three years of expenditure.

(e) The state controller shall, in cooperation with the state board and the state treasurer, establish accounts in the state board of land commissioners ~~lease-purchase~~ FINANCED fund as necessary to ensure the proper accounting for all ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION transactions.

(8) Net revenue from the disposal of the commercial real property originally acquired through a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized in this section shall be reinvested in land pursuant to ~~the provisions of~~ section 36-1-124.5.

(9) (b) The state auditor shall conduct or cause to be conducted a performance audit of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION program authorized by this section. The state auditor shall submit findings, conclusions, and recommendations resulting from the performance audit to the members of the legislative audit committee, the members of the joint budget committee, and the members of the capital development committee, or any successor committees, no later than twelve months after the issuance of the first ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

SECTION 75. In Colorado Revised Statutes, 36-1-153, **amend** (2) as follows:

36-1-153. Investment and development fund. (2) (a) ~~Moneys~~ MONEY in the fund shall be used at the discretion of the state board of land commissioners to hire staff, contract for services, make purchases, make annual payments on any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements the state board instructed the state treasurer to enter into as allowed in section 36-1-118.5, and take such other actions as the state board deems appropriate to provide for the development of additional value-added benefit for the state's trust lands, including both portfolio enhancement and additional income. Such actions may include, but are not limited to, the rezoning, platting, master planning, or other development activities that increase the value of or rate of return from the state's trust lands. The state board of land commissioners may also

use up to one million dollars per fiscal year of the ~~moneys~~ MONEY in the fund for asset maintenance, including, but not limited to, upkeep and replacement of buildings, agricultural sprinklers, fences, windmills, and water wells.

(b) The state board of land commissioners shall notify the state treasurer in writing of the amount that needs to be transferred from the investment and development fund to the state board of land commissioners ~~lease-purchase~~ FINANCED fund created in section 36-1-118.5 (7), and no later than thirty days after receipt of such notification, the state treasurer shall transfer such sum to the state board of land commissioners ~~lease-purchase~~ FINANCED fund created in section 36-1-118.5 (7).

SECTION 76. In Colorado Revised Statutes, 36-1-153.7, **amend** (1)(a) as follows:

36-1-153.7. Commercial real property operating fund - created.

(1) (a) The commercial real property operating fund, referred to in this section as the "fund", is hereby created in the state treasury and consists of all lease income earned by the state board of land commissioners from commercial real property. The state board of land commissioners shall control and administer the fund. The state controller shall, in cooperation with the state board of land commissioners and the state treasurer, establish accounts in the fund as necessary to ensure the proper accounting for all commercial real property that the state board of land commissioners owns and leases to third parties. Each account must consist of lease revenue, not including any damage deposits as allowed in section 36-1-129, for the commercial real property as separated by trust and must account for all expenses for the commercial real property held by each trust. ~~Moneys~~ MONEY in the fund ~~are~~ IS continuously appropriated to the state board of land commissioners and may be used to contract for the services of a third-party property management firm as specified in subsection (2) of this section, and for any other associated property management and operating costs. ~~Moneys~~ MONEY in the fund may be transferred to the state board of land commissioners ~~lease-purchase~~ FINANCED fund created in section 36-1-118.5 (7). The state board of land commissioners shall notify the state treasurer in writing of the amount that needs to be transferred from the fund to the state board of land commissioners ~~lease-purchase~~ FINANCED fund. The state treasurer shall transfer such amount no later than thirty days after receipt of such notification. All unencumbered and unexpended ~~moneys~~

MONEY in the fund at the end of each quarter in each fiscal year ~~are~~ IS distributed as specified in section 36-1-116.

SECTION 77. In Colorado Revised Statutes, 39-3-124, **amend** (1)(a) as follows:

39-3-124. Property used by state entity - installment sales or lease agreement - financed purchase of an asset, certificate of participation, or leveraged lease agreement - exemption.

(1) (a) Property, real and personal, that is used by the state or any of its political subdivisions pursuant to the provisions of any installment sales agreement, ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET AGREEMENT, CERTIFICATE OF PARTICIPATION agreement, or any other agreement whereby the state or such political subdivision shall be entitled to acquire title to such property at the end of the agreement term without cost or for only nominal consideration shall be exempt from the levy and collection of property tax.

SECTION 78. In Colorado Revised Statutes, 40-2-125.5, **amend** (4)(a)(VII) introductory portion as follows:

40-2-125.5. Carbon dioxide emission reductions - goal to eliminate by 2050 - legislative declaration - interim targets - submission and approval of plans - definitions - cost recovery - reports - rules.

(4) **Submission and approval of plans.** (a) The first electric resource plan that a qualifying retail utility files with the commission after January 1, 2020, must include a clean energy plan that will achieve the clean energy target set forth in subsection (3)(a)(I) of this section and make progress toward the one-hundred-percent clean energy goal set forth in subsection (3)(a)(II) of this section in accordance with the following:

(VII) If the clean energy plan includes accelerated retirement of any existing generating facilities, the clean energy plan must include workforce transition and community assistance plans for utility workers impacted by any clean energy plan and a plan to pay community assistance to any local government or school district, the voters of which have approved projects the costs of which are expected to be paid for from property taxes that are directly impacted by the accelerated retirement of the electric generating facility in an amount equal to the costs of the voter-approved projects that were expected to be paid from the revenue sources directly impacted by the accelerated retirement of the projects, including but not limited to the

payment of bonds, notes, or other multiple-fiscal year obligations or ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that have been issued or entered into to pay the costs of such projects. Any payment of community assistance shall be reduced on an equivalent basis to the extent that property tax is derived from new electric infrastructure developed in the same impacted community. The qualifying retail utility may propose a cost-recovery mechanism to recover the prudently incurred costs of any workforce transition and community assistance plans, while giving due consideration to the impact on low-income customers. The qualifying retail utility will not earn its authorized rate of return on any noncapital costs incurred as part of any workforce transition plan. The workforce transition and community assistance plans must include, to the extent feasible, estimates of:

SECTION 79. In Colorado Revised Statutes, 40-41-104, **amend** (5) as follows:

40-41-104. Issuance of financing orders. (5) If the voters of a local government or school district have approved projects, the costs of which are expected to be paid for from property taxes that are directly impacted by the retirement of an electric generating facility pursuant to the terms of a financing order, the financing order must provide for the payment of community assistance to the local government in an amount equal to the costs of the voter-approved projects that were expected to be paid from the revenue sources directly impacted by the retirement of an electric generating facility pursuant to the terms of the financing order, including the costs of financing such projects, including but not limited to the payment of bonds, notes, or other multiple-fiscal year obligations or ~~lease purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that have been issued or entered into to pay the costs of such projects. Any payment of community assistance shall be reduced on an equivalent basis to the extent that property tax is derived from new electric infrastructure developed in the same impacted community.

SECTION 80. In Colorado Revised Statutes, 43-4-206, **amend** (1)(b)(V) and (2)(b) introductory portion as follows:

43-4-206. State allocation. (1) Except as otherwise provided in subsections (1)(b)(V), (2), and (3) of this section, after paying the costs of

the Colorado state patrol and any other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, that are appropriated by the general assembly, money in the highway users tax fund shall be paid to the state highway fund and expended for the following purposes:

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

(V) The construction, reconstruction, repairs, improvement, planning, supervision, and maintenance of the state highway system and other public highways, including any county and municipal roads and highways, together with the acquisition of rights-of-way and access rights for the same. Any proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements executed as required by section 24-82-1303 (2)(a) that are credited to the state highway fund pursuant to section 24-82-1303 (4)(b) shall be used only for qualified federal aid highway projects that are included in the strategic transportation project investment program of the department of transportation and that are designated for tier 1 funding as ten-year development program projects on the department's development program project list, with at least twenty-five percent of the money being used for projects that are located in counties with populations of fifty thousand or less as of July 2015 as reported by the state demography office of the department of local affairs. No more than ninety percent of the proceeds shall be expended for highway purposes or highway-related capital improvements, and at least ten percent of the proceeds shall be expended for transit purposes or for transit-related capital improvements.

(2) (b) Notwithstanding section 24-1-136 (11)(a)(I), beginning in 1998, the department of transportation shall report annually to the transportation committee of the senate and the transportation and energy committee of the house of representatives concerning the revenue expended by the department pursuant to subsection (2)(a) of this section and, beginning in 2019, any state general fund money that is credited to the state highway fund pursuant to section 24-75-219 (5), any net proceeds of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF

PARTICIPATION agreements executed as required by section 24-82-1303 (2)(a) that are credited to the state highway fund pursuant to section 24-82-1303 (4)(b) and expended by the department pursuant to subsection (1)(b)(V) of this section, and any net proceeds of transportation revenue anticipation notes issued as authorized by a ballot issue submitted to and approved by the registered electors of the state at the 2020 statewide election pursuant to section 43-4-705 (13)(b) that are credited to the state highway fund pursuant to this section. The department shall present the report at the joint meeting required under section 43-1-113 (9)(a), and the report shall describe for each fiscal year, if applicable:

SECTION 81. In Colorado Revised Statutes, 43-4-705, **amend** (13)(b)(III) as follows:

43-4-705. Revenue anticipation notes - ballot issue - repeal.
(13) (b) (III) The secretary of state shall submit to the registered electors of the state for their approval or rejection at the November 2021 statewide election the following ballot issue: "Shall state of Colorado debt be increased \$1,337,000,000, with a maximum repayment cost of \$1,865,000,000, without raising taxes, through the issuance of transportation revenue anticipation notes for the purpose of addressing critical priority transportation needs in the state by financing transportation projects, shall note proceeds and investment earnings on note proceeds be excluded from state fiscal year spending limits, and shall the amount of ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements required by current law to be issued for the purpose of financing transportation projects be reduced?"

SECTION 82. In Colorado Revised Statutes, 43-4-802, **amend** (2)(d) as follows:

43-4-802. Legislative declaration. (2) The general assembly further finds and declares that:

(d) The creation of a statewide bridge enterprise authorized to complete designated bridge projects, to impose a bridge safety surcharge and issue revenue bonds, and, if required approvals are obtained, to contract with the state to receive one or more loans of ~~moneys~~ MONEY received by the state under the terms of one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements

authorized by this part 8 and to use the revenues generated by the bridge safety surcharge to repay any such loan or loans, will improve the safety and efficiency of the state transportation system by allowing the state to accelerate the repair, reconstruction, and replacement of structurally deficient, functionally obsolete, and rated as poor bridges;

SECTION 83. In Colorado Revised Statutes, 43-4-805, **amend** (1)(b)(II), (2)(b)(III), (5)(n), (5)(r)(II), (5)(r)(III), (5)(r)(IV), (5)(r)(V), (5)(r)(VI), (5)(r)(VII)(A), and (5)(r)(VII)(C) as follows:

43-4-805. Statewide bridge enterprise - creation - board - funds - powers and duties - legislative declaration. (1) The general assembly hereby finds and declares that:

(b) Due to the limited availability of state and federal funding and the need to accomplish the financing, repair, reconstruction, and replacement of designated bridges as promptly and efficiently as possible, it is necessary to create a statewide bridge enterprise and to authorize the enterprise to:

(II) Impose a bridge safety surcharge at rates reasonably calculated to defray the costs of completing designated bridge projects and distribute the burden of defraying the costs in a manner based on the benefits received by persons paying the fees and using designated bridges, receive and expend revenues generated by the surcharge and other ~~moneys~~ MONEY, issue revenue bonds and other obligations, contract with the state, if required approvals are obtained, to receive one or more loans of ~~moneys~~ MONEY received by the state under the terms of one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized by this part 8, expend revenues generated by the surcharge to repay any such loan or loans received, and exercise other powers necessary and appropriate to carry out its purposes; and

(2) (b) The business purpose of the bridge enterprise is to finance, repair, reconstruct, and replace any designated bridge in the state and, as agreed upon by the enterprise and the commission, or the department to the extent authorized by the commission, to maintain the bridges it finances, repairs, reconstructs, and replaces. To allow the bridge enterprise to accomplish this purpose and fully exercise its powers and duties through the bridge enterprise board, the bridge enterprise may:

(III) Contract with any other governmental or nongovernmental source of funding for loans or grants, including, but not limited to, one or more loans from the state of ~~moneys~~ MONEY received by the state pursuant to the terms of one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements authorized pursuant to ~~paragraph (r) of subsection (5)~~ SUBSECTION (5)(r) OF THIS SECTION, to be used to support bridge enterprise functions.

(5) In addition to any other powers and duties specified in this section, the bridge enterprise board has the following powers and duties:

(n) To purchase, trade, exchange, acquire, buy, sell, lease, ~~lease with an option to purchase~~, dispose of, or encumber real or personal property or any interest therein, including easements and rights-of-way, without restriction or limitation;

(r) (II) If the bridge enterprise board seeks to enter into a contract to borrow ~~moneys~~ MONEY from the state as authorized by ~~subparagraph (I) of this paragraph (r)~~ SUBSECTION (5)(r)(I) OF THIS SECTION, the board shall provide the governor with a list of designated bridge projects to be financed with the borrowed ~~moneys~~ MONEY and a statement of both the total amount of the loan requested and the estimated amount of the loan that will be used to fund each project on the list. If the governor determines, in the governor's sole discretion, that lending ~~moneys~~ MONEY to the bridge enterprise as requested by the enterprise, or lending a lesser amount of ~~moneys~~ MONEY to the enterprise, is in the best interest of the state, the governor, after consultation with the executive director of the department of personnel and the state treasurer, shall prepare and provide to the state treasurer a list of state buildings or other state capital facilities that the state, acting by and through the state treasurer, may sell or lease and lease back pursuant to the terms of one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements that the state, acting by and through the state treasurer, may enter into pursuant to ~~subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III) OF THIS SECTION. When providing the list, the governor shall also specify to the state treasurer the maximum permitted principal amount of any loan that may be made to the bridge enterprise under the terms of any loan contract that the state, acting by and through the state treasurer, may enter into pursuant to ~~sub-subparagraph (A) of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(A) OF THIS SECTION.

(III) (A) If the state treasurer receives a list from the governor pursuant to ~~subparagraph (H) of this paragraph (r)~~ SUBSECTION (5)(r)(II) OF THIS SECTION, the state, acting by and through the state treasurer, may enter into a loan contract with the bridge enterprise and may raise the money needed to make a loan pursuant to the terms of the loan contract by selling or leasing one or more of the state buildings or other state capital facilities on the list. The state treasurer shall have sole discretion to enter into a loan contract on behalf of the state and to determine the amount of a loan; except that the principal amount of a loan shall not exceed the maximum amount specified by the governor pursuant to ~~subparagraph (H) of this paragraph (r)~~ SUBSECTION (5)(r)(II) OF THIS SECTION. The state treasurer shall also have sole discretion to determine the timing of the entry of the state into any loan contract or the sale or lease of one or more state buildings or other state capital facilities. The loan contract shall require the bridge enterprise to pledge to the state all or a portion of the revenues of any bridge safety surcharge imposed pursuant to ~~paragraph (g) of this subsection (5)~~ SUBSECTION (5)(g) OF THIS SECTION for the repayment of the loan and may also require the enterprise to pledge to the state any other legally available revenues of the enterprise. Any loan contract entered into by the state, acting by and through the state treasurer, and the bridge enterprise pursuant to this ~~sub-subparagraph (A)~~ SUBSECTION (5)(r)(III)(A) and any pledge of revenues by the enterprise pursuant to such a loan contract shall be only for the benefit of, and enforceable only by, the state and the enterprise. Specifically, but without limiting the generality of said limitation, no such loan contract or pledge shall be for the benefit of, or enforceable by, a lessor SELLER under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to this ~~subparagraph (H)~~ SUBSECTION (5)(r)(III), an owner of any instrument evidencing rights to receive rentals or other payments made and to be made under such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement as authorized by ~~sub-subparagraph (B) of subparagraph (IV) of this paragraph (r)~~ SUBSECTION (5)(r)(IV)(B) OF THIS SECTION, a party to any ancillary agreement or instrument entered into pursuant to ~~subparagraph (V) of this paragraph (r)~~ SUBSECTION (5)(r)(V) OF THIS SECTION, or a party to any interest rate exchange agreement entered into pursuant to ~~sub-subparagraph (A) of subparagraph (VII) of this paragraph (r)~~ SUBSECTION (5)(r)(VII)(A) OF THIS SECTION.

(B) The state, acting by and through the state treasurer, may enter

into one or more ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements with respect to the state buildings or other capital facilities sold or leased pursuant to ~~sub-subparagraph (A) of this subparagraph (H)~~ SUBSECTION (5)(r)(III)(A) OF THIS SECTION with any for-profit or nonprofit corporation, trust, or commercial bank acting as a trustee, as the ~~lessor~~ SELLER.

(C) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~sub-subparagraph (B) of this subparagraph (H)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION shall provide that all of the obligations of the state under the agreement shall be subject to the action of the general assembly in annually making ~~moneys~~ MONEY available for all payments thereunder.

(D) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~sub-subparagraph (B) of this subparagraph (H)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION shall also provide that the obligations of the state under the agreement shall not be deemed or construed as creating an indebtedness of the state within the meaning of any provision of the state constitution or the laws of this state concerning or limiting the creation of indebtedness by the state, and shall not constitute a multiple-fiscal year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4)(a) of article X of the state constitution. If the state does not renew a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~sub-subparagraph (B) of this subparagraph (H)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION, the sole security available to the ~~lessor~~ SELLER shall be the property that is the subject of the nonrenewed ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement.

(IV) (A) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~sub-subparagraph (B) of subparagraph (H) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION may contain such terms, provisions, and conditions as the state treasurer, acting on behalf of the state, may deem appropriate, including all optional terms; except that each ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall specifically authorize the state to receive fee title to all real and personal property that is the subject of the ~~lease-purchase~~

FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement on or prior to the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement upon payment of all amounts payable under the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement and any amount required to be paid to remove liens or encumbrances on or claims with respect to the property that is the subject of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, including, but not limited to, liens, encumbrances, or claims relating to any ancillary agreement or instrument entered into pursuant to ~~sub-subparagraph (A) of subparagraph (VII) of this paragraph (r)~~ SUBSECTION (5)(r)(VII)(A) OF THIS SECTION. Any title to such property received by the state on or prior to the expiration of the terms of the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement shall be held for the benefit and use of the state.

(B) Any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION may provide for the issuance, distribution, and sale of instruments evidencing rights to receive rentals and other payments made and to be made under the ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement. The instruments may be issued, distributed, or sold only by the ~~lessor~~ SELLER or any person designated by the ~~lessor~~ SELLER and not by the state. The instruments shall not create a relationship between the purchasers of the instruments and the state or create any obligation on the part of the state to the purchasers. The instruments shall not be notes, bonds, or any other evidence of indebtedness of the state within the meaning of any provision of the state constitution or the law of the state concerning or limiting the creation of indebtedness of the state and shall not constitute a multiple-fiscal year direct or indirect debt or other financial obligation of the state within the meaning of section 20 (4)(a) of article X of the state constitution.

(C) Interest paid under a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION, including interest represented

by the instruments, shall be exempt from state income tax.

(V) The state, acting by and through the state treasurer, may enter into ancillary agreements and instruments deemed necessary or appropriate in connection with a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION, including but not limited to deeds, leases, sub-leases, easements, or other instruments relating to the real property on which the facilities are located or an agreement entered into pursuant to ~~subparagraph (VII) of this paragraph (r)~~ SUBSECTION (5)(r)(VII) OF THIS SECTION.

(VI) The provisions of section 24-30-202 (5)(b), ~~C.R.S.~~, shall not apply to a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement authorized pursuant to ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION or any ancillary agreement or instrument or interest rate exchange agreement entered into pursuant to ~~subparagraph (V) or sub-subparagraph (A) of subparagraph (VII) of this paragraph (r)~~ SUBSECTION (5)(r)(V) OR (5)(r)(VII)(A) OF THIS SECTION. Any provision of the fiscal rules promulgated pursuant to section 24-30-202 (1) and (13) ~~C.R.S.~~, that the state controller deems to be incompatible or inapplicable with respect to such a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement, ancillary agreement or instrument, or interest rate exchange agreement may be waived by the controller or his or her designee.

(VII) (A) Prior to executing a ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement pursuant to ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION, in order to protect against future interest rate increases, the lessor under any ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement or the state, acting by and through the state treasurer and at the discretion of the state treasurer, may enter into an interest rate exchange agreement in accordance with article 59.3 of title 11. ~~C.R.S.~~ A ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreement entered into pursuant to ~~sub-subparagraph (B) of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(B) OF THIS SECTION shall be a proposed

public security for the purposes of article 59.3 of title 11. ~~C.R.S.~~

(C) Any ~~moneys~~ MONEY received by the state under an agreement entered into pursuant to this ~~subparagraph (VII)~~ SUBSECTION (5)(r)(VII) shall be used to make payments on ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements entered into pursuant to ~~sub-subparagraph (A) of subparagraph (III) of this paragraph (r)~~ SUBSECTION (5)(r)(III)(A) OF THIS SECTION.

SECTION 84. In Colorado Revised Statutes, 43-4-806, **amend** (7.5) as follows:

43-4-806. High-performance transportation enterprise - creation - board - funds - powers and duties - limitations - reporting requirements - legislative declaration - definition. (7.5) In addition to any other powers and duties specified in this section, the transportation enterprise may enter into a transportation demand management contract with the department under which the department compensates the transportation enterprise for relieving traffic congestion during peak travel times, as determined by the department and the transportation enterprise, in the portion of the interstate 70 mountain corridor that includes and lies between Floyd hill and the Eisenhower-Johnson tunnels by providing and operating reversible highway lanes within that portion of the corridor. If a feasibility study of a moveable barrier system on interstate 70 is completed and demonstrates that such a system is viable and that life safety issues can be addressed, a transportation demand management contract may establish, consistent with planning provisions in section 43-1-1103, the interstate 70 collaborative effort, context sensitive solutions, and the processes required by the federal "National Environmental Policy Act of 1969", 42 U.S.C. sec. 4321 et seq., the goal of beginning the provision and operation of reversible highway lanes and reporting to the general assembly no later than January 1, 2011. A transportation demand management contract may authorize the transportation enterprise to enter into single-fiscal year or multiple-fiscal year operating lease agreements or capital lease or ~~lease-purchase~~ FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION agreements with a private contractor as needed to provide and operate the reversible highway lanes.

SECTION 85. Effective date. This act takes effect July 1, 2021.

SECTION 86. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Leroy M. Garcia
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO