

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-1029.01 Nicole Myers x4326

HOUSE BILL 22-1385

HOUSE SPONSORSHIP

Titone,

SENATE SPONSORSHIP

(None),

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE IMPLEMENTATION OF THE COLORADO OPERATIONS
102 RESOURCE ENGINE UPGRADE PROJECT.

Bill Summary

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

The bill authorizes the state to enter into one or more financed purchase of an asset or certificate of participation agreements for the implementation costs of the Colorado operations resource engine upgrade and continuous improvement project.

The bill also requires the office of information technology (office) to ensure that the Colorado operations resource engine system includes

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

any functionality that the legislative branch deems to be of particular importance or promptly explain why such functionality cannot be incorporated. The office must also report to the joint technology committee and the joint budget committee regarding its progress on the project in a format and at time intervals specified by the joint technology committee and the joint budget committee in writing.

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

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

4 (a) Operating a statewide accounting, procurement, and budget
5 system is a core function of state government that needs to be
6 supportable, stable, and secure;

7 (b) The existing system is ten years old and in need of updates and
8 upgrades for the anticipated needs of the next ten-year cycle of the
9 system; and

10 (c) The treasurer's office has determined that the capital costs of
11 the project can be financed at a lower capital cost through a privately
12 placed capital financed purchase of an asset or certificate of participation
13 agreement.

14 (2) It is therefore in the best interest of the citizens of Colorado to
15 authorize the state, acting by and through the state treasurer, to enter into
16 one or more financed purchase of an asset or certificate of participation
17 agreements and other agreements as necessary to finance the
18 implementation costs of the Colorado operations resource engine upgrade
19 and continuous improvement project.

20 **SECTION 2. Financed purchase of an asset or certificate of**
21 **participation agreement.** (1) (a) The state of Colorado, acting by and
22 through the state treasurer, is authorized to execute one or more financed

1 purchase of an asset or certificate of participation agreements for up to
2 nine years to finance the implementation costs of the Colorado operations
3 resource engine upgrade and continuous improvement project. The total
4 amount of the principal component of all financed purchase of an asset
5 or certificate of participation agreements executed, including reasonable
6 and necessary closing costs, shall not exceed ten million seven hundred
7 eighty-two thousand eight hundred twenty-seven dollars (\$10,782,827).

8 (b) The enactment of this act satisfies the requirements of section
9 24-82-801, Colorado Revised Statutes.

10 (2) (a) The financed purchase of an asset or certificate of
11 participation agreement authorized in subsection (1) of this section must
12 provide that all of the obligations of the state under the agreement are
13 subject to the action of the general assembly in annually making money
14 available for all payments thereunder. The agreement must also provide
15 that the obligations shall not be deemed or construed as creating an
16 indebtedness of the state within the meaning of any provision of the state
17 constitution or the laws of the state concerning or limiting the creation of
18 indebtedness by the state and do not constitute a multiple fiscal year direct
19 or indirect debt or other financial obligation of the state within the
20 meaning of section 20 (4) of article X of the state constitution. If the state
21 does not renew the financed purchase of an asset or certificate of
22 participation agreement authorized in subsection (1) of this section, the
23 sole security available to the lessor shall be the property that is the subject
24 of the financed purchase of an asset or certificate of participation
25 agreement.

26 (b) (I) The financed purchase of an asset or certificate of
27 participation agreement authorized in subsection (1) of this section may

1 contain such terms, provisions, and conditions as the state treasurer,
2 acting on behalf of the state, may deem appropriate, including all optional
3 terms; except that the financed purchase of an asset or certificate of
4 participation agreement shall specifically authorize the state to:

5 (A) Receive all personal property that is the subject of the
6 financed purchase of an asset or certificate of participation agreement on
7 or prior to the expiration of the terms of the financed purchase of an asset
8 or certificate of participation agreement; and

9 (B) Reduce the term of the lease through prepayment of rental and
10 other payments.

11 (II) Any personal property received under the financed purchase
12 of an asset or certificate of participation agreement by the state on or prior
13 to the expiration of the terms of the agreement shall be held for the
14 benefit and use of the state.

15 (III) A financed purchase of an asset or certificate of participation
16 agreement may further provide for the issuance, distribution, and sale of
17 instruments evidencing rights to receive rentals and other payments made
18 and to be made under the agreement. Such instruments shall not be notes,
19 bonds, or any other evidence of indebtedness of the state within the
20 meaning of any provision of the state constitution or the laws of the state
21 concerning or limiting the creation of indebtedness of the state.

22 (c) The state, acting through the state treasurer with the consent
23 of the chief information officer of the governor's office of information
24 technology, is authorized to enter into ancillary agreements and
25 instruments as are deemed necessary or appropriate in connection with
26 the financed purchase of an asset or certificate of participation agreement.

27 (3) The provisions of section 24-30-202 (5)(b), Colorado Revised

1 Statutes, do not apply to the financed purchase of an asset or certificate
2 of participation agreement authorized in subsection (1) of this section or
3 any ancillary agreement entered into pursuant to subsection (2)(c) of this
4 section. Any provision of the fiscal rules promulgated pursuant to section
5 24-30-202 (1) and (13), Colorado Revised Statutes, that the state
6 controller deems to be incompatible or inapplicable with respect to said
7 financed purchase of an asset or certificate of participation agreements or
8 any ancillary agreement may be waived by the controller or the
9 controller's designee.

10 **SECTION 3.** In Colorado Revised Statutes, **add** 24-37.5-123 as
11 follows:

12 **24-37.5-123. Colorado operations resource engine upgrade**
13 **and continuous improvement project - reporting.** IF THE EXECUTIVE
14 COMMITTEE OF THE LEGISLATIVE COUNCIL, THE JOINT BUDGET
15 COMMITTEE, THE JOINT TECHNOLOGY COMMITTEE, OR THE LEGISLATIVE
16 AUDIT COMMITTEE DEEM CERTAIN FUNCTIONALITY OF THE COLORADO
17 FINANCIAL REPORTING SYSTEM TO BE OF PARTICULAR IMPORTANCE TO THE
18 LEGISLATIVE BRANCH, THIS WILL BE CONVEYED IN WRITING TO THE OFFICE
19 AND THE GOVERNOR. THE OFFICE MUST ENSURE THAT SUCH
20 FUNCTIONALITY IS INCORPORATED OR MUST PROMPTLY EXPLAIN WHY
21 SUCH FUNCTIONALITY CANNOT BE INCORPORATED. IF THE FUNCTIONALITY
22 CANNOT BE INCLUDED BECAUSE SUCH A CHANGE WOULD REQUIRE
23 ADDITIONAL APPROPRIATIONS, THE OFFICE MUST EXPLAIN WHY
24 ADDITIONAL APPROPRIATIONS ARE NECESSARY. THE OFFICE MUST REPORT
25 TO THE JOINT TECHNOLOGY COMMITTEE AND THE JOINT BUDGET
26 COMMITTEE REGARDING ITS PROGRESS ON THE PROJECT IN A FORMAT AND
27 AT TIME INTERVALS SPECIFIED BY THE JOINT TECHNOLOGY COMMITTEE

1 AND THE JOINT BUDGET COMMITTEE IN WRITING. IF A MEETING IS
2 NECESSARY FOR ANY REPORT REQUIRED BY THIS SECTION, WHEN POSSIBLE,
3 THE MEETING MAY BE A JOINT MEETING OF THE JOINT TECHNOLOGY
4 COMMITTEE AND THE JOINT BUDGET COMMITTEE.

5 **SECTION 4. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.