

**Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 18-1011.01 Esther van Mourik x4215

HOUSE BILL 18-1374

HOUSE SPONSORSHIP

Hansen and Esgar, Becker J.

SENATE SPONSORSHIP

Kefalas and Baumgardner, Sonnenberg

House Committees
Finance

Senate Committees
Finance

A BILL FOR AN ACT

101 **CONCERNING CONTROLLED MAINTENANCE NEEDS OF REAL PROPERTY**
102 **ACQUIRED THROUGH A LEASE-PURCHASE AGREEMENT.**

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/>.)

Capital Development Committee. The bill specifies that any real property acquired by a state agency or a state institution of higher education through a lease-purchase agreement is not eligible for state controlled maintenance funding. The bill requires any lease-purchase agreement entered into for the acquisition of real property to include a reserve to be used for the controlled maintenance needs of the real

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.

SENATE
3rd Reading Unamended
April 26, 2018

SENATE
Amended 2nd Reading
April 25, 2018

HOUSE
3rd Reading Unamended
April 20, 2018

HOUSE
Amended 2nd Reading
April 19, 2018

property in a specified amount designed to ensure that there is sufficient money in the reserve to cover the costs of any controlled maintenance needs of the real property. The bill also requires the state treasurer to advise any state agency or state institution of higher education regarding the controlled maintenance reserve requirement.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-1303.9,
3 **amend** (7)(a)(IV) and (7)(a)(V); and **add** (7)(a)(VI) as follows:

4 **24-30-1303.9. Eligibility for state controlled maintenance**
5 **funding - legislative declaration.** (7) (a) Controlled maintenance funds
6 may not be used for:

7 (IV) Any work properly categorized as capital construction; ~~or~~

8 (V) Facilities described in section 23-1-106 (10.2)(a)(III); OR

9 (VI) ANY REAL PROPERTY ACQUIRED BY A STATE AGENCY OR A
10 STATE INSTITUTION OF HIGHER EDUCATION THROUGH A LEASE-PURCHASE
11 AGREEMENT WHERE THE LEASE-PURCHASE AGREEMENT REQUIRES
12 AUTHORIZATION SET FORTH IN SECTION 24-82-801.

13 **SECTION 2.** In Colorado Revised Statutes, 24-82-801, **amend**
14 (1)(a) as follows:

15 **24-82-801. Lease-purchase agreements for acquisition of real**
16 **or personal property - definition.** (1) (a) (I) Except as provided in
17 subsection (6) of this section, AND SUBJECT TO THE REQUIREMENT SET
18 FORTH IN SUBSECTION (1)(a)(II) OF THIS SECTION, no lease-purchase
19 agreement for real property that requires total payments exceeding five
20 hundred thousand dollars over the term of the agreement shall be entered
21 into unless such agreement is specifically authorized, prior to its
22 execution, by a bill enacted by the general assembly, other than the annual
23 general appropriation act or a supplemental appropriation act.

1 (II) (A) EACH BILL ENACTED BY THE GENERAL ASSEMBLY ON OR
2 AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(II), AS REQUIRED
3 IN SUBSECTION (1)(a)(I) OF THIS SECTION, MUST INCLUDE A REQUIREMENT
4 THAT THE STATE AGENCY OR STATE INSTITUTION OF HIGHER EDUCATION
5 ENTERING INTO THE LEASE-PURCHASE AGREEMENT PRESENT A PLAN TO
6 THE CAPITAL DEVELOPMENT COMMITTEE, NO LATER THAN THE DECEMBER
7 OF THE FOURTEENTH CALENDAR YEAR OR THE JANUARY OF THE FIFTEENTH
8 CALENDAR YEAR AFTER EITHER THE DATE OF THE SUBSTANTIAL
9 COMPLETION OF THE CONSTRUCTION OR AFTER THE DATE OF ACQUISITION,
10 THAT DETAILS HOW THE STATE AGENCY OR STATE INSTITUTION OF HIGHER
11 EDUCATION IS PREPARED TO FUND THE CONTROLLED MAINTENANCE NEEDS
12 OF THE REAL PROPERTY SO THAT AT LEAST AN AMOUNT EQUAL TO AN
13 ESTIMATION OF THE SUM OF ONE PERCENT OF THE INSURED VALUE OF THE
14 REAL PROPERTY FOR EACH YEAR STARTING WITH THE SIXTEENTH YEAR
15 AFTER EITHER THE DATE OF THE SUBSTANTIAL COMPLETION OF THE
16 CONSTRUCTION OR AFTER THE DATE OF ACQUISITION IS AVAILABLE FOR A
17 TOTAL PERIOD OF TWENTY-FIVE YEARS FOR THE REAL PROPERTY'S
18 CONTROLLED MAINTENANCE NEEDS. THE PLAN PRESENTED BY THE STATE
19 AGENCY OR STATE INSTITUTION OF HIGHER EDUCATION MAY INCLUDE A
20 REQUEST FOR AN ADDITIONAL LEASE-PURCHASE AGREEMENT FOR SUCH
21 CONTROLLED MAINTENANCE NEEDS OR MAY INCLUDE A REQUEST FOR
22 PARTIAL OR COMPLETE STATE FUNDING OF SUCH CONTROLLED
23 MAINTENANCE NEEDS. THE CAPITAL DEVELOPMENT COMMITTEE SHALL
24 REVIEW THE PLAN PRESENTED BY THE STATE AGENCY OR STATE
25 INSTITUTION OF HIGHER EDUCATION. ANY APPROVED PLAN SHALL BE
26 AUTHORIZED BY BILL ENACTED BY THE GENERAL ASSEMBLY, OTHER THAN
27 THE ANNUAL GENERAL APPROPRIATION ACT OR A SUPPLEMENTAL

1 APPROPRIATION ACT; EXCEPT THAT IF THE APPROVED PLAN IS FOR A STATE
2 INSTITUTION OF HIGHER EDUCATION TO FUND SUCH CONTROLLED
3 MAINTENANCE NEEDS FROM CASH FUNDS THEN THE PLAN MAY BE
4 APPROVED BY MAJORITY VOTE OF THE CAPITAL DEVELOPMENT
5 COMMITTEE.

6 (B) FOR PURPOSES OF THIS SECTION, "CONTROLLED
7 MAINTENANCE" HAS THE SAME MEANING AS SET FORTH IN SECTION
8 24-30-1301 (4); EXCEPT THAT IT MAY INCLUDE ANY MAINTENANCE NEEDS
9 THAT WOULD ORDINARILY BE FUNDED IN A STATE AGENCY'S OR STATE
10 INSTITUTION OF HIGHER EDUCATION'S OPERATING BUDGET. ALSO FOR
11 PURPOSES OF THIS SECTION, "INSURED VALUE" MEANS THE INSURED VALUE
12 OF THE REAL PROPERTY AS DETERMINED THROUGH THE RISK
13 MANAGEMENT PROGRAM ESTABLISHED IN PART 15 OF ARTICLE 30 OF TITLE
14 24.

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16 **SECTION 3. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2018 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.