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SENATE BILL 16-020

BY SENATOR(S) Sonnenberg, Baumgardner, Kefalas, Crowder;
also REPRESENTATIVE(S) Becker K., Brown, Vigil, Esgar, Fields,
Young.

CONCERNING CLARIFICATION OF CERTAIN CALCULATIONS OF THE
AUTOMATIC FUNDING MECHANISM FOR PAYMENT OF FUTURE COSTS
ATTRIBUTABLE TO CERTAIN OF THE STATE'S CAPITAL ASSETS.

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

SECTION 1. In Colorado Revised Statutes, **amend** 24-30-1310 as follows:

24-30-1310. Funding for capital construction, controlled maintenance, or capital renewal - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "ANNUAL DEPRECIATION-LEASE EQUIVALENT PAYMENT" MEANS AN AMOUNT EQUAL TO THE RECORDED DEPRECIATION OF THE CAPITAL ASSET ACQUIRED, REPAIRED, IMPROVED, REPLACED, RENOVATED, OR CONSTRUCTED WITH AN APPROPRIATION FROM THE GENERAL FUND, THE CAPITAL CONSTRUCTION FUND, OR THE CONTROLLED MAINTENANCE TRUST FUND, BASED ON THE DEPRECIATION PERIOD, AS CALCULATED BY THE STATE

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

AGENCY OR THE STATE INSTITUTION OF HIGHER EDUCATION, WHICH CALCULATION THE STATE INSTITUTION OF HIGHER EDUCATION SHALL REPORT TO THE DEPARTMENT OF HIGHER EDUCATION. THE AMOUNT IS CALCULATED FROM THE DATE OF ACQUISITION OR THE DATE OF COMPLETION OF THE REPAIR, IMPROVEMENT, REPLACEMENT, RENOVATION, OR CONSTRUCTION TO JUNE 30 OF THE FISCAL YEAR OF ACQUISITION OR COMPLETION. THE AMOUNT CONTINUES TO BE ANNUALLY CALCULATED ON A FISCAL YEAR BASIS UNTIL THE DEPRECIATION FOR THE CAPITAL ASSET IS NO LONGER RECORDED.

~~(a)~~ (b) "Appropriation" means an appropriation in the capital construction section of the annual general appropriation act, not including appropriations for information technology projects, and not including any appropriations made from the information technology capital account in the capital construction fund created in section 24-75-302 (3.7). ~~as enacted by House Bill 15-1266.~~

~~(b)~~ (c) "Capital construction fund" means the capital construction fund created in section 24-75-302.

~~(c)~~ (d) "Cash fund" does not include the lottery fund created in section 24-35-210 or the limited gaming fund created in section 12-47.1-701 (1), C.R.S.

~~(d)~~ (e) "Controlled maintenance trust fund" means the controlled maintenance trust fund created in section 24-75-302.5.

~~(e)~~ (f) "Depreciation" means an amount calculated AND RECORDED in accordance with generally accepted accounting principles.

~~(f)~~ (g) "Depreciation period" means a period determined in fiscal procedures issued by the state controller or the state institution of higher education.

~~(g)~~ (h) "Project cost" means the depreciable components of the total project cost as reflected in the appropriation; except that, if the project is financed, the total project cost does not include any financing costs.

(2) 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:

(a) If the funding source for the appropriation is from a cash fund, the state agency shall annually calculate an amount equal to the RECORDED depreciation of the capital asset acquired, repaired, improved, replaced, renovated, or constructed with the appropriation based on the depreciation period, and on June 30 the state controller shall credit such amount from the cash fund that was the source of the funding for the appropriation to a capital reserve account established by the state agency in such cash fund as specified in section 24-75-403 (2). ~~as enacted by House Bill 15-1280.~~

(b) If the funding source for the appropriation is from the general fund, the capital construction fund, or the controlled maintenance trust fund, the general assembly shall include an annual depreciation-lease equivalent payment line item payable from the general fund in the operating section of the annual general appropriation act for each state agency, ~~or state institution of higher education equal to the depreciation of the capital asset acquired, repaired, improved, replaced, renovated, or constructed with the appropriation based on the depreciation period, as calculated by the state agency or state institution of higher education~~ INCLUDING THE DEPARTMENT OF HIGHER EDUCATION. On June 30 the state controller shall credit the ANNUAL depreciation-lease equivalent payment LINE ITEM to the capital construction fund; except that, of such payment, an amount equal to one percent of the project cost will be deducted from the payment and credited to the principal of the controlled maintenance trust fund.

(c) If the funding source for the appropriation is a financing arrangement, including a lease-purchase agreement allowed pursuant to section 24-82-802, and the source of the funding for the financing payment is:

(I) From a cash fund, then the state agency shall annually calculate an amount equal to one percent of the project cost and the general assembly shall include an annual controlled maintenance line item payable from the cash fund in the operating section of the annual general appropriation act for each state agency equal to such amount. On June 30 the state controller shall credit such amount to a capital reserve account established by the state

agency in the cash fund as specified in section 24-75-403 (2). ~~as enacted by House Bill 15-1280.~~

(II) From the general fund, the capital construction fund, or the controlled maintenance trust fund, then the general assembly shall include an annual controlled maintenance line item payable from the general fund in the operating section of the annual general appropriation act for each state agency, ~~or state institution of higher education~~ INCLUDING THE DEPARTMENT OF HIGHER EDUCATION, equal to one percent of the project cost, as calculated by the state agency or THE state institution of higher education, WHICH CALCULATION THE STATE INSTITUTION OF HIGHER EDUCATION SHALL REPORT TO THE DEPARTMENT OF HIGHER EDUCATION. On June 30 the state controller shall credit such amount to the controlled maintenance trust fund.

(d) If the funding source for the appropriation is a combination of the funding sources described in paragraphs (a), (b), and (c) of this subsection (2), then the annual set aside must be made in proportion to the funding source.

SECTION 2. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Bill L. Cadman
PRESIDENT OF
THE SENATE

Dickey Lee Hullinghorst
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Effie Ameen
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO