

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0624.01 Jason Gelender x4330

HOUSE BILL 18-1119

HOUSE SPONSORSHIP

Leonard, Neville P., Van Winkle, Saine, Humphrey, Beckman, Buck, Carver, Covarrubias,
Liston, Williams D.

SENATE SPONSORSHIP

Neville T.,

House Committees
Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 CONCERNING SUSTAINABLE RURAL HIGHWAY BUILDING AND
102 MAINTENANCE FUNDING, AND, IN CONNECTION THEREWITH,
103 REQUIRING A SPECIFIED PERCENTAGE OF NET REVENUE
104 GENERATED BY THE EXISTING STATE SALES AND USE TAX TO BE
105 CREDITED TO THE STATE HIGHWAY FUND; REQUIRING THE
106 TRANSPORTATION COMMISSION TO SUBMIT TO THE VOTERS OF
107 THE STATE AT THE NOVEMBER 2018 GENERAL ELECTION A
108 BALLOT QUESTION, WHICH, IF APPROVED, WILL, WITHOUT
109 RAISING TAXES, AUTHORIZE THE STATE TO ISSUE
110 TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE
111 PURPOSE OF FUNDING THE CONSTRUCTION OF SPECIFIED
112 HIGH-PRIORITY HIGHWAY PROJECTS, WILL REQUIRE ALL OF THE
113 NOTES TO BE ISSUED AND PROJECTS COMMENCED WITHIN THREE

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.

101 YEARS OF THE NOTES BEING AUTHORIZED, WILL EXCLUDE NOTE
102 PROCEEDS AND INVESTMENT EARNINGS ON NOTE PROCEEDS
103 FROM STATE FISCAL YEAR SPENDING LIMITS, AND WILL REPEAL
104 AN EXISTING REQUIREMENT THAT THE STATE TREASURER
105 EXECUTE LEASE-PURCHASE AGREEMENTS FOR THE PURPOSE OF
106 FUNDING TRANSPORTATION PROJECTS; AND REQUIRING THE
107 SALES AND USE TAX NET REVENUE CREDITED TO THE STATE
108 HIGHWAY FUND TO BE USED TO REPAY ANY NOTES ISSUED AND
109 TO FUND MAINTENANCE ON QUALIFIED FEDERAL AID HIGHWAYS.

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>.)

Section 9 of the bill requires the transportation commission (commission) to submit a ballot question to the voters of the state at the November 2018 statewide election which, if approved:

- ! Will require the executive director of the department of transportation (CDOT) to issue transportation revenue anticipation notes (TRANs) in a maximum principal amount of \$3.5 billion and with a maximum repayment cost of \$5 billion; and
- ! Will, in conjunction with **sections 3, 4, and 7**, repeal current law, enacted by Senate Bill 17-267, that requires the state treasurer to execute lease-purchase agreements of up to \$1.88 billion for the purpose of funding high-priority qualified federal aid transportation projects.

The executive director must issue at least one-third of the TRANs within one year of the date of the official declaration of the vote on the ballot issue by the governor, issue at least two-thirds of the TRANs within 2 years of that date, and issue all of the TRANs within 3 years of that date. The additional TRANs must have a maximum repayment term of 20 years, and the certificate, trust indenture, or other instrument authorizing their issuance must provide that the state may pay them in full before the end of the specified payment term without penalty. TRANs must otherwise generally be issued subject to the same requirements as the TRANs issued in 1999; except that the commission must pledge to annually allocate from legally available money under its control any

money needed for payment of TRANs until the TRANs are fully repaid.

Section 10 requires TRANs net proceeds not otherwise pledged for TRANs payments to be credited to the state highway fund and expended by CDOT only for qualified federal aid highway projects as described in **section 6**. CDOT may expend no more than 10% of the net proceeds for the administration and engineering of the projects being funded with the net proceeds.

On and after July 1, 2018, **section 5** requires 7.5% of state sales and use tax net revenue to be credited to the state highway fund and used first to make TRANs payments. Section 6 requires state sales and use tax net revenue credited to the state highway fund that is not expended to make TRANs payments to be expended only for maintenance of qualified federal aid highways and requires TRANs net proceeds credited to the state highway fund to be expended only for qualified federal aid highway projects included in the strategic transportation project investment program of CDOT and designated for tier 1 funding as 10-year development program projects on CDOT's development program project list.

If the voters of the state approve the issuance of TRANs, CDOT is required to ensure that construction of one-third of the projects commences within one year of the date of the official declaration of the vote on the ballot issue by the governor, to ensure that construction of two-thirds of the projects commences within 2 years of that date, and ensure that construction of all of the projects commences within 3 years of that date. Section 7 requires CDOT to include specified information about the state sales and use tax net revenue and TRANs net proceeds in its annual report to the senate transportation committee and the house transportation and energy committee.

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

2 **SECTION 1. Short title.** The short title of this act is the
3 "Sustainable Rural Highway Building and Maintenance Act".

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

6 (a) Colorado's population has increased in the past twenty years
7 from four million to five million six hundred thousand, an increase of just
8 over forty percent;

9 (b) The growth of the state operating budget has outpaced

1 population growth, increasing by an average of almost one billion dollars
2 per year, from nine billion five hundred million dollars for the state fiscal
3 year 1997-98 to twenty-eight billion nine hundred million dollars for the
4 state fiscal year 2017-18, an increase of just over three hundred percent;

5 (c) Colorado's commitment to use state general revenue to fund
6 transportation has been inconsistent and dependent upon general
7 economic conditions at best and often nonexistent as:

8 (I) From state fiscal year 1997-98 through state fiscal year
9 2001-02, and from state fiscal year 2005-06 through state fiscal year
10 2007-08, pursuant to Senate Bill 97-001, the state dedicated over one
11 billion four hundred million dollars of state sales and use tax net revenue
12 for transportation funding;

13 (II) From state fiscal year 2003-04 through state fiscal year
14 2008-09, pursuant to House Bill 02-1310, the state dedicated over six
15 hundred forty million dollars of state general fund surplus for
16 transportation funding;

17 (III) From state fiscal year 2015-16 through state fiscal year
18 2017-18, pursuant to Senate Bill 09-228 and subsequent bills that greatly
19 reduced the amounts of originally dedicated transportation funding under
20 Senate Bill 09-228, the state dedicated over three hundred fifty million
21 dollars of state general fund money for transportation funding;

22 (IV) For state fiscal year 2002-03 and from state fiscal year
23 2010-11 through state fiscal year 2014-15, excluding a total of two
24 million dollars of general fund appropriations for specific programs
25 within the department of transportation, the state did not dedicate any
26 state general fund money for transportation funding; and

27 (V) No general state revenue is currently statutorily dedicated for

1 transportation, without the need for further annual appropriation, for state
2 fiscal year 2017-18 or for any future state fiscal year; and

3 (d) Colorado's population is expected to continue to rapidly
4 increase to six million nine hundred thousand by 2030, and to preserve
5 and maintain Colorado's quality of life and economic prosperity in the
6 face of this rapid population growth it is necessary to expand and
7 maintain a useful and reliable highway and road system that allows the
8 efficient movement of people and goods without the consequences of and
9 resulting from undue idling of vehicles and people.

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

11 (a) In 1999, the general assembly and the voters of the state
12 approved Referendum A, which authorized the state to issue one billion
13 seven hundred million dollars of transportation revenue anticipation
14 notes, without raising taxes, to accelerate the funding and completion of
15 twenty-eight strategic transportation projects in significant corridors,
16 including the T-REX project, the highly successful expansion and traffic
17 mitigation project for the Interstate 25 corridor in the Denver
18 metropolitan area, and the state paid off the notes in full in 2017;

19 (b) The success of the 1999 transportation revenue anticipation
20 notes program for the Denver metropolitan area shows that leveraging
21 existing revenue is a prudent and cost-effective means of accelerating and
22 delivering large-scale and economically significant transportation projects
23 within major transportation corridors as well as throughout the rural areas
24 of the state;

25 (c) Since the completion of the 1999 projects, Coloradans have
26 waited patiently for their roads and highways to be expanded and
27 repaired, but annual reprioritization has caused significant deferrals of

1 construction and maintenance of highways and roads, leaving them
2 inadequate to accommodate Colorado's population growth;

3 (d) In 2017, the general assembly enacted Senate Bill 17-267
4 which:

5 (I) Requires the state to sell and lease back state-owned facilities
6 for twenty years to generate one billion eight hundred eighty million
7 dollars to fund transportation projects throughout the state;

8 (II) Does not specify a project list or deadlines for project
9 commencement; and

10 (III) Does not fully identify the sources of funds to be used by the
11 state to make lease payments indicating only that the annual lease
12 payments may not exceed one hundred forty-one million dollars, that a
13 maximum of fifty million dollars of each annual lease payment must be
14 paid from any legally available money under the control of the
15 transportation commission, and that any remaining money needed to
16 make lease payments must be paid from the general fund or any other
17 legally available source of money;

18 (e) The costs to the state of financing transportation projects using
19 lease-purchase agreements are greater than the costs of financing
20 transportation projects using transportation revenue anticipation notes;

21 (f) It is therefore reasonable, necessary, appropriate, and
22 cost-effective, if required statewide voter approval can be obtained, for
23 the state, without raising taxes, to issue three and one-half billion dollars
24 of new transportation revenue anticipation notes to be used, in lieu of the
25 Senate Bill 17-267 lease-purchase agreements, to fund highway projects;
26 and

27 (g) It is also reasonable, necessary, and appropriate for the general

1 assembly to statutorily dedicate seven and one-half percent of state sales
2 and use tax net revenue to repay any new transportation revenue
3 anticipation notes issued and provide an additional source of sustainable
4 funding for highway and bridge maintenance.

5 **SECTION 3.** In Colorado Revised Statutes, 24-82-1301, **amend**
6 (1)(a) and (1)(b) as follows:

7 **24-82-1301. Legislative declaration.** (1) The general assembly
8 hereby finds and declares that:

9 (a) Due to insufficient funding, necessary high-priority ~~state~~
10 ~~highway projects~~ and state capital construction projects, including
11 projects at state institutions of higher education, in all areas of the state
12 have been delayed, and the state has also delayed critical controlled
13 maintenance and upkeep of state capital assets;

14 (b) By issuing lease-purchase agreements using state buildings as
15 collateral as authorized by this part 13, the state can generate sufficient
16 funds to accelerate the completion of many of the necessary high-priority
17 ~~state highway projects~~ and capital construction projects that have been
18 delayed and better maintain and preserve existing state capital assets;

19 **SECTION 4.** In Colorado Revised Statutes, 24-82-1303, **amend**
20 (2)(a), (2)(b), (2)(d), (3)(a), and (4); and **repeal** (1) as follows:

21 **24-82-1303. Lease-purchase agreements for capital**
22 **construction projects.** (1) ~~On or before December 31, 2017, the state~~
23 ~~architect, the director of the office of state planning and budgeting or his~~
24 ~~or her designee, and the state institutions of higher education shall~~
25 ~~identify and prepare a collaborative list of eligible state facilities that can~~
26 ~~be collateralized as part of the lease-purchase agreements for capital~~
27 ~~construction and transportation projects authorized in this part 13. The~~

1 total current replacement value of the identified buildings must equal at
2 least two billion dollars.

3 (2) (a) Notwithstanding the provisions of sections 24-82-102
4 (1)(b) and 24-82-801, and pursuant to section 24-36-121, ~~no sooner than~~
5 ~~July 1, 2018,~~ DURING THE 2018-19 STATE FISCAL YEAR the state, acting by
6 and through the state treasurer, shall execute lease-purchase agreements,
7 each for no more than twenty years of annual payments, IN THE AMOUNT
8 OF ONE HUNDRED TWENTY MILLION DOLLARS for the projects described in
9 subsection (4) of this section. ~~The state shall execute the lease-purchase~~
10 ~~agreements only in accordance with the following schedule:~~

11 ~~(I) During the 2018-19 state fiscal year, the state shall execute~~
12 ~~lease-purchase agreements in an amount up to five hundred million~~
13 ~~dollars;~~

14 ~~(II) During the 2019-20 state fiscal year, the state shall execute~~
15 ~~lease-purchase agreements in an amount up to five hundred million~~
16 ~~dollars;~~

17 ~~(III) During the 2020-21 state fiscal year, the state shall execute~~
18 ~~lease-purchase agreements in an amount up to five hundred million~~
19 ~~dollars; and~~

20 ~~(IV) During the 2021-22 fiscal year, the state shall execute~~
21 ~~lease-purchase agreements in an amount up to five hundred million~~
22 ~~dollars.~~

23 (b) The anticipated annual state-funded payments for the principal
24 and interest components of the amount payable under all lease-purchase
25 agreements entered into pursuant to subsection (2)(a) of this section shall
26 not exceed ~~one hundred fifty~~ NINE million dollars.

27 (d) Any lease-purchase agreement executed as required by

1 subsection (2)(a) of this section shall provide that all of the obligations of
2 the state under the agreement are subject to the action of the general
3 assembly in annually making money available for all payments
4 thereunder. Payments under any lease-purchase agreement must be made,
5 subject to ~~annual allocation pursuant to section 43-1-113 by the~~
6 ~~transportation commission created in section 43-1-106 (1) or subject to~~
7 annual appropriation by the general assembly, ~~as applicable,~~ from the
8 following sources of money:

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

15 (II) ~~Next, fifty million dollars annually, or any lesser amount that~~
16 ~~is sufficient to make each full payment due, shall be paid from any legally~~
17 ~~available money under the control of the transportation commission solely~~
18 ~~for the purpose of allowing the construction, supervision, and~~
19 ~~maintenance of state highways to be funded with the proceeds of~~
20 ~~lease-purchase agreements as specified in subsection (4)(b) of this section~~
21 ~~and section 43-4-206 (1)(b)(V); and~~

22 (III) ~~The remainder of the amount needed, in addition to the~~
23 ~~amounts specified in subsections (2)(d)(I) and (2)(d)(II) of this section,~~
24 ~~to make each full payment due shall be paid from the general fund or any~~
25 ~~other legally available source of money.~~

26 (3) (a) Before executing a lease-purchase agreement required by
27 subsection (2)(a) of this section, in order to protect against future interest

1 rate increases, the state, acting by and through the state treasurer and at
2 the discretion of the state treasurer, may enter into an interest rate
3 exchange agreement pursuant to article 59.3 of title 11. A lease-purchase
4 agreement executed as required by subsection (2)(a) of this section is a
5 proposed public security for the purposes of article 59.3 of title 11. Any
6 payments made by the state under an agreement entered into pursuant to
7 this subsection (3) must be made solely from money made available to the
8 state treasurer from the execution of a lease-purchase agreement or from
9 money described in ~~subsections (2)(d)(I) and (2)(d)(H)~~ SUBSECTION (2)(d)
10 of this section.

11 (4) Proceeds of lease-purchase agreements executed as required
12 by subsection (2)(a) of this section shall be used as follows:

13 ~~(a)(I) The first one hundred twenty million dollars of the proceeds~~
14 ~~of lease-purchase agreements issued during the 2018-19 state fiscal year~~
15 ~~shall be used for controlled maintenance and capital construction projects~~
16 in the state as follows:

17 ~~(A)~~ (a) Thirteen million six thousand eighty-one dollars for level
18 I controlled maintenance;

19 ~~(B)~~ (b) Sixty million six hundred thirty-seven thousand three
20 hundred five dollars for level II controlled maintenance;

21 ~~(C)~~ (c) Forty million two hundred nine thousand five hundred
22 thirty-five dollars for level III controlled maintenance; and

23 ~~(D)~~ (d) The remainder for capital construction projects as
24 prioritized by the capital development committee.

25 ~~(H) The capital development committee shall post the list of~~
26 ~~specific controlled maintenance projects and the cost of each project~~
27 ~~funded pursuant to subsection (4)(a)(I)(A), (4)(a)(I)(B), or (4)(a)(I)(C) of~~

1 ~~this section on its official website no later than May 11, 2017.~~

2 (b) ~~The remainder of the proceeds shall be credited to the state~~
3 ~~highway fund created in section 43-1-219 and used by the department of~~
4 ~~transportation in accordance with section 43-4-206 (1)(b)(V).~~

5 **SECTION 5.** In Colorado Revised Statutes, 39-26-123, **amend**
6 (3); and **add** (3.2) as follows:

7 **39-26-123. Receipts - disposition - transfers of general fund**
8 **surplus - sales tax holding fund - creation - definitions.** (3) For any
9 state fiscal year commencing on or after ~~July 1, 2013~~ JULY 1, 2018, the
10 state treasurer shall credit eighty-five percent of all net revenue
11 ATTRIBUTABLE TO FILING PERIODS COMMENCING ON OR AFTER JULY 1,
12 2018, THAT IS collected under the provisions of this ~~article~~ ARTICLE 26 to
13 the old age pension fund created in section 1 of article XXIV of the state
14 constitution. The state treasurer shall credit ~~to the general fund~~ the
15 remaining fifteen percent of the net revenue ~~less ten million dollars,~~
16 ~~which the state treasurer shall credit~~ AS FOLLOWS:

17 (a) SEVEN AND ONE-HALF PERCENT OF THE NET REVENUE TO THE
18 STATE HIGHWAY FUND CREATED IN SECTION 43-1-219;

19 (b) SEVEN AND ONE-HALF PERCENT OF THE NET REVENUE LESS TEN
20 MILLION DOLLARS TO THE GENERAL FUND; AND

21 (c) TEN MILLION DOLLARS to the older Coloradans cash fund
22 created in section 26-11-205.5 (5). ~~C.R.S.~~

23 (3.2) THE DEPARTMENT OF TRANSPORTATION SHALL EXPEND ANY
24 MONEY CREDITED TO THE STATE HIGHWAY FUND CREATED IN SECTION
25 43-1-219 IN ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION FIRST TO
26 REPAY ANY TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED
27 PURSUANT TO SECTION 43-4-705 (13)(b). THE DEPARTMENT SHALL THEN

1 EXPEND ANY OF THE MONEY NOT NEEDED TO MAKE PAYMENTS ON
2 TRANSPORTATION REVENUE ANTICIPATION NOTES AS PROVIDED IN SECTION
3 43-1-220.5.

4 **SECTION 6.** In Colorado Revised Statutes, **add** 43-1-220.5 as
5 follows:

6 **43-1-220.5. State highway fund - use of sales and use tax net**
7 **revenue and net proceeds of revenue transportation notes.** ALL STATE
8 SALES AND USE TAX NET REVENUE CREDITED TO THE STATE HIGHWAY
9 FUND PURSUANT TO SECTION 39-26-123 (3)(a) THAT IS NOT EXPENDED TO
10 MAKE PAYMENTS ON ANY TRANSPORTATION REVENUE ANTICIPATION
11 NOTES ISSUED PURSUANT TO SECTION 43-4-705 (13)(b) AS REQUIRED BY
12 SECTION 39-26-123 (3.2) SHALL BE EXPENDED ONLY FOR MAINTENANCE OF
13 QUALIFIED FEDERAL AID HIGHWAYS. ALL NET PROCEEDS OF SUCH
14 TRANSPORTATION REVENUE ANTICIPATION NOTES THAT ARE CREDITED TO
15 THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-714 (2) SHALL BE
16 EXPENDED ONLY FOR QUALIFIED FEDERAL AID HIGHWAY PROJECTS THAT
17 ARE INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT
18 PROGRAM OF THE DEPARTMENT AND THAT ARE DESIGNATED FOR TIER 1
19 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE
20 DEPARTMENT'S DEVELOPMENT PROGRAM PROJECT LIST. IF THE VOTERS OF
21 THE STATE APPROVE THE BALLOT ISSUE SUBMITTED AT THE 2018 GENERAL
22 ELECTION PURSUANT TO SECTION 43-4-705 (13)(b), THE DEPARTMENT
23 SHALL ENSURE THAT CONSTRUCTION OF ONE-THIRD OF THE PROJECTS
24 COMMENCES WITHIN ONE YEAR OF THE DATE OF THE OFFICIAL
25 DECLARATION OF THE VOTE ON THE BALLOT ISSUE BY THE GOVERNOR,
26 SHALL ENSURE THAT CONSTRUCTION OF TWO-THIRDS OF THE PROJECTS
27 COMMENCES WITHIN TWO YEARS OF THAT DATE, AND SHALL ENSURE THAT

1 CONSTRUCTION OF ALL OF THE PROJECTS COMMENCES WITHIN THREE
2 YEARS OF THAT DATE.

3 **SECTION 7.** In Colorado Revised Statutes, 43-4-206, **amend** (1)
4 introductory portion, (1)(b) introductory portion, (1)(b)(V), (2)(b)
5 introductory portion, (2)(b)(III), (2)(b)(IV), and (2)(b)(V) as follows:

6 **43-4-206. State allocation.** (1) Except as otherwise provided in
7 ~~subsections (1)(a)(V)~~, SUBSECTIONS (1)(b)(V), (2), and (3) of this section,
8 after paying the costs of the Colorado state patrol and any other costs of
9 the department, exclusive of highway construction, highway
10 improvements, or highway maintenance, that are appropriated by the
11 general assembly, money in the highway users tax fund shall be paid to
12 the state highway fund and expended for the following purposes:

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

18 (V) The construction, reconstruction, repairs, improvement,
19 planning, supervision, and maintenance of the state highway system and
20 other public highways, including any county and municipal roads and
21 highways, together with the acquisition of rights-of-way and access rights
22 for the same. ~~Any proceeds of lease-purchase agreements executed as~~
23 ~~required by section 24-82-1303 (2)(a) that are credited to the state~~
24 ~~highway fund pursuant to section 24-82-1303 (4)(b) shall be used only for~~
25 ~~qualified federal aid highway projects that are included in the strategic~~
26 ~~transportation project investment program of the department of~~
27 ~~transportation and that are designated for tier 1 funding as ten-year~~

1 development program projects on the department's development program
2 project list, with at least twenty-five percent of the money being used for
3 projects that are located in counties with populations of fifty thousand or
4 less as of July 2015 as reported by the state demography office of the
5 department of local affairs. No more than ninety percent of the proceeds
6 shall be expended for highway purposes or highway-related capital
7 improvements, and at least ten percent of the proceeds shall be expended
8 for transit purposes or for transit-related capital improvements.

9 (2) (b) Beginning in 1998, the department of transportation shall
10 report annually to the transportation committee of the senate and the
11 transportation and energy committee of the house of representatives
12 concerning the revenue expended by the department pursuant to
13 subsection (2)(a) of this section and, beginning in ~~2018~~ 2019, any STATE
14 SALES AND USE TAX NET REVENUE THAT IS CREDITED TO THE STATE
15 HIGHWAY FUND PURSUANT TO SECTION 39-26-123 (3) AND EXPENDED BY
16 THE DEPARTMENT PURSUANT TO SECTION 43-1-220.5, AND ANY NET
17 proceeds of ~~lease-purchase agreements executed as required by section~~
18 ~~24-82-1303 (2)(a)~~ TRANSPORTATION REVENUE ANTICIPATION NOTES that
19 are credited to the state highway fund pursuant to ~~section 24-82-1303~~
20 ~~(4)(b)~~ SECTION 43-4-714 (2) and expended by the department pursuant to
21 ~~subsection (1)(b)(V) of this section~~ SECTION 43-1-220.5. The department
22 shall present the report at the joint meeting required under section
23 43-1-113 (9)(a), and the report shall describe for each fiscal year, if
24 applicable:

25 (III) The projected amounts of revenue and net proceeds that the
26 department expects to receive under this subsection (2), ~~and subsection~~
27 ~~(1)(b)(V) of this section~~ SECTION 39-26-123 (3), AND SECTION 43-4-714

1 (2) during the fiscal year;

2 (IV) The amount of revenue and net proceeds that the department
3 has already received under this subsection (2), ~~and subsection (1)(b)(V)~~
4 ~~of this section~~ SECTION 39-26-123 (3), AND SECTION 43-4-714 (2) during
5 the fiscal year; and

6 (V) How the revenue, ~~and~~ net proceeds, AND NET REVENUE
7 expended under this subsection (2) and ~~subsection (1)(b)(V) of this~~
8 ~~section~~ SECTION 43-1-220.5 during the fiscal year relate to the total
9 funding of the federal aid transportation projects that are included in the
10 strategic transportation project investment program.

11 **SECTION 8.** In Colorado Revised Statutes, 43-4-702, **repeal** (7);
12 and **add** (9) as follows:

13 **43-4-702. Definitions.** As used in this part 7, unless the context
14 otherwise requires:

15 (7) ~~"Revenue anticipation notes" or "notes" means revenue~~
16 ~~anticipation notes authorized by and issued in accordance with this part~~
17 ~~7.~~

18 (9) "TRANSPORTATION REVENUE ANTICIPATION NOTES", "REVENUE
19 ANTICIPATION NOTES", OR "NOTES" MEANS REVENUE ANTICIPATION NOTES
20 AUTHORIZED BY AND ISSUED IN ACCORDANCE WITH THIS PART 7.

21 **SECTION 9.** In Colorado Revised Statutes, 43-4-705, **amend**
22 (13) as follows:

23 **43-4-705. Revenue anticipation notes - ballot issue - repeal.**

24 (13) (a) Notwithstanding any other provision of this part 7 to the
25 contrary, the executive director shall have the authority to issue revenue
26 anticipation notes pursuant to this part 7 only if voters statewide approve
27 the ballot question submitted at the November 1999 statewide election

1 pursuant to section 43-4-703 (1) and only then to the extent allowed under
2 the maximum amounts of debt and repayment cost so approved.

3 (b) (I) SUBJECT TO VOTER APPROVAL OF THE BALLOT ISSUE
4 SUBMITTED AT THE NOVEMBER 2018 GENERAL ELECTION PURSUANT TO
5 SUBSECTION (13)(b)(III) OF THIS SECTION AND THE REPAYMENT FUNDING
6 COMMITMENT REQUIREMENT SPECIFIED IN SUBSECTION (13)(b)(II) OF THIS
7 SECTION, THE EXECUTIVE DIRECTOR SHALL ISSUE TRANSPORTATION
8 REVENUE ANTICIPATION NOTES IN A TOTAL AMOUNT OF THREE BILLION
9 FIVE HUNDRED MILLION DOLLARS WITH A MAXIMUM REPAYMENT COST OF
10 FIVE BILLION DOLLARS. THE EXECUTIVE DIRECTOR SHALL ISSUE AT LEAST
11 ONE-THIRD OF THE NOTES WITHIN ONE YEAR OF THE DATE OF THE OFFICIAL
12 DECLARATION OF THE VOTE ON THE BALLOT ISSUE BY THE GOVERNOR,
13 SHALL ISSUE AT LEAST TWO-THIRDS OF THE NOTES WITHIN TWO YEARS OF
14 THAT DATE, AND SHALL ISSUE ALL OF THE NOTES WITHIN THREE YEARS OF
15 THAT DATE. THE MAXIMUM REPAYMENT TERM FOR ANY NOTES ISSUED
16 PURSUANT TO THIS SUBSECTION (13)(b) IS TWENTY YEARS, AND THE
17 CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT AUTHORIZING ITS
18 ISSUANCE SHALL PROVIDE THAT THE STATE MAY PAY THE NOTES IN FULL
19 BEFORE THE END OF THE SPECIFIED PAYMENT TERM WITHOUT PENALTY.

20 (II) NOTWITHSTANDING SECTION 43-1-113 (19) AND SUBSECTION
21 (12)(a) OF THIS SECTION, BEFORE ISSUING ANY TRANSPORTATION REVENUE
22 ANTICIPATION NOTES AS AUTHORIZED BY SUBSECTION (13)(b)(I) OF THIS
23 SECTION, THE COMMISSION SHALL ADOPT A RESOLUTION PLEDGING TO
24 ANNUALLY ALLOCATE FROM LEGALLY AVAILABLE MONEY UNDER ITS
25 CONTROL ANY AMOUNT NEEDED FOR PAYMENT OF THE NOTES UNTIL THE
26 NOTES ARE FULLY REPAYED.

27 (III) THE TRANSPORTATION COMMISSION SHALL DIRECT THE

1 SECRETARY OF STATE TO SUBMIT TO THE REGISTERED ELECTORS OF THE
2 STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018
3 GENERAL ELECTION THE FOLLOWING BALLOT ISSUE: "SHALL STATE OF
4 COLORADO DEBT BE INCREASED UP TO \$3,500,000,000, WITH A MAXIMUM
5 REPAYMENT COST OF \$5,000,000,000, WITHOUT RAISING TAXES, THROUGH
6 THE ISSUANCE OF TRANSPORTATION REVENUE ANTICIPATION NOTES FOR
7 THE PURPOSE OF ADDRESSING CRITICAL TRANSPORTATION NEEDS IN THE
8 STATE BY FUNDING QUALIFIED FEDERAL AID HIGHWAY PROJECTS THAT ARE
9 INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT
10 PROGRAM OF THE DEPARTMENT OF TRANSPORTATION AND THAT ARE
11 DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM
12 PROJECTS ON THE DEPARTMENT'S DEVELOPMENT PROGRAM PROJECT LIST;
13 SHALL AT LEAST ONE-THIRD OF THE NOTES BE ISSUED AND ONE-THIRD OF
14 THE PROJECTS COMMENCED WITHIN ONE YEAR OF THE NOTES BEING
15 AUTHORIZED, TWO-THIRDS OF THE NOTES ISSUED AND TWO-THIRDS OF THE
16 PROJECTS COMMENCED WITHIN TWO YEARS OF THE NOTES BEING
17 AUTHORIZED, AND ALL NOTES ISSUED AND PROJECTS COMMENCED WITHIN
18 THREE YEARS OF THE NOTES BEING AUTHORIZED; SHALL NOTES BE REPAYED
19 FROM AN ALLOCATION OF SEVEN AND ONE-HALF PERCENT OF SALES AND
20 USE TAX NET REVENUE TO THE STATE HIGHWAY FUND; SHALL NOTE
21 PROCEEDS AND INVESTMENT EARNINGS ON NOTE PROCEEDS BE EXCLUDED
22 FROM STATE FISCAL YEAR SPENDING LIMITS; AND SHALL AN EXISTING
23 REQUIREMENT THAT THE STATE TREASURER EXECUTE LEASE-PURCHASE
24 AGREEMENTS FOR THE PURPOSE OF FUNDING TRANSPORTATION PROJECTS
25 BE REPEALED?"

26 (IV) WITHIN FORTY-FIVE DAYS OF THE EFFECTIVE DATE OF THIS
27 SUBSECTION (13)(b)(IV), THE DEPARTMENT SHALL PROVIDE TO THE

1 DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL THE MOST RECENT
2 AVAILABLE LIST OF QUALIFIED FEDERAL AID HIGHWAY PROJECTS THAT ARE
3 DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM
4 PROJECTS ON THE DEPARTMENT'S 2018 DEVELOPMENT PROGRAM PROJECT
5 LIST AND THAT THE DEPARTMENT WILL FUND WITH PROCEEDS OF ANY
6 TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED
7 BY THIS SUBSECTION (13)(b). IN ORDER TO FULLY INFORM THE VOTERS OF
8 THE STATE CONCERNING THE PROJECTS TO BE FUNDED WITH PROCEEDS OF
9 ANY SUCH TRANSPORTATION REVENUE ANTICIPATION NOTES BEFORE THE
10 VOTERS VOTE ON THE BALLOT QUESTION SPECIFIED IN SUBSECTION
11 (13)(b)(III) OF THIS SECTION, THE DIRECTOR OF RESEARCH SHALL PUBLISH
12 THE LIST, INCLUDING ANY SUBSEQUENT UPDATES TO THE LIST MADE
13 BEFORE FINAL APPROVAL BY THE LEGISLATIVE COUNCIL OF THE 2018
14 BALLOT INFORMATION BOOKLET PREPARED PURSUANT TO SECTION
15 1-40-124.5, WHICH UPDATES THE DEPARTMENT SHALL EXPEDITIOUSLY
16 PROVIDE TO THE DIRECTOR OF RESEARCH, IN THE BALLOT INFORMATION
17 BOOKLET.

18 (V) (A) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT
19 ISSUE IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "NO/AGAINST",
20 THEN THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2019.

21 (B) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE
22 IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "YES/FOR", THEN THIS
23 SUBSECTION (13)(b)(V) IS REPEALED, EFFECTIVE JANUARY 1, 2019.

24 **SECTION 10.** In Colorado Revised Statutes, **amend** 43-4-714 as
25 follows:

26 **43-4-714. Priority of strategic transportation project**
27 **investment program - additional contract award process**

1 **requirements.** (1) If the executive director issues any revenue
2 anticipation notes in accordance with the provisions of this part 7, the
3 proceeds from the sale of such notes that are not otherwise pledged for
4 the payment of such notes shall be used for the qualified federal aid
5 transportation projects included in the strategic transportation project
6 investment program of the department of transportation.

7 (2) IN ADDITION TO THE REQUIREMENT SPECIFIED IN SUBSECTION
8 (1) OF THIS SECTION, NET PROCEEDS FROM THE SALE OF ANY
9 TRANSPORTATION REVENUE ANTICIPATION NOTES THAT THE EXECUTIVE
10 DIRECTOR ISSUES PURSUANT TO SECTION 43-4-705 (13)(b) THAT ARE NOT
11 OTHERWISE PLEDGED FOR THE PAYMENT OF THE NOTES SHALL BE
12 CREDITED TO THE STATE HIGHWAY FUND AND EXPENDED BY THE
13 DEPARTMENT ONLY FOR THE QUALIFIED FEDERAL AID HIGHWAY PROJECTS
14 DESCRIBED IN SECTION 43-1-220.5. THE DEPARTMENT MAY EXPEND NO
15 MORE THAN TEN PERCENT OF THE NET PROCEEDS CREDITED TO THE STATE
16 HIGHWAY FUND FOR THE ADMINISTRATIVE AND ENGINEERING COSTS OF
17 THE PROJECTS BEING FUNDED WITH THE NET PROCEEDS.

18 **SECTION 11. Effective date.** (1) Except as otherwise provided
19 in subsection (2) of this section, this act takes effect upon passage.

20 (2) Sections 3, 4, 7, and 10 of this act take effect only if, at the
21 November 2018 general election, a majority of voters approve the ballot
22 issue submitted pursuant to section 43-4-705 (13)(b), Colorado Revised
23 Statutes, as enacted in section 9 of this act, and, in such case, sections 3,
24 4, 7, and 10 of this act take effect on the date of the official declaration
25 of the vote thereon by the governor.

26 **SECTION 12. Safety clause.** The general assembly hereby finds,

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