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SENATE JOURNAL Sixty-fourth General Assembly STATE OF COLORADO First Regular Session

Seventy-ninth Legislative Day

Thursday, March 27, 2003

Prayer By the chaplain, Reverend David Peters.

Pledge By Senator Phillips.

Call to By the President at 9:00 a.m. Order

Roll Call Present--34.

Absent/Excused--1; Keller. Present later--Keller.

Quorum The President announced a quorum present.

Reading of Journal On motion of Senator Kester, reading of the Journal of March 26, 2003 was dispensed with and the Journal was approved as corrected by the Secretary.

# COMMITTEE OF REFERENCE REPORTS

Appropriations

After consideration on the merits, the Committee recommends that **SB03-248** be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation.

Amend printed bill, page 7, line 15, strike "2006." and substitute "2003.".

Page 11, after line 2, insert the following:

"**SECTION 9.** 22-54-104 (5) (b) (I.4), Colorado Revised Statutes, is amended, and the said 22-54-104 (5) (b) is further amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

**22-54-104. District total program.** (5) For purposes of the formulas used in this section:

(b) (I.4) A district's size factor for the 2002-03 budget year <del>and budget years thereafter</del> shall be determined in accordance with the following formula:

If the district's funded pupil count is:	The district's size factor shall be:
Less than 276	1.5502 + (0.00376159 x the difference between the funded pupil count and 276)
276 or more but less than 459	1.2430 + (0.00167869 x the difference between the funded pupil count and 459)
459 or more but less than 1,027	1.1260 + (0.00020599 x the difference between the funded pupil count and 1,027)

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1,027 or more but less than 2,293	1.0578 + (0.00005387 x the difference between the funded pupil count and 2,293)
2,293 or more but less than 4,023	1.0342 + (0.00001364 x the difference between the funded pupil count and 4,023)
4,023 or more	1.0342

(I.5) A district's size factor for the 2003-04 budget year and budget years thereafter shall be determined in accordance with the following formula:

IF THE DISTRICT'S FUNDED PUPIL COUNT IS:	THE DISTRICT'S SIZE FACTOR SHALL BE:
Less than 276	1.5457 + (0.00376159 x the difference between the funded pupil count and 276)
276 OR MORE BUT LESS THAN 459	1.2385 + (0.00167869 x the difference between the funded pupil count and 459)
459 OR MORE BUT LESS THAN 1,027	1.1215 + (0.00020599 x the difference between the funded pupil count and 1,027)
1,027 OR MORE BUT LESS THAN 2,293	1.0533 + (0.00005387 x THE DIFFERENCE BETWEEN THE FUNDED PUPIL COUNT AND 2,293)
2,293 OR MORE BUT LESS THAN 4,023	1.0297 + (0.00001364 x THE DIFFERENCE BETWEEN THE FUNDED PUPIL COUNT AND 4,023)
4,023 OR MORE	1.0297".

Renumber succeeding sections accordingly.

Page 13, after line 18, insert the following:

"SECTION 13. 22-5-114 (1) (a), Colorado Revised Statutes, is amended to read:

**22-5-114.** Eligibility for funds. (1) (a) Any board of cooperative services organized under the provisions of this article shall be entitled ELIGIBLE to RECEIVE such state moneys as may be available upon receiving approval by the state board. except that the state board shall approve not more than twenty-two such boards of cooperative services.

**SECTION 14.** 22-5-115 (1), (3), and (4), Colorado Revised Statutes, are amended to read:

**22-5-115. Financing boards of cooperative services.** (1) No later than July 1, 1973, and July 1 of each year thereafter, the state board shall determine the number of eligible boards of cooperative services and, SUBJECT TO AVAILABLE APPROPRIATIONS, AWARD A TEN THOUSAND DOLLAR GRANT TO each such eligible board. shall be entitled to receive a basic grant of ten thousand dollars. IF AVAILABLE MONEYS ARE

INSUFFICIENT TO AWARD EACH ELIGIBLE BOARD TENTHOUSAND DOLLARS, THE STATE BOARD SHALL REDUCE PROPORTIONATELY ALL AWARDS FOR ELIGIBLE BOARDS FOR THAT YEAR.

- (3) The general assembly shall annually make a separate appropriation to the state board to cover the estimated cost of the basic grants to eligible boards of cooperative services as set forth in subsection (1) of this section.
- (4) For budget years commencing on or after July 1, 1996, the ANY amount received by any A board of cooperative services pursuant to this section shall be used to fund professional educator development in standards-based education pursuant to the plan adopted by each school district pursuant to section 22-7-407 (2) in each school district which THAT is a member of such board and in any nonmember school district which THAT chooses to participate in a professional educator development program with any board of cooperative services."

Renumber succeeding sections accordingly.

Page 14, line 22, strike "10,050." and substitute "9,050.".

Page 18, line 7, strike "(f)" and substitute "(f),";

line 8, strike "or (1) (f.5)," and substitute "or (1) (f.5), OR (1) (f.6),".

Page 19, after line 6, insert the following:

"**SECTION 19.** 22-32-119 (2) (e), Colorado Revised Statutes, is amended to read:

**22-32-119. Kindergartens - repeal.** (2) (e) This subsection (2) is repealed, effective <del>July 1, 2006</del> JULY 1, 2003.".

Renumber succeeding sections accordingly.

Page 20, line 11, strike "(I)";

strike line 17 and substitute the following:

"and for the <del>2003-04 budget year</del> 2004-05 BUDGET YEAR and budget years thereafter, an amount";

strike lines 25 through 27.

Strike pages 21 through 33.

Page 34, strike lines 1 through 8 and substitute the following:

"**SECTION 23.** 22-54-124 (1) (f.5) and (3) (b), Colorado Revised Statutes, are amended, and the said 24-54-124 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

# 22-54-124. State aid for charter schools - use of state education fund moneys. (1) As used in this section:

(f.5) For THE budget years YEAR commencing on or after July 1, 2002, "qualified charter school" means a charter school; except that the term does not include a charter school that operates, or that will operate in the next budget year, within a facility that is listed on the state inventory of real property and improvements and other capital assets maintained by the department of personnel pursuant to section 24-30-1303.5, C.R.S.

- (f.6) (I) FOR THE BUDGET YEARS COMMENCING ON OR AFTER JULY 1, 2003, "QUALIFIED CHARTER SCHOOL" MEANS:
- (A) A CHARTER SCHOOL THAT IS NOT OPERATING IN A SCHOOL DISTRICT FACILITY AND THAT HAS CAPITAL CONSTRUCTION COSTS; OR
- (B) A CHARTER SCHOOL THAT IS OPERATING IN A SCHOOL DISTRICT FACILITY AND THAT HAS CAPITAL CONSTRUCTION COSTS.
- (II) FOR BUDGET YEARS COMMENCING ON OR AFTER JULY 1, 2003, "QUALIFIED CHARTER SCHOOL" DOES NOT INCLUDE:
- (A) A CHARTER SCHOOL THAT IS OPERATING IN A SCHOOL DISTRICT FACILITY AND THAT DOES NOT HAVE CAPITAL CONSTRUCTION COSTS;
- (B) A CHARTER SCHOOL THAT DOES NOT HAVE CAPITAL CONSTRUCTION COSTS; OR
- (C) A CHARTER SCHOOL THAT IS OPERATING OR WILL OPERATE IN THE NEXT BUDGET YEAR IN A FACILITY THAT IS LISTED ON THE STATE INVENTORY OF REAL PROPERTY AND IMPROVEMENTS AND OTHER CAPITAL ASSETS MAINTAINED BY THE DEPARTMENT OF PERSONNEL PURSUANT TO SECTION 24-30-1303.5, C.R.S.
- (3) (b) No later than February 1 of each budget year, the department of education shall certify to the education committees of the senate and the house of representatives and the joint budget committee of the general assembly the total number of pupils expected to be enrolled in all qualified charter schools in the state during the next budget year, as derived from reports provided to the department by districts pursuant to section 22-30.5-112 (1). For the purposes of any certification made during the 2002-03 budget year 2003-04 BUDGET YEAR and budget years thereafter, a pupil expected to be enrolled in a qualified charter school that will be operating in a school district facility and that does not have ongoing financial obligations incurred to repay the outstanding costs of new construction undertaken for the charter school's benefit AS DEFINED IN SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (I) OF PARAGRAPH (f.6) OF SUBSECTION (1) OF THIS SECTION shall be counted as one-half of one pupil.
- **SECTION 24.** 22-54-124 (3) (a) (III) (A), Colorado Revised Statutes, as amended by Senate Bill 03-183, enacted at the First Regular Session of the Sixty-fourth General Assembly, is amended to read:
- **22-54-124. State aid for charter schools use of state education fund moneys.** (3) (a) (III) (A) The total amount of state education fund moneys to be appropriated for all eligible districts for THE 2003-04 BUDGET YEAR AND each budget year from the 2003-04 budget year through the 2011-12 budget year THEREAFTER shall be an amount equal to the total amount of state education fund moneys appropriated for all eligible districts for the preceding budget year pursuant to subparagraph (II) of this paragraph (a) or this sub-subparagraph (A), whichever is applicable, increased by the rate of inflation for the calendar year ending in the preceding budget year plus one percentage point. The total amount of state education fund moneys to be appropriated for all eligible districts for the 2012-13 budget year and each budget year thereafter shall be an amount equal to the total amount appropriated for all eligible districts pursuant to this sub-subparagraph (A) for the preceding budget year increased by the rate of inflation for the calendar year ending in the preceding budget year FIVE MILLION DOLLARS.
- **SECTION 25.** 22-30.5-112.3 (1) (a) (I) and (1) (c), Colorado Revised Statutes, as amended by Senate Bill 03-183, enacted at the First Regular Session of the Sixty-fourth General Assembly, are amended to read:

- 22-30.5-112.3. Charter schools additional aid from district. (1) (a) (I) For the 2001-02 budget year, the 2003-04 budget year, and each budget year thereafter, a qualified charter school, as defined in section 22-54-124 (1) (f), or (1) (f.5), whichever is applicable, shall receive state education fund moneys from the school district that granted its charter in an amount equal to the percentage of the district's certified charter school pupil enrollment that is attributable to pupils expected to be enrolled in the qualified charter school multiplied by the total amount of state education fund moneys distributed to the district for the same budget year pursuant to section 22-54-124 (3).
- (c) A district shall provide funding to each qualified charter school, as defined in section 22-54-124 (1) (f), or (1) (f.5), OR (1) (f.6) whichever is applicable, by making a single lump sum payment to the qualified charter school as soon as possible after the district receives a lump sum payment of state education fund moneys pursuant to section 22-54-124 (4) or (4.5), whichever is applicable.
- **SECTION 26.** 22-30.5-112.3 (1) (b), Colorado Revised Statutes, is amended, and the said 22-30.5-112.3 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:
- 22-30.5-112.3. Charter schools additional aid from district. (1) (a.7) (I) For the 2003-04 budget year and each budget year thereafter, a qualified charter school, as defined in section 22-54-124 (1) (f.6), shall receive state education fund moneys from the school district that granted its charter in an amount equal to the percentage of the district's certified charter school pupil enrollment that is attributable to pupils expected to be enrolled in the qualified charter school multiplied by the total amount of state education fund moneys distributed to the district for the same budget year pursuant to section 22-54-124 (3).
- (II) AS USED IN THIS PARAGRAPH (a.7), "PUPILS" MEANS PUPILS OTHER THAN ON-LINE PUPILS ENROLLED IN A CHARTER SCHOOL.
- (b) Funding received pursuant to paragraph (a) PARAGRAPH (a), (a.5), OR (a.7) of this subsection (1) shall be in addition to any funding provided pursuant to section 22-30.5-112.
- **SECTION 27.** The introductory portion to 22-54-117 (1.5) (a) and 22-54-117 (1.5) (b) and (1.5) (c), Colorado Revised Statutes, are amended, and the said 22-54-117 (1.5) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:
- **22-54-117.** Contingency reserve capital construction expenditures reserve. (1.5) (a) In addition to any amount annually appropriated by the general assembly to the state public school fund as a contingency reserve, for fiscal years 2000-01 through 2010-11, an amount shall be appropriated from the general fund to the state public school fund, in accordance with section 24-75-201.1 (4) (b), C.R.S., as a school capital construction expenditures reserve to be used only as provided in this subsection (1.5). The state board is authorized to approve and order payments from the school capital construction expenditures reserve only for supplemental assistance to districts OR CHARTER SCHOOLS for capital expenditures:
  - (b) For purposes of this subsection (1.5):
- (I) "Capital construction expenditures" means expenditures which result in the acquisition of fixed assets or additions to fixed assets that will have benefits for more than one year and includes expenditures for the improvement, repair, remodeling, alteration, or renovation of existing school facilities or the purchase of new or replacement equipment within existing school facilities.

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- (II) "CHARTER SCHOOL" MEANS A CHARTER SCHOOL AS DESCRIBED IN SECTION 22-54-124 (1) (f.6) (II) (A) OR (B).
- (c) The state board shall provide technical consultation and administrative services to districts AND CHARTER SCHOOLS to evaluate the need for capital construction expenditures and the districts' AND CHARTER SCHOOLS' plans for expending any assistance received pursuant to this subsection (1.5).
- (d) Any supplemental assistance granted to a charter school pursuant to this subsection (1.5) shall be provided to the chartering school district, and the school district shall distribute all such moneys to the charter school and may not retain any portion of such moneys for any purpose.
- **SECTION 28.** 22-43.7-105 (4) (c), (4) (c.5), and (6), Colorado Revised Statutes, are amended, and the said 22-43.7-105 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:
- **22-43.7-105.** Financial assistance application requirements evaluation criteria oversight board duties. (1.5) (a) A CHARTER SCHOOL MAY APPLY DIRECTLY TO THE STATE BOARD FOR FINANCIAL ASSISTANCE IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION FOR CAPITAL CONSTRUCTION PROJECTS AS DESCRIBED IN PARAGRAPH (b) OF SUBSECTION (5) OF THIS SECTION. ANY FINANCIAL ASSISTANCE AWARDED TO A CHARTER SCHOOL SHALL BE PROVIDED TO THE CHARTERING SCHOOL DISTRICT, AND THE SCHOOL DISTRICT SHALL DISTRIBUTE ALL SUCH MONEYS TO THE CHARTER SCHOOL AND MAY NOT RETAIN ANY PORTION OF SUCH MONEYS FOR ANY PURPOSE.
- (b) For purposes of this section, a "charter school" means a charter school as described in section 22-54-124 (1) (f.6) (II) (A) or (B).
- (4) All applications submitted to the state board shall be in a form prescribed by the state board and shall include:
- (c) The form and amount of financial effort that will be provided by the school district OR CHARTER SCHOOL for the capital construction project;
- (c.5) A demonstration of the district's OR CHARTER SCHOOL'S ability and willingness to maintain any new capital construction project funded pursuant to this article;
- (6) From the applications submitted for financial assistance for the fiscal year commencing on the deadline for submitting such applications, the state board shall prepare a prioritized list of eligible capital construction projects. The state board shall then determine the type and amount of financial assistance to be provided for each eligible capital construction project based upon information provided by the school district in the application. The state board shall submit a list of school districts ANDCHARTER SCHOOLS recommended to receive matching grants for capital construction projects, along with the amount of each grant and the amount of the school district OR CHARTER SCHOOL match, to the capital development committee of the general assembly no later than October 1 of the fiscal year for which financial assistance is being sought. Said list shall also be submitted to the education committees of the senate and the house of representatives, the governor, the president of the senate, and the speaker of the house of representatives. The capital development committee shall determine the number of capital construction projects on the list that may receive matching grants from moneys available in the construction and renovation fund. Only capital construction projects on the prioritized list may receive matching grants from the construction and renovation fund, and the capital construction projects shall be funded in the priority determined by the state board. The capital development

committee shall submit the list of projects to receive matching funds to the joint budget committee no later than January 1 of the fiscal year for which financial assistance is being sought for the purpose of amending the general appropriation bill to make appropriations for the capital construction projects that will receive matching grants from the construction and renovation fund for that fiscal year. The joint budget committee may increase the appropriation, and the number of projects to be funded, if additional moneys are made available from moneys transferred from the school capital construction expenditures reserve in accordance with section 22-54-117 (6) (b). A prioritized list showing school districts that will be loaned money from the permanent school fund, along with the amount of each loan, shall be provided to the governor, the president of the senate, the speaker of the house of representatives, and the joint budget committee."

Page 46, strike lines 26 and 27 and substitute the following:

"amended to read:".

Page 47, strike lines 10 through 21 and substitute the following:

"(a) Directly from the department of education for capital construction aid to qualified charter schools, as defined in section 22-54-124 (1) (f), or (1) (f.5), OR (1) (f.6), C.R.S., whichever is applicable, in accordance with section 22-54-124 (4) OR (4.5), C.R.S., WHICHEVER IS APPLICABLE; or";

after line 23, insert the following:

"SECTION 41. Part III (2) (A) and (2) (C) and the affected totals of section 2 of chapter 399, Session Laws of Colorado 2002, as amended by section 1 of Senate Bill 03-201, as amended by sections 19 and 20 of Senate Bill 03-183, as Part III (2) (A) is amended by section 2 of Senate Bill 03-195, and as the affected totals of Part III are amended by Senate Bill 03-197, enacted at the First Regular Session of the Sixty-fourth General Assembly, are amended, and the said Part III is amended BY THE ADDITION OF THE FOLLOWING NEW FOOTNOTE, to read:

Section 2. Appropriation.

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# SB03-248

- **SECTION 42.** Appropriation adjustments to the 2003 long bill. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the state education fund created in section 17 (4) of article IX of the state constitution, not otherwise appropriated, to the school construction and renovation fund created in section 22-43.7-103 (1), Colorado Revised Statutes, for the fiscal year beginning July 1, 2003, the sum of five million dollars (\$5,000,000), and such sum, or so much thereof as may be necessary, is hereby appropriated to the department of education for the purpose of providing matching grants for eligible capital construction projects in accordance with article 43.7 of title 22, Colorado Revised Statutes.
- (2) For the implementation of this act, appropriations made in the annual general appropriation act, to the department of education, for the fiscal year beginning July 1, 2003, shall be adjusted as follows:
- (a) The cash funds exempt appropriation for management and administration, academic growth pilot program, is decreased by three hundred eighteen thousand three hundred sixty-five dollars (\$318,365). Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.
- (b) The appropriation for assistance to public schools, public school finance, state share of districts' total program funding, is decreased by thirty million two hundred fifty-six thousand nine hundred fifty dollars (\$30,256,950). Of said sum, twenty-nine million ten thousand eight hundred ninety-nine dollars (\$29,010,899) shall be from the general fund and one million two hundred forty-six thousand fifty-one dollars (\$1,246,051) shall be cash funds exempt from the state education fund created in section 17 (4) of article IX of the state constitution.
- (c) The cash funds exempt appropriation for assistance to public schools, grant programs and other distributions, national credential fund, is decreased by sixty thousand dollars (\$60,000). Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.
- (d) The cash funds exempt appropriation for assistance to public schools, grant programs and other distributions, national credential fee assistance, is decreased by sixty thousand dollars (\$60,000). Said sum shall be from the national credential fund created in section 22-60.5-112.5 (4) (b), Colorado Revised Statutes.
- (e) The cash funds exempt appropriation for assistance to public schools, grant programs and other distributions, state public school fund, school capital construction expenditures reserve, is decreased by three million forty thousand five hundred forty-seven dollars (\$3,040,547). Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.
- (f) The cash funds exempt appropriation for assistance to public schools, grant programs and other distributions, state public school fund, school capital construction expenditures reserve, is decreased by three million forty thousand five hundred forty-seven dollars (\$3,040,547). Said sum shall be from the school capital construction expenditures reserve established in section 22-54-117 (1.5), Colorado Revised Statutes.
- (g) The cash funds exempt appropriation for assistance to public schools, grant programs and other distributions, charter school capital construction, is decreased by three million forty thousand five hundred forty-seven dollars (\$3,040,547). Said sum shall be from the state education fund created in section 17 (4) of article IX of the state constitution.

(h) The general fund appropriation for assistance to public schools, grant programs and other distributions, boards of cooperative services, is decreased by two hundred ten thousand dollars (\$210,000).".

Renumber succeeding section accordingly.

Page 1, line 101, strike "SCHOOLS." and substitute "SCHOOLS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.".

# Business Affairs and Labor

The Committee on <u>Business Affairs and Labor</u> has had under consideration and has had a hearing on the following appointments and recommends that the appointments be confirmed:

# MEMBERS OF THE STATE HOUSING BOARD

for terms expiring January 31, 2007:

Rick L. Padilla of Denver, Colorado, to serve as a member from the First Congressional District and as an Unaffiliated, reappointed.

# Business Affairs and Labor

The Committee on <u>Business Affairs and Labor</u> has had under consideration and has had a hearing on the following appointments and recommends that the appointments be confirmed:

# MEMBERS OF THE PINNACOL ASSURANCE BOARD OF DIRECTORS

for terms expiring January 1, 2008:

Peter M. Meersman of Aurora, Colorado, to serve as an employee representative whose liability is insured by Pinnacol Assurance, reappointed;

Debra E. Lovejoy of Colorado Springs, Colorado, to serve as an employee representative whose liability is insured by Pinnacol Assurance, appointed;

J. Mark Eagleton of Golden, Colorado to serve as an employee representative whose liability is insured by Pinnacol Assurance, appointed;

Gary O. Johnson of Lakewood, Colorado, to serve as a representative with experience in management and operation of an insurance company, appointed;

David L. Stevens of Denver, Colorado, to serve as a representative with experience in investment and finance, appointed.

# Business Affairs and Labor

After consideration on the merits, the Committee recommends that **SB03-240** be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation.

Amend printed bill, page 3, strike lines 5 and 6 and substitute the following:

candidates. The director of the division shall promulgate rules to implement the process of selecting a panel of three physicians from which the parties may select a physician to conduct a division independent medical examination. The selection of a physician panel shall be based on various factors, including, but not limited to, the designation by rule of the fields of specialization authorized to perform independent medical examinations for conditions listed under each medical treatment guideline and measures to prevent the over-utilization of physicians. The requesting party";

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line 15, after "IME", insert "AND ALL OTHER PARTIES".

Page 4, strike lines 2 through 7 and substitute the following:

"(c) Any supplemental medical records shall be prepared according to the rules of the division and shall be submitted to the IME and all other parties no later than seven days prior to the independent medical examination.".

# **MESSAGE FROM THE HOUSE**

March 26, 2003 Mr. President:

The House has adopted and transmits herewith HJR03-1025, as printed in House Journal, February 27, pages 952-953.

The House has adopted and transmits herewith HJR03-1031, as printed in House Journal, March 14, pages 1157-1158.

The House has adopted and transmits herewith HJR03-1032, as printed in House Journal, March 20, pages 1193-1196.

The House has adopted and transmits herewith HJR03-1034, as printed in House Journal, March 20, pages 1197-1198.

The House has adopted and returns herewith SJR03-022.

# INTRODUCTION OF BILL--FIRST READING

The following bill was read by title and referred to the committee indicated:

HB03-1238 by Representative(s) Brophy; also Senator(s) McElhany--Concerning a requirement that the general fund surplus be determined based upon the accrual system of accounting, as enunciated by the governmental accounting standards board.

State Veterans & Military Affairs

# THIRD READING--FINAL PASSAGE OF BILLS

On Third Reading, the titles of the following bills were publicly read, the reading at length having been dispensed with by unanimous consent:

**HB03-1007** by Representative(s) Williams T., Clapp; also Senator(s) Hillman--Concerning the limitation on noneconomic damages for certain physical injuries in medical malpractice actions.

A majority of those elected to the Senate having voted in the affirmative, Senator Gordon was given permission to offer a Third Reading amendment.

<u>Third Reading Amendment No. 1(L.020)</u>, by Senator Gordon.

Amend reengrossed bill, page 5, line 1, strike "amended" and substitute "amended, and the said 13-64-302 is further amended BY THE ADDITION OF A NEW SUBSECTION,".

Page 6, after line 18, insert the following:

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## **HB03-1007**

- "(3) (a) The limitations on noneconomic damages set forth in subsection (1) of this section shall be adjusted for inflation as of July 1, 2003, and as of July 1 of each year thereafter until and including July 1, 2008. The adjustment made on July 1, 2003, shall be based on the cumulative annual adjustment for inflation for each year since the effective date of the damages limitations in subsection (1) of this subsection. The adjustment made pursuant to this subsection (3) shall be rounded upward or downward to the nearest ten dollar increment.
- (b) As used in this section, "inflation" means the annual percentage change in the United States department of Labor, bureau of labor statistics, consumer price index for Denver-Boulder, all items, all urban consumers, or its successor index.
- (c) The secretary of state shall certify the adjusted limitation on damages within fourteen days after the appropriate information is available, and such adjusted limitation on damages shall be the limitation applicable to all claims for relief that accrue on or after July 1, 2003.".

The amendment was adopted on the following roll call vote:

YES	18	NO	17	EXCUSED	0	ABSENT	0
Anderson	N	Groff	Y	Kester	N	Sandoval	Y
Arnold	N	Grossman	Y	Lamborn	Y	Takis	Y
Cairns	N	Hagedorn	N	Linkhart	Y	Tapia	Y
Chlouber	N	Hanna	Y	May		Taylor	N
Dyer	N	Hillman	N	McElhany	N	Teck	N
Entz	N	Isgar		Nichol	Y	Tupa	Y
Evans		Johnson	N	Owen	N	Windels	Y
Fitz-Gerald	Y	Jones	N	Phillips	Y	Mr. President	N
Gordon	Y	Keller		Reeves	Y	•	

The question being "Shall the bill, as amended, pass?", the roll call was taken with the following result:

YES	19	NO	16	EXCUSED	0	ABSENT	0
Anderson	Y	Groff	N	Kester	Y	Sandoval	Y
Arnold	Y	Grossman	N	Lamborn	N	Takis	N
Cairns	Y	Hagedorn	Y	Linkhart	N	Tapia	N
Chlouber	Y	Hanna	N	May	Y	Taylor	Y
Dyer	Y	Hillman	Y	McElhany	Y	Teck	Y
Entz	N	Isgar		Nichol	Y	Tupa	N
Evans	Y	Johnson	Y	Owen	Y	Windels	N
Fitz-Gerald	N	Jones	Y	Phillips	N	Mr. President	Y
Gordon	N	Keller	N	Reeves	N		

A majority of all members elected to the Senate having voted in the affirmative, the bill was declared **passed**.

Co-sponsors added: Andrews, Cairns, Chlouber, Evans, Johnson, Jones, Kester, May, Owen, Taylor, and Teck.

HB03-1207 by Representative(s) Briggs; also Senator(s) Entz--Concerning a modification to the statutory provisions regarding special districts to allow a municipality to agree to be the approving authority of a special district that was originally approved by a board of county commissioners but has since become wholly contained within the boundaries of the

municipality by annexation.

The question being "Shall the bill pass?", the roll call was taken with the following result:

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## **HB03-1207**

YES	35	NO	0	EXCUSED	0	ABSENT	0
Anderson	Y	Groff	Y	Kester		Y Sandoval	Y
Arnold	Y	Grossman	Y	Lamborn		Y Takis	Y
Cairns	Y	Hagedorn	Y	Linkhart		Y Tapia	Y
Chlouber		Hanna	Y	May		Y Taylor	Y
Dyer	Y	Hillman	Y	McElhany		Y Teck	Y
Entz	Y	Isgar	Y	Nichol		Y Tupa	Y
Evans		Johnson	Y	Owen		Y Windels	Y
Fitz-Gerald	Y	Jones	Y	Phillips		Y Mr. President	Y
Gordon	Y	Keller	Y	Reeves		Y	

A majority of all members elected to the Senate having voted in the affirmative, the bill was declared passed.

Co-sponsors added: Kester.

HB03-1253 by Representative(s) Stengel, Briggs, Coleman, Larson, Ragsdale, Stafford; also Senator(s) Kester--Concerning the prevention of discriminatory trade practices in the payment of motor vehicle insurance claims for the repair of damaged motor vehicles.

The question being "Shall the bill pass?", the roll call was taken with the following result:

TIEG	20	110		ETTOTICED	_	A D GENTE	_
YES	29	NO	6	EXCUSED	0	ABSENT	0
Anderson	Y	Groff	Y	Kester	Y	Sandoval	Y
Arnold	Y	Grossman	Y	Lamborn	Y	Takis	Y
Cairns	N	Hagedorn	Y	Linkhart	Y	Tapia	Y
Chlouber	N	Hanna	Y	May	N	Taylor	Y
Dyer	Y	Hillman	Y	McElhany	N	Teck	Y
Entz	Y	Isgar	Y	Nichol	Y	Tupa	Y
Evans	Y	Johnson	Y	Owen	N	Windels	Y
Fitz-Gerald	Y	Jones	N	Phillips	Y	Mr. President	Y
Gordon	Y	Keller		Reeves	Y		

A majority of all members elected to the Senate having voted in the affirmative, the bill was declared passed.

Co-sponsors added: Grossman, Nichol, Takis, and Tapia.

# HB03-1160

by Representative(s) Spence, Briggs, Cadman, Clapp, Crane, Fairbank, Harvey, Hefley, King, Lee, Lundberg, Rhodes, Rose, Schultheis, Spradley, Stafford, White, Williams T., Witwer; also Senator(s) Anderson--Concerning the provision of financial assistance for kindergarten through twelfth grade education to disadvantaged children.

A majority of those elected to the Senate having voted in the affirmative, Senator Anderson was given permission to offer a Third Reading amendment.

Third Reading Amendment No. 1(L.073), by Senator Anderson.

Amend revised bill, page 6, line 12, strike "AND SUCH SCHOOLS CONTINUE TO OPERATE IN THE" and substitute "AND WHICH SCHOOL DISTRICT CONTINUES TO OPERATE SAID SCHOOLS IN THE".

Page 16, strike line 4 and substitute the following:

"THE SCHOOL'S HISTORY AND ADMINISTRATIVE STRUCTURE AND".

A majority of all members elected to the Senate having voted in the affirmative, the amendment was declared adopted.

The question being "Shall the bill, as amended, pass?", the roll call was taken with the following result:

## HB03-1160

YES	18	NO	17	EXCUSED	0	ABSENT	0
Anderson	Y	Groff	N	Kester	7	Y Sandoval	N
Arnold	Y	Grossman	N	Lamborn	<b>\</b>	Y Takis	N
Cairns	Y	Hagedorn	Y	Linkhart	1	V Tapia	N
Chlouber		Hanna	N	May	•	Y Taylor	Y
Dyer	Y	Hillman	Y	McElhany	•	Y Teck	Y
Dyer Entz	N	Isgar		Nichol	1	N Tupa	N
Evans		Johnson	Y	Owen	•	Y Windels	N
Fitz-Gerald	N	Jones	Y	Phillips	1	N Mr. President	Y
Gordon	N	Keller		Reeves	1	V	

A majority of all members elected to the Senate having voted in the affirmative, the bill was declared passed.

Co-sponsors added: Andrews, Arnold, Cairns, Chlouber, Evans, Hillman, Johnson, Jones, Lamborn, May, McElhany, Owen, and Teck.

HB03-1010 by Representative(s) Salazar; also Senator(s) Entz--Concerning the frequency of applications necessary to qualify for disabled veteran license plates.

The question being "Shall the bill pass?", the roll call was taken with the following result:

XZEG	25	MO	^	EWOLIGED	^	A D CENTE	
YES	35	NO	Ü	EXCUSED	Ü	ABSENT	U
Anderson	Y	Groff	Y	Kester	Y	Sandoval	Y
Arnold	Y	Grossman	Y	Lamborn	Y	Takis	Y
Cairns	Y	Hagedorn	Y	Linkhart	Y	Tapia	Y
Chlouber	Y	Hanna	Y	May	Y	Taylor	Y
Dyer	Y	Hillman	Y	McElhany	Y	Teck	Y
Entz	Y	Isgar		Nichol	Y	Tupa	Y
Evans	Y	Johnson	Y	Owen	Y	Windels	Y
Fitz-Gerald	Y	Jones	Y	Phillips	Y	Mr. President	Y
Gordon	Y	Keller	Y	Reeves	Y		

A majority of all members elected to the Senate having voted in the affirmative, the bill was declared passed.

Co-sponsors added: Andrews, Cairns, Chlouber, Dyer, Evans, Fitz-Gerald, Gordon, Hagedorn, Hanna, Hillman, Jones, Keller, Kester, Lamborn, May, Nichol, Owen, Phillips, Sandoval, Tapia, Taylor, and Windels.

**HB03-1033** by Representative(s) Spradley, Jahn, Tochtrop; also Senator(s) Hagedorn--Concerning the implementation of the federal "Employee Retirement Income Security Act" with regard to the administration of requests for health benefits.

The question being "Shall the bill pass?", the roll call was taken with the following result:

YES	35	NO	0	EXCUSED	0	ABSENT	0
Anderson	Y	Groff	Y	Kester	Y	Sandoval	Y
Arnold	Y	Grossman	Y	Lamborn	Y	Takis	Y
Cairns	Y	Hagedorn	Y	Linkhart	Y	Tapia	Y
Chlouber	Y	Hanna	Y	May		Taylor	Y
Dyer	Y	Hillman	Y	McElhany		Teck	Y
Entz	Y	Isgar	Y	Nichol	Y	Tupa	Y
Evans	Y	Johnson	Y	Owen	Y	Windels	Y
Fitz-Gerald	Y	Jones	Y	Phillips	Y	Mr. President	Y
Gordon	Y	Keller	Y	Reeves	Y		

A majority of all members elected to the Senate having voted in the affirmative, the bill was declared passed.

Co-sponsors added: Chlouber, Groff, Hanna, Jones, and Sandoval.

by Representative(s) Stafford, Williams S.; also Senator(s) McElhany--Concerning health HB03-1294 insurance for employers with fewer than fifty-one employees.

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## HB03-1294

The question being "Shall the bill pass?", the roll call was taken with the following result:

YES	29	NO	6	EXCUSED	0	ABSENT	0
Anderson	Y	Groff	Y	Kester	Y	Sandoval	Y
Arnold	Y	Grossman	Y	Lamborn	Y	Takis	N
Cairns	Y	Hagedorn	N	Linkhart	Y	Tapia	Y
Chlouber	Y	Hanna	Y	May		Taylor	Y
Dyer	Y	Hillman	Y	McElhany	Y	Teck	Y
Entz	Y	Isgar		Nichol	Y	Tupa	N
Evans		Johnson	Y	Owen	N	Windels	Y
Fitz-Gerald	Y	Jones	Y	Phillips	N	Mr. President	Y
Gordon	Y	Keller	Y	Reeves	N		

A majority of all members elected to the Senate having voted in the affirmative, the bill was declared **passed**.

Co-sponsors added: Andrews, Kester, and Teck.

# Committee of the Whole

On motion of Senator Owen, the Senate resolved itself into the Committee of the Whole for consideration of General Orders--Second Reading of Bills and Senator Owen was called to the Chair to act as Chairman.

# GENERAL ORDERS--SECOND READING OF BILLS

The Committee of the Whole having risen, the Chairman reported that the following bills, reading at length having been dispensed with by unanimous consent, had been considered and action taken thereon as follows:

HB03-1237

by Representative(s) Judd; also Senator(s) Lamborn--Concerning technical modifications to the statutes enforced by the administrator of the "Uniform Consumer Credit Code", and, in connection therewith, amending or repealing obsolete, inconsistent, and conflicting provisions of law.

<u>Amendment No. 1, Business Affairs and Labor Committee Amendment.</u> (Printed in Senate Journal, March 4, pages 527-528 and placed in members' bill files.)

Amendment No. 2(L.006), by Senator Lamborn.

Amend reengrossed bill, page 11, after line 14, insert the following:

"**SECTION 17.** 5-3-205, Colorado Revised Statutes, is amended to read:

**5-3-205.** Use of multiple agreements. A creditor may not use multiple agreements with respect to a single consumer credit transaction for the purpose of obtaining a higher finance charge than would otherwise be permitted by this code or to avoid disclosure of an annual percentage rate pursuant to the provisions on disclosure and advertising. Dividing a single consumer credit transaction between a husband and wife shall be presumed to be a violation of this section. The excess amount of finance charge provided for in agreements in violation of this section is an excess charge for the purposes of the provisions on the effect of violations on rights of parties contained in section 5-5-201 and the provisions on civil the administrator contained in section NOTWITHSTANDING ANY PROVISION OF THIS SECTION, IT SHALL NOT BE A VIOLATION OF THIS SECTION FOR A LENDER WITHIN THE MEANING OF SECTION 5-3.1-102(5) TO ENTER INTO SEPARATE LOAN AGREEMENTS WITH A HUSBAND OR WIFE OR FOR THE LENDER TO OFFER A HUSBAND AND WIFE A JOINT AGREEMENT AT THE LENDER'S DISCRETION.

**HB03-1237** 

**SECTION 18.** 5-3.1-102, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

- **5-3.1-102. Definitions.** As used in this article, unless the context otherwise requires:
- (1.5) "Commercially reasonable qualification standards" means the lender obtains from the consumer bank account and income information that is not older than six months at the time of the loan application.
- **SECTION 19.** 5-3.1-117, Colorado Revised Statutes, is amended to read:
- **5-3.1-117. Examination and investigation.** Subject to the requirements of this section, a lender may be examined and investigated in accordance with section 5-2-305. Notwithstandingany other provision of this section, in connection with an examination or investigation, the administrator shall not find a violation except upon the basis of a specified requirement of this article.
- **SECTION 20.** 5-3.1-119, Colorado Revised Statutes, is amended to read:
- **5-3.1-119. Applicability of other provisions of this title.** The provisions of the code, articles 1 to 9 of this title, SHALL NOT apply to a lender unless such provisions are inconsistent with CONTAINED IN this article.
- **SECTION 21.** 5-6-112 (3) (a), Colorado Revised Statutes, is amended to read:
- 5-6-112. Injunctions against unconscionable agreements and fraudulent or unconscionable conduct. (3) In applying this section, consideration shall be given to each of the following factors, among others:
- (a) Whether the creditor should have reasonably believed at the time consumer credit transactions were made that, according to the credit terms or schedule of payments, there was no reasonable probability of payment in full of the obligation by the consumer; EXCEPT THAT, A LENDER WHO USES COMMERCIALLY REASONABLE QUALIFICATION STANDARDS WHEN MAKING A DEFERRED DEPOSIT LOAN SATISFIES THE REQUIREMENTS OF THIS PARAGRAPH (a).".

Renumber succeeding sections accordingly.

As amended, ordered revised and placed on the calendar for Third Reading and Final Passage.

by Senator(s) McElhany; also Representative(s) Williams T.--Concerning the preparation of a cost-benefit analysis of rules proposed for adoption by state agencies under the "State Administrative Procedure Act" to determine the impact of the proposed rules on the state's economy.

Laid over until Friday, March 28, retaining its place on the calendar.

**HB03-1012** by Representative(s) Williams T., Clapp; also Senator(s) Hillman--Concerning the prohibition of the corporate practice of medicine by a professional services corporation formed by persons licensed to practice medicine.

Amendment No. 1, Health, Environment, Welfare & Institutions Committee Amendment. (Printed in Senate Journal, March 21, page 705 and placed in members' bill files.)

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HB03-1012	As amended, ordered revised and placed on the calendar for Third Reading and Final Passage.	1 2 3
HB03-1129	by Representative(s) Rhodes, Harvey, Schultheis, Brophy, Cadman, Crane, Larson, May M.; also Senator(s) LambornConcerning a prohibition on discrimination by public entities against contractors on the basis of labor organization affiliation.	1 2 3 4 5 6 7 8 9
	Declared LOST on Second Reading.	8 9
HB03-1303	by Representative(s) Crane; also Senator(s) LambornConcerning crimes involving the unauthorized use of communication devices, and, in connection therewith, making an appropriation.	10 11 12 13 14
	Amendment No. 1, State, Veterans and Military Affairs Committee Amendment. (Printed in Senate Journal, March 21, page 705 and placed in members' bill files.)	15 16 17
	As amended, ordered revised and placed on the calendar for Third Reading and Final Passage.	18 19 20
HB03-1263	by Representative(s) Plant; also Senator(s) Owen, TeckConcerning the granting of parole to special needs offenders.	21 22 23
	Ordered revised and placed on the calendar for Third Reading and Final Passage.	24 25
HB03-1020	by Representative(s) Boyd; also Senator(s) GroffConcerning forgery.	26 27
	Ordered revised and placed on the calendar for Third Reading and Final Passage.	28 29
HB03-1251	by Representative(s) Boyd; also Senator(s) CairnsConcerning the creation of the auto theft prevention authority.	
	Amendment No. 1(L.003), by Senator Cairns.	33
	Amend reengrossed bill, page 7, line 10, strike "SEEK AND";	34 35
	line 27, after "THAT", insert "THE DEPARTMENT OF PUBLIC SAFETY NOT BE REQUIRED TO SOLICIT GIFTS, GRANTS, OR DONATIONS FROM ANY SOURCE FOR THE PURPOSES OF THIS SECTION AND THAT".	36 37 38 39
	As amended, ordered revised and placed on the calendar for Third Reading and Final Passage.	40 41 42
SB03-242	by Senator(s) Dyer;Concerning membership of the peace officers standards and training board.	43 44 45
	Amendment No. 1, Judiciary Committee Amendment. (Printed in Senate Journal, March 21, page 706 and placed in members' bill files.)	46 47 48 49
	Amendment No. 2(L.002), by Senator Dyer.	
	Amend the Judiciary Committee Report, dated March 18, 2003, page 1, line 6, strike ""investigation,";" and substitute ""investigation," and strike "safety" and substitute "safety,";".	50 51 52 53 54 55 56 57
	As amended, ordered engrossed and placed on the calendar for Third Reading and Final	55 56
	Passage. (For further action, see Amendments to the Report of the Committee of the Whole.)	58
HB03-1305	by Representative(s) Stafford; also Senator(s) Johnson SConcerning standards of conduct regarding dead human bodies.	59 60 61

<u>Amendment No. 1, Health, Environment, Welfare & Institutions Committee Amendment.</u> (Printed in Senate Journal, March 24, page 709 and placed in members' bill files.)

As amended, ordered revised and placed on the calendar for Third Reading and Final

Passage.

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by Senator(s) Owen, Reeves, Teck; also Representative(s) Witwer, Plant, Young-Concerning the authority of the department of human services to charge a monthly administrative fee to specified public assistance recipients receiving benefits via the electronic benefits transfer service.

Laid over until Friday, March 28, retaining its place on the calendar.

**HB03-1159** by Representative(s) Paccione, Groff, Merrifield, Pommer, Spence, Williams S.; also Senator(s) Johnson S.--Concerning certification of education paraprofessionals.

Ordered revised and placed on the calendar for Third Reading and Final Passage.

**HB03-1092** by Representative(s) White, Hoppe, Rippy, Wiens; also Senator(s) Anderson--Concerning management of Colorado's state-owned forested land.

<u>Amendment No. 1, Agriculture, Natural Resources and Energy Committee Amendment.</u> (Printed in Senate Journal, March 24, page 721 and placed in members' bill files.)

As amended, ordered revised and placed on the calendar for Third Reading and Final Passage.

(For further action, see Amendments to the Report of the Committee of the Whole.)

**HB03-1121** by Representative(s) Wiens, King, May M., McCluskey, White; also Senator(s) Evans, Chlouber--Concerning offers of settlement in civil actions.

Laid over until Friday, March 28, retaining its place on the calendar.

SB03-245 by Senator(s) Groff, Johnson S., Kester; also Representative(s) Hefley--Concerning the protection of an innocent spouse from debts incurred by the other spouse after the initiation of domestic relations proceedings.

Amendment No. 1, Business Affairs and Labor Committee Amendment. (Printed in Senate Journal, March 25, page 738 and placed in members' bill files.)

Amendment No. 2(L.007), by Senator Groff.

Strike the Business Affairs and Labor Committee Report, dated March 24, 2003, and substitute the following:

"Amend printed bill, page 2, strike lines 14 through 26 and substitute the following:

- "(b) (I) Whenever the spouse of the consumer is to be obligated as a cosigner, comaker, guarantor, endorser, surety, or similar party with respect to a consumer credit transaction or a loan primarily secured by an interest in land, the lender shall provide to both spouses, at the time of taking the initial loan application, a written notice that:
- (A) Reasonably informs both spouses of their obligations with respect to the debt; and
- (B) STATES THAT, IN THE EVENT OF DIVORCE OR LEGAL SEPARATION, THE DEBT IS POTENTIALLY SUBJECT TO SECTIONS 14-10-107 (4) (b) (I) (A) AND 14-10-108 (7), C.R.S.
- (II) SUCH WRITTEN NOTICE MAY BE SET FORTH IN THE CONSUMER'S AGREEMENT OF OBLIGATION OR IN A SEPARATE WRITING. IN ADDITION, IF THE CONSUMER'S SPOUSE SO REQUESTS AT THE TIME OF THE INITIAL LOAN APPLICATION OR AT LEAST FOURTEEN BUSINESS DAYS PRIOR TO CLOSING OF THE LOAN, THE LENDER SHALL PROVIDE TO THE SPOUSE EITHER THE FULL TEXT OR A SUBSTANTIVELY ACCURATE SUMMARY OF SECTIONS 14-10-107 (4) (b) (I) (A) AND 14-10-108 (7), C.R.S., AT OR BEFORE THE TIME OF CLOSING OF THE LOAN."."

As amended, ordered engrossed and placed on the calendar for Third Reading and Final Passage.

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**HB03-1236** by Representative(s) Hefley; also Senator(s) Dyer--Concerning strengthening Colorado's substantive criminal law.

Amendment No. 1, Judiciary Committee Amendment. (Printed in Senate Journal, March 25, page 738 and placed in members' bill files.)

As amended, ordered revised and placed on the calendar for Third Reading and Final Passage.

# AMENDMENTS TO THE REPORT OF THE COMMITTEE OF THE WHOLE

SB03-242 by Senator(s) Dyer; --Concerning membership of the peace officers standards and training board.

Senator Dyer moved to amend the Report of the Committee of the Whole to show that the following amendment to **SB03-242** did pass:

Amend the Judiciary Committee Report, dated March 18, 2003, page 1, line 2, strike ""TWENTY-TWO";" and substitute ""TWENTY-ONE";";

line 8, strike ""DESIGNEE,"." and substitute ""DESIGNEE,";

line 12, strike "FOUR" and substitute "THREE".".

A majority of all members elected to the Senate having voted in the affirmative, the amendment to the Report of the Committee of the Whole was declared **passed**.

**HB03-1092** by Representative(s) White, Hoppe, Rippy, Wiens; also Senator(s) Anderson--Concerning management of Colorado's state-owned forested land.

Senator Grossman moved to amend the Report of the Committee of the Whole to show that the following Grossman floor amendment (L.009), to **HB03-1092**, did pass:

Amend reengrossed bill, page 4, line 26, after "WILDFIRES;", insert "AND".

Page 5, line 1, strike "CONDITIONS; AND" and substitute "CONDITIONS.";

strike lines 2 and 3.

The motion was declared **passed** by the following roll call vote:

YES	18	NO	17	EXCUSED	0	ABSENT	0
Anderson	N	Groff	Y	Kester	N	V Sandoval	Y
Arnold	N	Grossman	Y	Lamborn	N	V Takis	Y
Cairns	N	Hagedorn	Y	Linkhart	Y	<sup>7</sup> Tapia	Y
Chlouber		Hanna	Y	May	N	V Taylor	N
Dyer	N	Hillman	N	McElhany	N	V Teck	N
Entz	N	Isgar		Nichol	Y	' Tupa	Y
Evans		Johnson	N	Owen	N	V Windels	Y
Fitz-Gerald	Y	Jones	N	Phillips	Y	Mr. President	N
Gordon	Y	Keller		Reeves	Y	7	

# ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE

On motion of Senator Owen, the Report of the Committee of the Whole, as amended, was adopted and, a majority of all members elected to the Senate having voted in the affirmative, the following action was taken:

Passed on Second Reading: HB03-1237 as amended, HB03-1012 as amended, HB03-1303 as amended, HB03-1263, HB03-1020, HB03-1251 as amended, SB03-242 as amended, HB03-1305 as amended, HB03-1159, HB03-1092 as amended, SB03-245 as amended,

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HB03-1236 as amended. Lost on Second Reading: HB03-1129. Laid over until Friday, March 28: SB03-121, SB03-246, HB03-1121.

Senate in recess.

Senate reconvened.

# MESSAGE FROM THE HOUSE

March 27, 2003

Mr. President:

The House has passed on Third Reading and transmitted to the Revisor of Statutes HB03-1325, amended as printed in House Journal, March 26, page 1268. HB03-1206, amended as printed in House Journal, March 26, page 1268.

# MESSAGE FROM THE REVISOR OF STATUTES

March 27, 2003

We herewith transmit:

Without comment, as amended, HB03-1325 and 1206.

# MESSAGE FROM THE GOVERNOR

March 25, 2003

To the Honorable Senate First Regular Session Denver, CO 80203

Ladies and Gentlemen:

I have the honor to inform you that I have approved and filed with the Secretary of State the following acts:

S.B. 03-089 – Concerning Modifications To The Notice Requirements Applicable To The Formation Of Certain Political Subdivisions That Are Authorized To Levy Ad Valorem Taxes.

Approved March 25, 2003 at 2:32 p.m.

S.B. 03-139 – Concerning The Procedure For Contesting The Result Of An Election Approving The Creation Of A Financial Obligation When Certain Information Is Withheld From The Voters.

Approved March 25, 2003 at 2:33 p.m.

S.B. 03-148 – Concerning The Time For Electronic Filing Of Income Tax Returns.

Approved March 25, 2003 at 2:34 p.m.

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**Bill** Owens Governor Rec'd 03-26-03 9:10 a.m. Mona Heustis, Secretary of the Senate

Sincerely.

(signed)

# **MEMORANDUM** REPORT FROM THE HOUSE AND SENATE COMMITTEES ON DELAYED BILLS

Pursuant to Joint Rule 23 (c), the House and Senate Committees on Delayed Bills, acting jointly, extend the following deadline for Senate Bill No. 03-248, Concerning the Financing of Public Schools and Making an Appropriation Therefor:

The Friday, March 14 deadline (the 66th legislative day) for final passage, including any conference committee report, for any bill prescribing all or a substantial portion of the total funding for public schools pursuant to the "Public School Finance Act of 1994", article 54 of title 22, Colorado Revised Statutes, as extended until Friday, March 28, 2003 (the 80th legislative day) is further extended until Friday, April 4, 2003 (the 87th legislative day).

This memorandum shall be printed in the journal of each house as is required by said Joint Rule 23 (c).

(signed) (signed) Representative Spradley Senator Andrews Speaker of the House of Representatives President of the Senate

(signed) (signed) Representative King Senator Anderson House Majority Leader Senate Majority Leader

(signed) Representative Veiga House Minority Leader

# APPOINTMENTS TO CONFERENCE COMMITTEE

The President appointed Senators Taylor, Chairman, Hillman, and Grossman as Senate Conferees on the First Conference Committee on HB03-1003.

The President appointed Senators Entz, Chairman, Chlouber, and Grossman as Senate Conferees on the First Conference Committee on **HB03-1005**.

The President appointed Senators Evans, Chairman, Kester, and Nichol as Senate Conferees on the First Conference Committee on **HB03-1111**.

# SENATE SERVICES REPORT

Senate Services Correctly printed: SB03-256, 257.

Correctly reengrossed: SB03-132, 250.

Correctly revised: HB03-1010, 1033, 1160, 1207, 1253, 1294.

Correctly rerevised: HB03-1153, 1232, 1241, 1267, 1290, 1298, 1312, 1313.

Correctly enrolled: SB03-060, 097, 130, 135, 164.

On motion of Senator Anderson, and with a two-thirds majority of those elected to the Senate having voted in the affirmative, SB03-248 was made Special Orders at 1:50 p.m.

Committee of the Whole

The hour of 1:50 p.m. having arrived, Senator Owen moved that the Senate resolve itself into the Committee of the Whole for consideration of Special Orders--Second Reading of Bills and Senator Owen was called to the Chair to act as Chairman.

# SPECIAL ORDERS--SECOND READING OF BILLS

The Committee of the Whole having risen, the Chairman reported that the following bills, reading at length having been dispensed with by unanimous consent, had been considered and action taken thereon as follows:

**SB03-248** by Senator(s) Anderson; also Representative(s) King--Concerning the financing of public schools.

<u>Amendment No. 1, Appropriations Committee Amendment.</u> (Printed in Senate Journal, March 27, pages 765-777 and placed in members' bill files.)

Amendment No. 2(L.005), by Senator Windels.

Amend printed bill, page 17, line 21, strike "(1)" and substitute "(1), (2) (a.5) (I),".

Page 18, after line 27, insert the following:

- "(I) "Central administrative overhead costs" means indirect costs incurred in providing items or services listed under ANY OF the heading of FOLLOWING HEADINGS IN THE SCHOOL DISTRICT CHART OF ACCOUNTS AS SPECIFIED BY RULE OF THE STATE BOARD:
- (A) Support services general administration; in the school district chart of accounts as specified by rule of the state board.
  - (B) SUPPORT SERVICES STUDENTS;
  - (C) SUPPORT SERVICES INSTRUCTIONAL STAFF;
  - (D) SUPPORT SERVICES SCHOOL ADMINISTRATION;
  - (E) SUPPORT SERVICES BUSINESS;
  - (F) OPERATION AND MAINTENANCE OF PLANT SERVICES; AND
  - (G) SUPPORT SERVICES CENTRAL.".

# Amendment No. 3(L.018), by Senator McElhany.

Amend printed bill, page 45, line 13, strike "THE EXPIRATION" and substitute "TEN YEARS AFTER THE CREATION";

line 14, strike "ALL AGREEMENTS" and substitute "AN AGREEMENT".

# Amendment No. 4(L.016), by Senator Anderson.

Amend printed bill, page 18, line 6, strike "(I)";

strike lines 15 through 26.

SB03-248

As amended, ordered engrossed and placed on the calendar for Third Reading and Final Passage.

(For further action, see Amendments to the Report of the Committee of the Whole.)

# AMENDMENTS TO THE REPORT OF THE COMMITTEE OF THE WHOLE

SB03-248 by Senator(s) Anderson; also Representative(s) King--Concerning the financing of public schools.

Senator Windels moved to amend the Report of the Committee of the Whole to show that the following Windels floor amendment (L.019), to **SB03-248**, did pass:

Amend the Appropriations Committee Report, dated March 26, 2003, page 4, after line 16, insert the following:

"Page 17, line 21, strike "(1) and (2) (a.5) (II.5)," and substitute "(1), (2) (a.5) (II.5), and (4.5),".";

strike line 20 and substitute the following:

""(4.5) Except as provided in section 22-30.5-112.3 (2) (b) AND 22-54-124 (4), any moneys received by a charter school from any source and remaining in the charter school's accounts at the end of any budget year shall remain in the charter school's accounts for use by the charter school during subsequent budget years and shall not revert to the school district or to the state.

SECTION 19. 22-32-119 (2) (e), Colorado Revised Statutes, is".

Page 5, line 6, strike "(f.5)" and substitute "(a), (1) (f.5),";

after line 10, insert the following:

"(a) "Capital construction" means construction, demolition, remodeling, financing, purchasing, or leasing of land, buildings, or facilities used to educate pupils enrolled in or to be enrolled in a charter school.".

Page 6, line 23, strike "(A)," and substitute "(A) and (4),";

line 25, strike "is" and substitute "are".

Page 7, after line 7, insert the following:

- "(4) (a) For the 2001-02 budget year, the 2003-04 budget year, and each budget year thereafter, the general assembly shall annually appropriate from the state education fund created in section 17 (4) of article IX of the state constitution, to the department of education for distribution to eligible school districts in accordance with the formula set forth in paragraph (a) of subsection (3) of this section, an amount equal to the total amount of moneys to be distributed to all districts as determined pursuant to said formula. From the moneys appropriated for a given budget year, the department shall make lump sum payments of all moneys to be distributed to each eligible school district during the budget year as soon as possible.
- (b) From the moneys appropriated to the department of education for the 2003-04 budget year and each budget year thereafter, pursuant to paragraph (a) of this subsection (4), the department shall make payments of the moneys to be distributed to an eligible district for a qualified charter school during the budget year as soon as possible upon receipt of the following information from the qualified charter school:

- (I) A LIST OF ALL MONEYS EXPENDED, ENCUMBERED, OR OBLIGATED AS OF DECEMBER 31 OF THE BUDGET YEAR FOR WHICH MONEYS HAVE BEEN APPROPRIATED IN ANTICIPATION OF THE RECEIPT OF MONEYS IN THAT BUDGET YEAR PURSUANT TO SECTION 22-30.5-112.3 (1); AND
- (II) COPIES OF INVOICES, CONTRACTS, OR OTHER APPROPRIATE DOCUMENTATION OF THE AMOUNT AND PURPOSES OF THE EXPENDITURES, ENCUMBRANCES, OR OBLIGATIONS DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b).
- (c) Once a charter school expends amounts that were encumbered or obligated as of December 31, as described in subparagraph (I) of paragraph (b) of this subsection (4), the charter school shall submit copies of invoices, contracts, or other appropriate documentation of the amounts and purposes of the expenditures to the department by the June 30 of that budget year.
- (d) ALL INFORMATION SUBMITTED TO THE DEPARTMENT OF EDUCATION PURSUANT TO THIS SUBSECTION (4) SHALL BE IN A FORM PRESCRIBED BY THE DEPARTMENT.
- (e) Of the amount of state education fund moneys appropriated for any given budget year pursuant to paragraph (a) of this subsection (4), any amount not distributed pursuant to paragraph (b) of this subsection (4) shall remain in or revert back to the state education fund, as appropriate.".

line 28, strike "(b)," and substitute "(b) and (2),";

line 29, strike the first "is" and substitute "are".

Page 8, after line 13, insert the following:

- "(2) (a) A charter school shall use moneys it receives pursuant to subsection (1) of this section solely for capital construction, as defined in section 22-54-124 (1) (a). EXCEPT AS PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (2), SUCH MONEYS SHALL NOT BE USED FOR THE PAYMENT OF PRINCIPAL OR INTEREST DUE ON BONDS ISSUED AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (2), AS AMENDED, FOR THE PURPOSE OF FINANCING CHARTER SCHOOL CAPITAL CONSTRUCTION.
- (c) If the state auditor determines, upon an examination of the projections of revenues in the state education fund, that the fund is viable and is able to sustain additional expenditures for programs consistent with section 17 (4) (b) of article IX of the state constitution, the state auditor shall certify such determination to the legislative audit committee, the joint budget committee, the education committees of the senate and house of representatives, the governor, and the department of education. Upon receipt of such certification, the department of education shall notify charter schools that receive moneys pursuant to subsection (1) of this section that the moneys may be used for the payment of principal or interest due on bonds issued after the effective date of this subsection (2), as amended, for the purpose of financing charter school capital construction."

The motion was declared **LOST** by the following roll call vote:

YES	13	NO	20	EXCUSED	2		ABSENT	Λ
						N.T		0
Anderson	N	Groff	N	Kester		N	Sandoval	Y
Arnold	N	Grossman	N	Lamborn		E	Takis	Y
Cairns	N	Hagedorn	N	Linkhart		Y	Tapia	Y
Chlouber	N	Hanna	Y	May		N	Taylor	N
Dyer	N	Hillman	N	McElhany		N	Teck	N
Entz	N	Isgar	Y	Nichol		Y	Tupa	Y
Evans		Johnson	N	Owen		N	Windels	Y
Fitz-Gerald	Y	Jones	N	Phillips		E	Mr. President	N
Gordon	Y	Keller	Y	Reeves		Y		

Senators Windels and Hanna moved to amend the Report of the Committee of the Whole to show that the following Windels floor amendment (L.021), to **SB03-248**, did pass:

Amend printed bill, page 35, line 12, strike "THE 2004-05 BUDGET YEAR,";

page 47, after line 23, insert the following:

"SECTION 41. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the national credential fund created in section 22-60.5-112.5 (4) (b), Colorado Revised Statutes, for the fiscal year beginning July 1, 2003, the sum of sixty thousand dollars (\$60,000), and such sum, or so much thereof as may be necessary, is further appropriated to the department of education, to provide national credential fee assistance pursuant to section 22-60.5-112.5, Colorado Revised Statutes.

(2) For the implementation of this act, the appropriations made in the annual general appropriation act to the governor's office for the fiscal year beginning July 1, 2003, shall be adjusted as follows: The general fund appropriation to the office of innovation and technology, is decreased by sixty thousand dollars (\$60,000)."

Renumber succeeding section accordingly.

The motion was declared **LOST** by the following roll call vote:

YES	15	NO	18	EXCUSED	2	ABSENT	0
Anderson	N	Groff	Y	Kester	N	V Sandoval	Y
Arnold	N	Grossman	Y	Lamborn	E	E Takis	Y
Cairns	N	Hagedorn	Y	Linkhart	Y	<sup>7</sup> Tapia	Y
Chlouber	N	Hanna	Y	May	N	V Taylor	N
Dyer	N	Hillman	N	McElhany	N	V Teck	N
Entz	N	Isgar		Nichol	N	V Tupa	Y
Evans	N	Johnson	N	Owen	N	V Windels	Y
Fitz-Gerald	Y	Jones	N	Phillips	E	Mr. President	N
Gordon	Y	Keller	Y	Reeves	Y	7	

# ADOPTION OF THE REPORT OF THE COMMITTEE OF THE WHOLE

On motion of Senator Owen, the Report of the Committee of the Whole was adopted and, a majority of all members elected to the Senate having voted in the affirmative, the following action was taken:

Passed on Second Reading: SB03-248 as amended.

# SIGNING OF BILLS--RESOLUTIONS--MEMORIALS

The President has signed: SB03-130, 135.

Mona Heustis

Secretary of the Senate

On motion of Senator Anderson, and with a majority of those elected to the Senate having voted in the affirmative, the balance of the calendar of March 27, was laid over until Friday, March 28, retaining its place on the calendar. Consideration of Resolutions: SJR03-028, SJR03-030, SJR03-027, SJR03-031, HJR03-1012. Consideration of Memorial: SJM03-002. Consideration of House Amendments to Senate Bills: SB03-117, SB03-098, SB03-133, SB03-009, SB03-067, SB03-226, SB03-112. Consideration of Governor's Vetoes: SB03-207. Consideration of Governor's Appointments: Member of the Medical Services Board; Members of the State Housing Board. Conference Committees to Report: HB03-1161, HB03-1103, HB03-1301, HB03-1025, HB03-1224. Request for Conference Committees: SB03-065, HB03-1003, HB03-1005, HB03-1111. On motion of Senator Anderson, the Senate adjourned until 9:00 a.m., Friday, March 28, 2003. Approved: John Andrews President of the Senate Attest: