First Regular Session
Sixty-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 03-0591.01 John Hershey **HOUSE BILL 03-1181**

HOUSE SPONSORSHIP

Merrifield, Coleman, Groff, Madden, Marshall, Salazar, and Williams S.

SENATE SPONSORSHIP

Teck,

House Committees
Local Government

Senate Committees

A BILL FOR AN ACT

CONCERNING THE USE OF LEASE-PURCHASE AGREEMENTS BY LOCAL GOVERNMENTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Requires local governments to include in their annual budgets information about each individual lease-purchase agreement to which the local government is a party.

States that if the voters of a county have rejected a tax increase, bond issue, or proposed lease-purchase agreement for a particular purpose, the county shall not enter into a lease-purchase agreement for an identical or similar purpose for a specified period after the election.

Requires a county to obtain voter approval before entering into a

lease-purchase agreement involving the issuance of certificates of participation if the total amount of payments required over the term of the agreement exceeds a specified amount.

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

SECTION 1. 29-1-103 (3) (d) (II), Colorado Revised Statutes, is amended to read:

29-1-103. Budgets required. (3) (d) (II) Each budget required to be filed pursuant to section 29-1-113 shall include a supplemental schedule that contains the information described in this paragraph (d). THE SCHEDULE SHALL ALSO CONTAIN A DESCRIPTION OF THE PURPOSE AND TERMS OF PAYMENT OF EACH INDIVIDUAL LEASE-PURCHASE AGREEMENT TO WHICH THE LOCAL GOVERNMENT IS A PARTY.

SECTION 2. 30-11-104.1, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

30-11-104.1. Lease-purchase agreements. (5) IF THE VOTERS OF THE COUNTY HAVE REJECTED A TAX INCREASE, A BOND ISSUE, OR A PROPOSED LEASE-PURCHASE AGREEMENT REFERRED TO THE VOTERS PURSUANT TO SUBSECTION (6) OF THIS SECTION FOR A PARTICULAR PURPOSE, A COUNTY SHALL NOT ENTER INTO A LEASE-PURCHASE AGREEMENT FOR AN IDENTICAL OR SIMILAR PURPOSE FOR A PERIOD OF THREE YEARS AFTER THE ELECTION, UNLESS THE CONSTRUCTION, IMPROVEMENT, OR ACQUISITION TO BE FINANCED BY THE LEASE-PURCHASE AGREEMENT IS REQUIRED BY A VALID AND FINAL COURT ORDER.

(6) A COUNTY SHALL OBTAIN VOTER APPROVAL BEFORE ENTERING INTO A LEASE-PURCHASE AGREEMENT INVOLVING THE ISSUANCE OF CERTIFICATES OF PARTICIPATION IF THE TOTAL AMOUNT OF PAYMENTS

REQUIRED OVER THE TERM OF THE AGREEMENT EXCEEDS FIFTEEN MILLION DOLLARS, UNLESS THE CONSTRUCTION, IMPROVEMENT, OR ACQUISITION TO BE FINANCED BY THE LEASE-PURCHASE AGREEMENT IS REQUIRED BY A VALID AND FINAL COURT ORDER.

SECTION 3. Effective date - applicability. This act shall take effect July 1, 2003, and shall apply to lease-purchase agreements entered into on or after that date.

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