

SB041_L.003

SENATE COMMITTEE OF REFERENCE REPORT

 Chairman of Committee

 Date
Committee on Finance.

After consideration on the merits, the Committee recommends the following:

SB09-041 be amended as follows:

1 Amend printed bill, page 2, strike lines 17 through 25.

2 Page 3, strike lines 1 through 21 and substitute the following:

3 "SECTION 2. The introductory portion to 24-32-1705 (1) (a) and
4 24-32-1705 (2), Colorado Revised Statutes, are amended to read:".

5 Renumber succeeding sections accordingly.

6 Page 3, after line 26, insert the following:

7 "(2) State issuing authorities may assign amounts of their
8 allocations to any issuing authority, and any assignment shall be effective
9 upon receipt by the department of written notification of the assignment.
10 The notification shall include the amounts assigned, the names of the
11 assignor and the assignee, a representation by the assignor that the
12 assignment was made by the assignor without receipt of monetary
13 consideration OTHER THAN REIMBURSEMENT FROM THE ASSIGNEE OF ANY
14 PROPORTIONATE SHARE OF THE DIRECT ALLOCATION FEE SPECIFIED IN
15 SECTION 24-32-1709.5 (1) (a), the date of the assignment, and a copy of
16 the executed assignment. No assignee may elect to treat all or any portion
17 of an assignment of an allocation from a state issuing authority as an
18 allocation for a project with a carryforward purpose or make a mortgage
19 credit certificate election with respect to all or any portion of such an
20 assignment without the prior written consent of the assignor to the
21 election. A record of each assignment shall be maintained by the assignee



1 for each bond issued by the assignee for which the assignment applies.";

2 strike line 27 and substitute the following:

3 "SECTION 3. 24-32-1706 (1) and (2), Colorado Revised
4 Statutes, are".

5 Page 4, after line 12, insert the following:

6 "(2) Designated local issuing authorities may assign the amounts
7 of their allocations pursuant to this section to any issuing authority, and
8 any assignment shall be effective upon receipt by the department of
9 written notification of the assignment. The notification shall include the
10 amounts assigned, the names of the assignor and assignee, a
11 representation by the assignor that the assignment was made by the
12 assignor without receipt of monetary consideration OTHER THAN
13 REIMBURSEMENT FROM THE ASSIGNEE OF ANY PROPORTIONATE SHARE OF
14 THE DIRECT ALLOCATION FEE SPECIFIED IN SECTION 24-32-1709.5 (1) (a),
15 the date of the assignment, and a copy of the executed assignment. No
16 assignee may elect to treat all or any portion of an assignment of an
17 allocation from a designated local issuing authority as an allocation for
18 a project with a carryforward purpose or make a mortgage credit
19 certificate election with respect to all or any portion of such an
20 assignment without the prior written consent of the assignor to such
21 election. A record of each assignment shall be maintained by the assignee
22 for each bond issued by the assignee for which the assignment applies.".

23 Page 5, strike lines 16 through 27.

24 Page 6, strike lines 1 through 9 and substitute the following:

25 "~~(6) (a) No application for an allocation shall be complete unless~~
26 ~~it is accompanied by an application fee. The amount of such fee shall be~~
27 ~~determined and collected by the executive director. All fees collected~~
28 ~~pursuant to this paragraph (a) shall be transmitted to the state treasurer,~~
29 ~~who shall credit the same to the private activity bond allocations fund~~
30 ~~created in paragraph (b) of this subsection (6). The general assembly~~
31 ~~shall make annual appropriations from the general fund for expenditures~~
32 ~~of the executive director incurred in the performance of his or her duties~~
33 ~~under this article.~~



1 (b) (I) ~~In addition to the application fee required pursuant to~~
2 ~~paragraph (a) of this subsection (6), the department may charge an~~
3 ~~administrative fee to entities other than local governments that receive~~
4 ~~bonding authority from the committee. The executive director shall~~
5 ~~determine the amount of the fee annually based on the costs associated~~
6 ~~with the administration of this article and shall be responsible for the~~
7 ~~collection of the fee. The fees collected pursuant to this paragraph (b)~~
8 ~~shall be transmitted to the state treasurer, who shall credit the same to the~~
9 ~~private activity bond allocations fund, which fund is hereby created in the~~
10 ~~state treasury. The moneys in the fund shall be subject to annual~~
11 ~~appropriation by the general assembly for the direct and indirect costs of~~
12 ~~the administration of this article.";~~

13 strike line 14 and substitute the following:

14 "REVIEW OF APPLICATIONS FOR BONDING AUTHORITY FROM THE
15 STATEWIDE BALANCE FOR INDUSTRIAL DEVELOPMENT BONDS.

16 **SECTION 5.** Part 17 of article 32 of title 24, Colorado Revised
17 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
18 read:

19 **24-32-1709.5. Administrative costs of the department - private**
20 **activity bond allocation fund - creation - rule.** (1) THE DEPARTMENT
21 MAY CHARGE AND COLLECT THE FOLLOWING ADMINISTRATIVE FEES FOR
22 THE COSTS ASSOCIATED WITH THE ADMINISTRATION OF THIS PART 17:

23 **(a) The direct allocation fee.** THE DEPARTMENT MAY CHARGE AN
24 ADMINISTRATIVE FEE TO ENTITIES THAT RECEIVE DIRECT ALLOCATIONS OF
25 BONDING AUTHORITY AS SPECIFIED IN SECTION 24-32-1704. THE
26 EXECUTIVE DIRECTOR SHALL ANNUALLY DETERMINE THE AMOUNT OF THE
27 FEE. IN NO EVENT SHALL THE AMOUNT OF THE FEE SPECIFIED IN THIS
28 PARAGRAPH (a) BE SET SO AS TO REIMBURSE THE DEPARTMENT FOR MORE
29 THAN THIRTY PERCENT OF THE DIRECT AND INDIRECT COSTS OF
30 ADMINISTERING THIS PART 17.

31 **(b) The statewide balance application fee.** NO APPLICATION FOR
32 AN ALLOCATION REQUIRED BY SECTION 24-32-1707 SHALL BE COMPLETE
33 UNLESS IT IS ACCOMPANIED BY AN APPLICATION FEE. THE EXECUTIVE
34 DIRECTOR SHALL DETERMINE THE AMOUNT OF THE FEE.



1 (c) **The statewide balance issuance fee.** THE DEPARTMENT MAY
2 CHARGE AN ADMINISTRATIVE FEE TO ENTITIES THAT RECEIVE BONDING
3 AUTHORITY FROM THE STATEWIDE BALANCE AS SPECIFIED IN SECTION
4 24-32-1707. THE EXECUTIVE DIRECTOR SHALL ANNUALLY DETERMINE
5 THE AMOUNT OF THE FEE BASED ON THE COSTS ASSOCIATED WITH THE
6 ADMINISTRATION OF THIS PART 17. THE FEE SHALL NOT BE CHARGED TO
7 ENTITIES USING THE BONDING AUTHORITY TO ISSUE MORTGAGE CREDIT
8 CERTIFICATES IN CONNECTION WITH A QUALIFIED MORTGAGE CREDIT
9 CERTIFICATE PROGRAM WITHIN THE MEANING OF SECTION 25 (a) (2) OF THE
10 CODE.

11 (2) (a) THE FEES COLLECTED PURSUANT TO THIS SECTION SHALL BE
12 TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES TO
13 THE PRIVATE ACTIVITY BOND ALLOCATIONS FUND, WHICH FUND IS HEREBY
14 CREATED IN THE STATE TREASURY AND REFERRED TO IN THIS SUBSECTION
15 (2) AS THE "FUND". THE MONEYS IN THE FUND SHALL BE SUBJECT TO
16 APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE DIRECT AND
17 INDIRECT COSTS ASSOCIATED WITH THE ADMINISTRATION OF THIS PART 17.
18 ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT
19 OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. ANY
20 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT
21 THE END OF A FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT
22 BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANY OTHER
23 FUND.

24 (b) THE FUND IS EXCLUDED FROM THE LIMITATIONS SPECIFIED IN
25 SECTION 24-75-402. THE FUND'S TARGET RESERVE SHALL BE TWO TIMES
26 THE LEVEL OF THE PRIOR YEAR'S SPENDING AUTHORITY FROM THE FUND.
27 THE UNCOMMITTED RESERVES OF THE FUND SHALL NOT EXCEED THE
28 TARGET RESERVE. IF THE AMOUNT OF UNCOMMITTED RESERVES OF THE
29 FUND AT THE CONCLUSION OF ANY GIVEN FISCAL YEAR EXCEEDS THE
30 TARGET RESERVE, THE EXECUTIVE DIRECTOR SHALL REDUCE THE AMOUNT
31 OF ONE OR MORE OF THE FEES SPECIFIED IN SUBSECTION (1) OF THIS
32 SECTION TO AN AMOUNT CALCULATED TO RESULT IN AN AMOUNT OF
33 UNCOMMITTED RESERVES OF THE FUND FOR THE CURRENT FISCAL YEAR
34 THAT DOES NOT EXCEED THE TARGET RESERVE. IN CALCULATING THE
35 REDUCTION IN FEES, THE EXECUTIVE DIRECTOR MAY TAKE INTO ACCOUNT
36 ANY INCREASES IN SPENDING AUTHORITY FROM THE FUND. IF THE
37 EXECUTIVE DIRECTOR REDUCES THE AMOUNT OF A FEE PURSUANT TO THIS
38 PARAGRAPH (b), THE EXECUTIVE DIRECTOR MAY SUBSEQUENTLY RAISE
39 THE AMOUNT OF THE FEE SO LONG AS THE PROJECTED AMOUNT OF

1 UNCOMMITTED RESERVES OF THE FUND DOES NOT EXCEED THE TARGET
2 RESERVE. THE EXECUTIVE DIRECTOR SHALL NOT INCREASE THE FEE
3 BEYOND ANY LIMITS SPECIFIED IN SUBSECTION (1) OF THIS SECTION.

4 (3) THE EXECUTIVE DIRECTOR MAY PROMULGATE RULES IN
5 ACCORDANCE WITH ARTICLE 4 OF THIS TITLE TO THE EXTENT NECESSARY
6 FOR THE ADMINISTRATION OF THIS PART 17.

7 SECTION 6. 24-75-402 (5), Colorado Revised Statutes, is
8 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

9 24-75-402. Cash funds - limit on uncommitted reserves -
10 reduction in amount of fees - exclusions. (5) Notwithstanding any
11 provision of this section to the contrary, the following cash funds are
12 excluded from the limitations specified in this section:

13 (w) THE PRIVATE ACTIVITY BOND ALLOCATIONS FUND CREATED IN
14 SECTION 24-32-1709.5 (2)."

15 Renumber succeeding section accordingly.

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