

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

DRAFT
2.18.15

DRAFT

LLS NO. 15-0879.01 Esther van Mourik x4215

COMMITTEE BILL

Capital Development Committee

BILL TOPIC: "Refinance Authority For CBI Grand Junction Lab"

A BILL FOR AN ACT

101 **CONCERNING THE AUTHORITY OF THE STATE TO ENTER INTO**
102 **LEASE-PURCHASE AGREEMENTS FOR THE REFINANCING OF THE**
103 **COLORADO BUREAU OF INVESTIGATION'S GRAND JUNCTION**
104 **REGIONAL OFFICE AND FORENSIC LABORATORY.**

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://www.leg.state.co.us/bills/summaries>.)

Capital Development Committee. The bill authorizes the state treasurer to enter into one or more lease-purchase agreements on the state's behalf for the refinancing of the Colorado bureau of investigation's

Grand Junction regional office and forensic laboratory.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) The Colorado bureau of investigation's (CBI) Grand Junction
5 regional office and forensic laboratory provides investigative assistance
6 and forensic evidence analysis to support approximately 40,000 square
7 miles, inhabited by about 416,000 residents, and policed by
8 approximately 75 state, local, and county Colorado law enforcement
9 agencies and is a key access point for law enforcement agencies in
10 western Colorado;

11 (b) In 2006, CBI entered into an agreement pursuant to section
12 24-82-1202, Colorado Revised Statutes, with the City of Grand Junction
13 to form a special purpose entity to issue \$12,665,000 in revenue bonds to
14 finance construction of the facility. CBI has occupied the Grand Junction
15 regional facility as a tenant since the facility was completed in 2008.

16 (c) Refinancing the 2006 revenue bonds through the state
17 treasurer's office would generate present-value savings of approximately
18 ^{6.17} \$1,700,000, reduce the annual lease payment and interest rate, eliminate
19 certain administrative expenses associated with the current financing
20 structure, and grant CBI the title to the facility.

21 (2) It is therefore considered good public policy to authorize the
22 state of Colorado, acting by and through the state treasurer, to enter into
23 one or more lease-purchase agreements and other agreements as
24 necessary to refinance the CBI's regional office and forensic laboratory
25 located in Grand Junction.

1 **SECTION 2. Lease-purchase agreement.** (1) (a) Subject to the
2 requirements specified in paragraph (c) of this subsection (1), the state of
3 Colorado, acting by and through the state treasurer, is authorized to
4 execute a lease-purchase agreement for up to eighteen years for the state
5 to refinance the Colorado bureau of investigation's Grand Junction
6 regional office and forensic laboratory. The total amount of the principal
7 component of said lease-purchase agreement shall not exceed eleven
8 million dollars (\$11,000,000), plus reasonable and necessary
9 administrative, monitoring, and closing costs and interest.

10 (b) Enactment of this act shall satisfy the requirements of sections
11 24-82-102 (1) (b) and 24-82-801, Colorado Revised Statutes, which
12 require authorization of a lease-purchase agreement by a bill other than
13 an annual general appropriation bill or a supplemental appropriation bill.

14 (c) The state controller must approve all agreements relating to the
15 refinancing of the real property prior to closing.

16 (2) (a) The lease-purchase agreement authorized in subsection (1)
17 of this section must provide that all of the obligations of the state under
18 the agreement are subject to the action of the general assembly in
19 annually making moneys available for all payments thereunder. The
20 agreement must also provide that the obligations shall not be deemed or
21 construed as creating an indebtedness of the state within the meaning of
22 any provision of the state constitution or the laws of the state of Colorado
23 concerning or limiting the creation of indebtedness by the state of
24 Colorado and shall not constitute a multiple fiscal-year direct or indirect
25 debt or other financial obligation of the state within the meaning of
26 section 20 (4) of article X of the state constitution. In the event the state
27 of Colorado does not renew the lease-purchase agreement authorized in

1 subsection (1) of this section, the sole security available to the lessor shall
2 be the real property that is the subject of the nonrenewed lease-purchase
3 agreement.

4 (b) (I) The lease-purchase agreement authorized in subsection (1)
5 of this section may contain such terms, provisions, and conditions as the
6 state treasurer, acting on behalf of the state of Colorado, may deem
7 appropriate, including all optional terms; except that the lease-purchase
8 agreement must specifically authorize the state of Colorado to:

9 (A) Receive fee title to all real and personal property that is the
10 subject of the lease-purchase agreement on or prior to the expiration of
11 the terms of the lease-purchase agreement; and

12 (B) Reduce the term of the lease through prepayment of rental and
13 other payments.

14 (II) Any title to property received by the state on or prior to the
15 expiration of the terms of the lease-purchase agreement will be held by
16 the state for the benefit and use of the Colorado bureau of investigation.

17 (c) The state of Colorado, acting through the state treasurer, is
18 authorized to enter into ancillary agreements and instruments as are
19 deemed necessary or appropriate in connection with the lease-purchase
20 agreements, including but not limited to ground leases, easements, or
21 other instruments relating to the real property to be purchased.

22 (3) The provisions of section 24-30-202 (5) (b), Colorado Revised
23 Statutes, shall not apply to the lease-purchase agreement authorized in
24 subsection (1) of this section or any ancillary agreement entered into
25 pursuant to paragraph (c) of subsection (2) of this section. Any provision
26 of the fiscal rules promulgated pursuant to section 24-30-202 (1) and
27 (13), Colorado Revised Statutes, that the state controller deems to be

1 incompatible or inapplicable with respect to said lease-purchase
2 agreements or any ancillary agreement may be waived by the controller
3 or his or her designee.

4 **SECTION 3. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.