

**UPDATED SUMMARY
SENATE BILL 16-204**

Second Regular Session - Seventieth Colorado General Assembly

This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.

Joint Budget Committee. The higher education revenue bond intercept program allows the state to be available as a backup for the necessary payments of principal and interest on revenue bonds issued by a governing board of a state-supported institution of higher education (institution). The institution is able to bond for a project or projects using the state's credit rating, which generally saves the institution money. In order to participate in the program, the institution must meet certain requirements regarding its credit rating and its debt service coverage ratio.

The bill:

- ! Requires a governing board of an institution to obtain a preapproval certificate from the state treasurer and seek approval from the capital development committee and the joint budget committee to use the higher education revenue bond intercept program prior to issuing *intercept* bonds ~~under the program~~;
- ! Requires the state treasurer to issue annual preapproval certificates to the governing boards of institutions that indicate that the governing board of an institution meets the program requirements related to credit rating and debt service coverage ratio, ~~describes the basis for the amount to be preapproved~~ *sets forth the maximum amount of intercept bonds that a governing board may issue based on a formula set forth in the bill*, and specifies that the preapproval certificate may be amended based on additional data;
- ! *Allows the treasurer to issue early preapproval certificates between the date the bill is enacted and the date the state treasurer must issue the first report that is the basis for the preapproval certificates*;
- ! Specifies that the intercept program can only be used if the maximum total annual debt service payment of the ~~revenue bond issue~~ *new intercept bond to be issued* plus the debt service payment for any other ~~revenue~~ *intercept* bond issues that were issued by the same governing board of an institution equals 75% or less of the most recent general fund appropriation for stipends and fee-for-service contracts that is reappropriated to such governing board;
- ! Establishes and clarifies exceptions to allow for expedited approval by the state treasurer to refinance some intercept ~~debt~~ *bonds*;
- ! Requires the state treasurer to provide the capital development committee, the joint budget committee, the Colorado commission on higher education, and the office of state planning and budgeting with an annual report that includes:
 - ! The credit rating of each governing board of an institution that has issued ~~revenue~~ *intercept* bonds ~~under the intercept program~~;

- ! The debt service coverage ratio of each governing board of an institution that has issued *revenue intercept* bonds ~~under the intercept program~~;
- ! The total amount of all *revenue intercept* bonds issued by governing boards of institutions, ~~under the intercept program~~, including the anticipated payment schedule for such revenue bonds; and
- ! The total amount of all revenue bonds issued by governing boards of institutions, including the anticipated payment schedule for all such revenue bonds;
- ! Amends statutes related to how the state treasurer recovers any amounts paid to a paying agent;
- ! Expands the reporting requirements related to the program; and
- ! Makes conforming amendments to the capital construction planning statutes for state-supported institutions of higher education.

Italicized words indicate new material added to the original summary; dashes through words indicate deletions from the original summary.
Prepared by the Office of Legislative Legal Services.