

Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0420.01 Jerry Barry

HOUSE BILL 10-1083

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HOUSE SPONSORSHIP

Gardner B.,

SENATE SPONSORSHIP

Steadman,

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House Committees  
Judiciary

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE AUTHORITY OF THE STATE TO ENTER INTO  
102 LEASE-PURCHASE AGREEMENTS FOR A DAY SURGERY CENTER.

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/billsummaries>.)*

The bill authorizes the state to enter into one or more lease-purchase agreements for purchase of a day surgery center for the department of corrections.

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Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

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) Currently, when an inmate in the custody of the department of  
5 corrections requires even minor surgery, the inmate must be transferred  
6 to an off-site, public hospital;

7 (b) If the department of corrections had a day surgery center at its  
8 Denver reception and diagnostic center, certain surgeries could be  
9 performed at a lower cost to the department;

10 (c) Furthermore, the ability to perform certain surgical procedures  
11 at a secure facility would eliminate the expense of having correctional  
12 staff transfer the inmate to a public hospital and supervise the inmate  
13 during the procedure and recovery time and would reduce the public risk  
14 in having inmates at less-secure public facilities;

15 (d) The source of funding for the cost of the day surgery center  
16 should be from moneys currently paid by the department of corrections  
17 to public hospitals for the procedures and from such other sources as the  
18 general assembly may deem appropriate.

19 (2) It is therefore in the best interest of the citizens of Colorado to  
20 authorize the state of Colorado, acting by and through the executive  
21 director of the department of corrections, to enter into one or more  
22 lease-purchase agreements and other agreements as necessary to finance  
23 the purchase of a day surgery center at the Denver reception and  
24 diagnostic center.

25 **SECTION 2. Lease-purchase agreement.** (1) (a) The state of  
26 Colorado, acting by and through the executive director of the department  
27 of corrections, referred to in this section as the "executive director", is

1 authorized to execute a lease-purchase agreement for up to twelve years  
2 to purchase a day surgery center to be located at the Denver reception and  
3 diagnostic center. The total amount of the principal component of said  
4 lease-purchase agreement shall not exceed two million eight hundred  
5 thousand dollars (\$2,800,000), plus reasonable and necessary  
6 administrative, monitoring, and closing costs and interest. The maximum  
7 annual aggregate rentals or other payments under the lease-purchase  
8 agreement authorized by this section from state funds shall not exceed  
9 four hundred thousand dollars (\$400,000).

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

1 agreement.

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

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

10 (B) Reduce the term of the lease through prepayment of rental and  
11 other payments.

12 (II) Any title to property received by the state on or prior to the  
13 expiration of the terms of the lease-purchase agreement shall be held for  
14 the benefit and use of the state.

15 (c) The state of Colorado, acting through the executive director,  
16 is authorized to enter into ancillary agreements and instruments as are  
17 deemed necessary or appropriate in connection with the lease-purchase  
18 agreements, including but not limited to ground leases, easements, or  
19 other instruments relating to the real property on which the day surgery  
20 center will be located or other property managed by the department.

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

1 agreements or any ancillary agreement may be waived by the controller  
2 or his or her designee.

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