

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 11-0633.01 Bob Lackner

HOUSE BILL 11-1211

HOUSE SPONSORSHIP

Pace,

SENATE SPONSORSHIP

Tochtrop, Carroll

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING RESTRICTIONS ON TRAVEL-RELATED EXPENDITURES BY**
102 **STATE-CHARTERED ENTITIES ON BEHALF OF PERSONS**
103 **AFFILIATED WITH SUCH ENTITIES.**

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 prohibits any state-chartered entity from making travel-related expenditures on behalf of a board member, officer, or employee of the entity (covered person) in an amount that would exceed, on a daily basis, 2 times the maximum allowable federal per diem rate

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.

that governs the location in which the person is traveling, rounded up to the nearest whole dollar, as determined by the United States general services administration, as of October 1 of the calendar year immediately preceding the fiscal year in which the per diem rate is to be used. If the state-chartered entity expends moneys on travel-related expenses on behalf of a covered person in excess of the amount authorized by this section, the bill requires the covered person to reimburse the fund of the state-chartered entity for the entire sum in excess of the authorized amount.

The bill also prohibits a state-chartered entity from making travel-related expenditures on behalf of the spouse or a member of the immediate family of a covered person. In the event a state-chartered entity makes travel-related expenditures on behalf of the spouse or a member of the immediate family of a covered person, the covered person is required to reimburse the fund of the state-chartered entity for the entire sum spent by the entity on such expenditures.

The bill authorizes any person who believes that a violation of its terms has occurred to file a complaint with the secretary of state. The bill establishes procedures for the adjudication of the complaint. The bill establishes penalties for a violation of its terms, including an order directing the covered person, or the spouse or a member of the immediate family of a covered person, as applicable, on whose behalf illegal travel-related expenditures were made to reimburse the fund of the state-chartered entity for some or all of the expenditures in accordance with the requirements of the bill.

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

SECTION 1. Title 24, Colorado Revised Statutes, is amended BY
THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 19.9

**Restrictions on Travel-related Expenditures
by State-chartered Entities**

24-19.9-101. Definitions. AS USED IN THIS ARTICLE, UNLESS THE
CONTEXT OTHERWISE REQUIRES:

(1) "COVERED PERSON" MEANS A MEMBER OF THE BOARD OF
DIRECTORS OR COMPARABLE GOVERNING BODY, OFFICER, OR EMPLOYEE
OF A STATE-CHARTERED ENTITY.

1 (2) "INSTITUTION OF HIGHER EDUCATION" MEANS A STATE
2 UNIVERSITY OR COLLEGE, COMMUNITY COLLEGE, JUNIOR COLLEGE, LOCAL
3 DISTRICT COLLEGE, OR AREA VOCATIONAL SCHOOL DESCRIBED IN TITLE 23,
4 C.R.S.

5 (3) "SPECIAL PURPOSE AUTHORITY" SHALL HAVE THE SAME
6 MEANING AS SET FORTH IN SECTION 24-77-102 (15).

7 (4) "STATE-CHARTERED ENTITY" MEANS ANY POLITICAL
8 SUBDIVISION OF THE STATE OR ANY INSTRUMENTALITY OF THE STATE THAT
9 IS NOT AN AGENCY OF THE STATE AND THAT IS NOT SUBJECT TO
10 ADMINISTRATIVE DIRECTION BY ANY DEPARTMENT, COMMISSION, BUREAU,
11 OR AGENCY OF THE STATE AND INCLUDES, WITHOUT LIMITATION, ANY
12 SERVICE AUTHORITY, SCHOOL DISTRICT, LOCAL IMPROVEMENT DISTRICT,
13 LAW ENFORCEMENT AUTHORITY, SPECIAL PURPOSE AUTHORITY,
14 INSTITUTION OF HIGHER EDUCATION, OR WATER, SANITATION, FIRE
15 PROTECTION, METROPOLITAN, IRRIGATION, DRAINAGE, OR OTHER SPECIAL
16 DISTRICT, OR ANY OTHER KIND OF PUBLIC CORPORATION ORGANIZED
17 PURSUANT TO STATE LAW.

18 (5) "TRAVEL-RELATED EXPENDITURES" MEANS EXPENDITURES
19 MADE BY A STATE-CHARTERED ENTITY TO COVER EXPENSES INCURRED BY
20 A COVERED EMPLOYEE FOR LODGING, MEALS, AND INCIDENTAL EXPENSES
21 IN CONNECTION WITH TRAVEL UNDERTAKEN BY THE COVERED PERSON FOR
22 BUSINESS-RELATED PURPOSES.

23 **24-19.9-102. Restrictions on travel-related expenditures -**
24 **covered persons - mandatory reimbursement of excess.** (1) NO
25 STATE-CHARTERED ENTITY MAY MAKE TRAVEL-RELATED EXPENDITURES
26 ON BEHALF OF ANY COVERED PERSON IN AN AMOUNT THAT WOULD
27 EXCEED, ON A DAILY BASIS, TWO TIMES THE MAXIMUM ALLOWABLE

1 FEDERAL PER DIEM RATE THAT GOVERNS THE LOCATION IN WHICH THE
2 PERSON IS TRAVELING, ROUNDED UP TO THE NEAREST WHOLE DOLLAR, AS
3 DETERMINED BY THE UNITED STATES GENERAL SERVICES
4 ADMINISTRATION, AS OF OCTOBER 1 OF THE CALENDAR YEAR
5 IMMEDIATELY PRECEDING THE FISCAL YEAR IN WHICH THE PER DIEM RATE
6 IS TO BE USED. IF THE STATE-CHARTERED ENTITY MAKES
7 TRAVEL-RELATED EXPENDITURES ON BEHALF OF A COVERED PERSON IN
8 EXCESS OF THE AMOUNT AUTHORIZED BY THIS SECTION, THE COVERED
9 PERSON SHALL REIMBURSE THE FUND OF THE STATE-CHARTERED ENTITY
10 FROM WHICH SUCH MONEYS WERE DIVERTED FOR THE ENTIRE SUM IN
11 EXCESS OF SUCH AUTHORIZED AMOUNT.

12 (2) A STATE-CHARTERED ENTITY SHALL MAKE NO
13 TRAVEL-RELATED EXPENDITURES ON BEHALF OF THE SPOUSE OR A
14 MEMBER OF THE IMMEDIATE FAMILY OF A COVERED PERSON. IN THE
15 EVENT A STATE-CHARTERED ENTITY MAKES TRAVEL-RELATED
16 EXPENDITURES ON BEHALF OF THE SPOUSE OR A MEMBER OF THE
17 IMMEDIATE FAMILY OF A COVERED PERSON, THE COVERED PERSON SHALL
18 REIMBURSE THE FUND OF THE STATE-CHARTERED ENTITY FROM WHICH
19 SUCH MONEYS WERE DIVERTED FOR THE ENTIRE SUM SPENT BY THE ENTITY
20 ON SUCH EXPENDITURES.

21 **24-19.9-103. Enforcement - complaint procedure - sanctions.**

22 (1) ANY PERSON WHO BELIEVES THAT A VIOLATION OF SECTION
23 24-19.9-102 HAS OCCURRED MAY FILE A WRITTEN COMPLAINT WITH THE
24 SECRETARY OF STATE WITHIN ONE HUNDRED EIGHTY DAYS OF THE DATE
25 OF THE ALLEGED VIOLATION. THE SECRETARY OF STATE SHALL REFER THE
26 COMPLAINT TO AN ADMINISTRATIVE LAW JUDGE WITHIN THREE DAYS OF
27 THE FILING OF THE COMPLAINT. THE ADMINISTRATIVE LAW JUDGE SHALL

1 HOLD A HEARING WITHIN FIFTEEN DAYS OF THE REFERRAL OF THE
2 COMPLAINT AND SHALL RENDER A DECISION WITHIN FIFTEEN DAYS OF THE
3 HEARING. THE DEFENDANT SHALL BE GRANTED AN EXTENSION OF UP TO
4 THIRTY DAYS UPON THE DEFENDANT'S MOTION OR LONGER UPON A
5 SHOWING OF GOOD CAUSE. IF THE ADMINISTRATIVE LAW JUDGE
6 DETERMINES THAT SUCH VIOLATION HAS OCCURRED, SUCH DECISION
7 SHALL INCLUDE ANY APPROPRIATE ORDER, SANCTION, OR RELIEF,
8 INCLUDING:

9 (a) AN ORDER DIRECTING THE COVERED PERSON, OR THE SPOUSE
10 OR A MEMBER OF THE IMMEDIATE FAMILY OF A COVERED PERSON, AS
11 APPLICABLE, ON WHOSE BEHALF TRAVEL-RELATED EXPENDITURES WERE
12 MADE BY THE STATE-CHARTERED ENTITY IN VIOLATION OF SECTION
13 24-19.9-102, TO REIMBURSE THE FUND OF THE STATE-CHARTERED ENTITY
14 FROM WHICH SUCH MONEYS WERE DIVERTED FOR SOME OR ALL OF THE
15 EXPENDITURES IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION
16 24-19.9-102;

17 (b) INJUNCTIVE RELIEF; OR

18 (c) A RESTRAINING ORDER TO ENJOIN THE CONTINUANCE OF THE
19 VIOLATION.

20 (2) THE DECISION OF THE ADMINISTRATIVE LAW JUDGE SHALL BE
21 FINAL AND SUBJECT TO REVIEW BY THE COURT OF APPEALS, PURSUANT TO
22 SECTION 24-4-106 (11). THE SECRETARY OF STATE AND THE
23 ADMINISTRATIVE LAW JUDGE ARE NOT NECESSARY PARTIES TO THE
24 REVIEW. THE DECISION MAY BE ENFORCED BY THE SECRETARY OF STATE
25 OR, IF THE SECRETARY OF STATE DOES NOT FILE AN ENFORCEMENT ACTION
26 WITHIN THIRTY DAYS OF THE DECISION, IN A PRIVATE CAUSE OF ACTION BY
27 THE PERSON FILING THE COMPLAINT. ANY PRIVATE ACTION BROUGHT

1 UNDER THIS SECTION SHALL BE BROUGHT WITHIN ONE YEAR OF THE DATE
2 OF THE VIOLATION IN STATE DISTRICT COURT. THE PREVAILING PARTY IN
3 A PRIVATE ENFORCEMENT ACTION SHALL BE ENTITLED TO REASONABLE
4 ATTORNEY FEES AND COSTS.

5 **SECTION 2. Effective date - applicability.** This act shall take
6 effect July 1, 2011, and shall apply to travel-related expenditures made on
7 or after said date.

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