

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

INTRODUCED

LLS NO. 01-0770.03 Jason Gelender

SENATE BILL 01-170

SENATE SPONSORSHIP

Andrews

HOUSE SPONSORSHIP

(None)

Senate Committees

Public Policy and Planning

House Committees

A BILL FOR AN ACT

101 **CONCERNING AUTHORIZATION FOR THE STATE TO SELL A PORTION OF**
102 **THE STATE’S RIGHT TO RECEIVE TOBACCO LITIGATION**
103 **SETTLEMENT MONEYS IN THE FUTURE FOR THE PURPOSE OF**
104 **OBTAINING A SINGLE CASH PAYMENT THAT CAN BE USED TO HELP**
105 **FUND QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS**
106 **INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT**
107 **INVESTMENT PROGRAM OF THE DEPARTMENT OF**
108 **TRANSPORTATION, AND, IN CONNECTION THEREWITH,**
109 **SPECIFYING THE MEANS BY WHICH SUCH A SALE MAY BE**
110 **ACCOMPLISHED.**

Bill Summary

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.

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Authorizes the state treasurer to sell the state's right to receive a specified portion of the tobacco litigation settlement moneys scheduled to be received by the state to either a public highway authority or a third party. Requires any such sale to be made no later than a specified date.

Requires the treasurer to deposit a specified amount of the proceeds of any sale made to the state highway fund for use in funding qualified federal aid transportation projects included in the strategic project investment program of the department of transportation that might otherwise be delayed due to the diversion of a portion of state income tax revenues to the state education fund pursuant to section 17 of article IX of the state constitution. Requires the treasurer to deposit all other sale proceeds into the tobacco litigation settlement trust fund. Specifies that any sale proceeds are both proceeds from a property sale and a damage award and are therefore exempt from the constitutional limitation on state fiscal year spending.

Authorizes a public highway authority to purchase a specified portion of the state's right to receive tobacco litigation settlement moneys scheduled to be received by the state from the state treasurer. Requires any such purchase to be made no later than a specified date. Requires an authority to fund any such purchase by selling said right to a third party or issuing bonds. Prohibits the corporation from selling said right to a third party that is a corporation or business entity and a party to the tobacco litigation settlement or an entity with a specified sort of legal relationship to a party to the tobacco litigation settlement. Authorizes the authority to borrow moneys or issue bond anticipation notes to defray any expenses that the authority may incur prior to issuing bonds. Requires an authority to issue bonds in accordance with existing statutory requirements for issuing bonds.

Defines terms. Makes conforming amendments. Repeals all new statutory provisions as of a specified date if the state treasurer does not sell the state's right to receive a specified portion of the tobacco litigation settlement moneys scheduled to be received by the state to either an authority or a third party.

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

2 **SECTION 1.** Article 22 of title 24, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW SECTION to read:

4 **24-22-115.8. Sale of tobacco litigation settlement moneys -**

1 **transfer of sale proceeds to state highway fund - legislative declaration**

2 **- repeal.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES
3 THAT THE SALE BY THE STATE OF CERTAIN MONEYS SCHEDULED TO BE
4 RECEIVED BY THE STATE PURSUANT TO THE TERMS OF THE MASTER
5 SETTLEMENT AGREEMENT, AS DEFINED IN SECTION 24-75-1102 (1), IN
6 EXCHANGE FOR A LUMP SUM CASH PAYMENT AND ANY OTHER VALUABLE
7 CONSIDERATION SPECIFIED IN A PROPERTY SALE CONTRACT MAY ENABLE
8 COLORADO TO COMMENCE AND COMPLETE QUALIFIED FEDERAL AID
9 TRANSPORTATION PROJECTS INCLUDED IN THE STRATEGIC TRANSPORTATION
10 PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT OF TRANSPORTATION
11 THAT MIGHT OTHERWISE BE DELAYED DUE TO THE DIVERSION OF A PORTION
12 OF STATE INCOME TAX REVENUES TO THE STATE EDUCATION FUND
13 PURSUANT TO SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION
14 ADOPTED BY THE VOTERS OF THE STATE AT THE 2000 GENERAL ELECTION.

15 (2) AS USED IN THIS SECTION, "PROPERTY SALE CONTRACT" MEANS
16 A WRITTEN INSTRUMENT PURSUANT TO WHICH:

17 (a) THE STATE TREASURER TRANSFERS THE STATE'S SPECIFIC
18 OWNERSHIP INTERESTS IN THE RIGHT TO RECEIVE SETTLEMENT MONEYS, AS
19 DEFINED IN SECTION 24-75-1102 (2), OTHER THAN SETTLEMENT MONEYS TO
20 BE APPROPRIATED IN ACCORDANCE WITH SECTION 24-75-1104 TO A PUBLIC
21 HIGHWAY AUTHORITY CREATED IN ACCORDANCE WITH PART 5 OF ARTICLE
22 4 OF TITLE 43, C.R.S., OR TO A THIRD PARTY PURSUANT TO THIS SECTION;
23 OR

24 (b) A PUBLIC HIGHWAY AUTHORITY TRANSFERS ANY SPECIFIC
25 OWNERSHIP INTERESTS OF THE PUBLIC HIGHWAY AUTHORITY IN THE RIGHT
26 TO RECEIVE SUCH SETTLEMENT MONEYS TO ONE OR MORE THIRD PARTIES
27 PURSUANT TO SECTION 43-4-509.5 (3), C.R.S.

1 (3) (a) (I) SUBJECT TO THE PROVISIONS OF SUBSECTION (4) OF THIS
2 SECTION, THE STATE TREASURER MAY EXECUTE AN ABSOLUTE ASSIGNMENT
3 OR SALE OF THE STATE'S RIGHT TO RECEIVE ANY SETTLEMENT MONEYS
4 SCHEDULED TO BE RECEIVED PRIOR TO JULY 1, 2034, THAT ARE NOT
5 REQUIRED TO BE APPROPRIATED IN ACCORDANCE WITH SECTION
6 24-75-1104 BY ENTERING INTO A PROPERTY SALE CONTRACT WITH A
7 PUBLIC HIGHWAY AUTHORITY CREATED IN ACCORDANCE WITH PART 5 OF
8 ARTICLE 4 OF TITLE 43, C.R.S., OR ANOTHER THIRD PARTY NO LATER THAN
9 AUGUST 1, 2001. THE STATE TREASURER SHALL HAVE NO AUTHORITY TO
10 ENTER INTO A PROPERTY SALE CONTRACT AFTER AUGUST 1, 2001. A
11 PROPERTY SALE CONTRACT SHALL REPRESENT A TRANSFER BY THE STATE
12 OF THE COMPLETE RIGHT OF THE STATE TO ALL OR ANY DEFINED PORTION
13 OF SUCH SETTLEMENT MONEYS IN EXCHANGE FOR CASH AND ANY OTHER
14 VALUABLE CONSIDERATION SPECIFIED IN THE PROPERTY SALE CONTRACT.
15 UPON THE EXECUTION OF A PROPERTY SALE CONTRACT BY THE STATE
16 TREASURER, THE RIGHT TO RECEIVE SETTLEMENT MONEYS TRANSFERRED
17 PURSUANT TO THE PROPERTY SALE CONTRACT SHALL NOT BE CONSIDERED
18 PROPERTY OF THE STATE FOR ANY PURPOSE UNDER STATE OR FEDERAL LAW,
19 NOTWITHSTANDING THE RETENTION OF ANY REMAINDER OR RESIDUAL
20 INTEREST IN THE RIGHT TO SETTLEMENT MONEYS SO TRANSFERRED.

21 (II) THE STATE TREASURER SHALL ONLY ENTER INTO A PROPERTY
22 SALE CONTRACT IN EXCHANGE FOR CONSIDERATION HAVING A TOTAL CASH
23 VALUE OF NO LESS THAN ONE HUNDRED EIGHTY MILLION DOLLARS.

24 (b) IN CONNECTION WITH ANY PROPERTY SALE CONTRACT, THE
25 STATE TREASURER MAY EXECUTE SUCH AGREEMENTS AND CERTIFICATES,
26 CONTAINING SUCH REPRESENTATIONS AND COVENANTS, AS ARE
27 REASONABLE AND APPROPRIATE TO ACCOMPLISH THE TRANSFER OF THE

1 RIGHT TO RECEIVE DAMAGES SETTLEMENT MONEYS FROM THE STATE TO A
2 PUBLIC HIGHWAY AUTHORITY OR ANY OTHER PARTY TO THE PROPERTY
3 SALE CONTRACT. SUBJECT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF
4 THIS SUBSECTION (3), THE STATE TREASURER MAY ENTER INTO ANY
5 PROPERTY SALE CONTRACT THAT THE STATE TREASURER BELIEVES TO BE
6 IN THE BEST INTEREST OF THE STATE.

7 (c) THE STATE TREASURER MAY LEND A PUBLIC HIGHWAY
8 AUTHORITY WITH WHICH THE STATE TREASURER ENTERS INTO A PROPERTY
9 SALE CONTRACT NO MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS,
10 AT PREVAILING INTEREST RATES, TO DEFRAY ANY EXPENSES THAT THE
11 AUTHORITY MAY INCUR BEFORE THE AUTHORITY ISSUES ANY BONDS,
12 EXECUTES ANY PROPERTY SALE CONTRACT WITH ANY PARTY OTHER THAN
13 THE STATE TREASURER, OR EXECUTES ANY OTHER TRANSFER AGREEMENT
14 PURSUANT TO SECTION 43-4-509.5, C.R.S.

15 (4) (a) IF THE STATE TREASURER ENTERS INTO A PROPERTY SALE
16 CONTRACT PURSUANT TO SUBSECTION (3) OF THIS SECTION, THE STATE
17 TREASURER SHALL DEPOSIT INTO THE STATE HIGHWAY FUND CREATED IN
18 SECTION 43-1-219, C.R.S., THE LESSER OF:

19 (I) ALL MONEYS RECEIVED BY THE STATE PURSUANT TO THE TERMS
20 OF THE PROPERTY SALE CONTRACT; OR

21 (II) AN AMOUNT DETERMINED BY THE STATE TREASURER TO BE
22 SUFFICIENT TO MITIGATE ANY REDUCTION IN MONEYS AVAILABLE DURING
23 STATE FISCAL YEAR 2001-02 FOR QUALIFIED FEDERAL AID
24 TRANSPORTATION PROJECTS INCLUDED IN THE STRATEGIC TRANSPORTATION
25 PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT OF TRANSPORTATION
26 RESULTING FROM THE ADOPTION OF SECTION 17 OF ARTICLE IX OF THE
27 STATE CONSTITUTION BY THE VOTERS OF THE STATE AT THE 2000 GENERAL

1 ELECTION.

2 (b) THE STATE TREASURER SHALL DEPOSIT ALL MONEYS RECEIVED
3 BY THE STATE PURSUANT TO THE TERMS OF A PROPERTY SALE CONTRACT
4 THAT ARE NOT REQUIRED TO BE DEPOSITED INTO THE STATE HIGHWAY FUND
5 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4) INTO THE TOBACCO
6 LITIGATION SETTLEMENT TRUST FUND CREATED IN SECTION 24-22-115.5.

7 (c) THE TRANSPORTATION COMMISSION SHALL USE MONEYS
8 DEPOSITED IN THE STATE HIGHWAY FUND PURSUANT TO THIS SUBSECTION
9 (4) TO FUND QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS
10 INCLUDED IN THE STRATEGIC PROJECT INVESTMENT PROGRAM OF THE
11 DEPARTMENT OF TRANSPORTATION THAT MIGHT OTHERWISE BE DELAYED
12 DUE TO THE DIVERSION OF A PORTION OF STATE INCOME TAX REVENUES TO
13 THE STATE EDUCATION FUND PURSUANT TO SECTION 17 OF ARTICLE IX OF
14 THE STATE CONSTITUTION ADOPTED BY THE VOTERS OF THE STATE AT THE
15 2000 GENERAL ELECTION.

16 (5) ANY MONEYS RECEIVED BY THE STATE PURSUANT TO THE TERMS
17 OF A PROPERTY SALE CONTRACT ARE EXCLUDED FROM STATE FISCAL YEAR
18 SPENDING FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE
19 CONSTITUTION AND ARTICLE 77 OF THIS TITLE BECAUSE SUCH MONEYS ARE
20 RECEIVED IN LIEU OF SETTLEMENT MONEYS, AS DEFINED IN SECTION
21 24-75-1102 (2) AND THEREFORE ARE BOTH:

22 (a) PROCEEDS FROM A PROPERTY SALE AS DEFINED IN SECTION
23 24-77-102 (11); AND

24 (b) A DAMAGE AWARD AS DEFINED IN SECTION 24-77-102 (2).

25 (6) THIS SECTION IS REPEALED, EFFECTIVE AUGUST 15, 2001,
26 UNLESS THE STATE TREASURER ENTERS INTO A PROPERTY SALE CONTRACT
27 PURSUANT TO SUBSECTION (3) OF THIS SECTION. IF THE TREASURER ENTERS

1 INTO A PROPERTY SALE CONTRACT, THE TREASURER SHALL NOTIFY THE
2 REVISOR OF STATUTES THAT A PROPERTY SALE CONTRACT HAS BEEN
3 EXECUTED NO LATER THAN TEN DAYS FOLLOWING THE EXECUTION OF THE
4 PROPERTY SALE CONTRACT OR AUGUST 10, 2001, WHICHEVER IS EARLIER.

5 **SECTION 2.** Part 5 of article 4 of title 43, Colorado Revised
6 Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

7 **43-4-509.5. Purchase of right to settlement moneys by authority**
8 **- transfer of right by authority - bonds - legislative declaration -**

9 **repeal.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT
10 THE SALE BY THE STATE OF CERTAIN MONEYS SCHEDULED TO BE RECEIVED
11 BY THE STATE PURSUANT TO THE TERMS OF THE MASTER SETTLEMENT
12 AGREEMENT, AS DEFINED IN SECTION 24-75-1102 (1), C.R.S., IN EXCHANGE
13 FOR A LUMP SUM CASH PAYMENT AND ANY OTHER VALUABLE
14 CONSIDERATION SPECIFIED IN A PROPERTY SALE CONTRACT MAY ENABLE
15 COLORADO TO COMMENCE AND COMPLETE QUALIFIED FEDERAL AID
16 TRANSPORTATION PROJECTS INCLUDED IN THE STRATEGIC TRANSPORTATION
17 PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT OF TRANSPORTATION
18 THAT MIGHT OTHERWISE BE DELAYED DUE TO THE DIVERSION OF A PORTION
19 OF STATE INCOME TAX REVENUES TO THE STATE EDUCATION FUND
20 PURSUANT TO SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION
21 ADOPTED BY THE VOTERS OF THE STATE AT THE 2000 GENERAL ELECTION.

22 (2) AS USED IN THIS SECTION, "PROPERTY SALE CONTRACT" MEANS
23 A WRITTEN INSTRUMENT PURSUANT TO WHICH:

24 (a) THE STATE TREASURER TRANSFERS THE STATE'S SPECIFIC
25 OWNERSHIP INTERESTS IN THE RIGHT TO RECEIVE SETTLEMENT MONEYS, AS
26 DEFINED IN SECTION 24-75-1102 (2), C.R.S., OTHER THAN SETTLEMENT
27 MONEYS TO BE APPROPRIATED IN ACCORDANCE WITH SECTION 24-75-1104,

1 C.R.S., TO A PUBLIC HIGHWAY AUTHORITY CREATED IN ACCORDANCE WITH
2 PART 5 OF ARTICLE 4 OF TITLE 43 OR TO A THIRD PARTY PURSUANT TO
3 SECTION 24-22-115.8 (3), C.R.S.; OR

4 (b) A PUBLIC HIGHWAY AUTHORITY TRANSFERS ANY SPECIFIC
5 OWNERSHIP INTERESTS OF THE PUBLIC HIGHWAY AUTHORITY IN THE RIGHT
6 TO RECEIVE SUCH SETTLEMENT MONEYS TO ONE OR MORE THIRD PARTIES
7 PURSUANT TO SUBSECTION (4) OF THIS SECTION.

8 (3) (a) AN AUTHORITY MAY PURCHASE THE STATE'S RIGHT TO
9 RECEIVE ANY SETTLEMENT MONEYS, AS DEFINED IN SECTION 24-75-1102
10 (2), C.R.S., SCHEDULED TO BE RECEIVED PRIOR TO JULY 1, 2034, THAT ARE
11 NOT REQUIRED TO BE APPROPRIATED IN ACCORDANCE WITH SECTION
12 24-75-1104, C.R.S., FROM THE STATE TREASURER BY ENTERING INTO A
13 PROPERTY SALE CONTRACT WITH THE STATE TREASURER NO LATER THAN
14 AUGUST 1, 2001. AN AUTHORITY SHALL HAVE NO AUTHORITY TO ENTER
15 INTO A PROPERTY SALE CONTRACT WITH THE STATE TREASURER AFTER
16 AUGUST 1, 2001. AN AUTHORITY SHALL FUND ANY SUCH PURCHASE BY
17 ENTERING INTO A PROPERTY SALE CONTRACT OR OTHER TRANSFER
18 AGREEMENT WITH ONE OR MORE THIRD PARTIES OR BY ISSUING BONDS
19 PURSUANT TO SUBSECTION (7) OF THIS SECTION.

20 (b) FOR THE PURPOSE OF DEFRAYING EXPENSES OF AN AUTHORITY
21 INCURRED PRIOR TO THE ISSUANCE OF ANY BONDS PURSUANT TO
22 SUBSECTION (7) OF THIS SECTION, AN AUTHORITY MAY:

23 (I) BORROW NO MORE THAN TWO HUNDRED FIFTY THOUSAND
24 DOLLARS FROM A PRIVATE SECTOR FINANCIAL INSTITUTION OR FROM THE
25 STATE AT PREVAILING INTEREST RATES;

26 (II) ISSUE BOND ANTICIPATION NOTES TO RAISE NO MORE THAN TWO
27 HUNDRED FIFTY THOUSAND DOLLARS.

1 (4) AN AUTHORITY MAY EXECUTE AN ABSOLUTE ASSIGNMENT OF
2 THE AUTHORITY'S RIGHT TO RECEIVE DAMAGES PAYMENTS UNDER A
3 PROPERTY SALE CONTRACT WITH THE STATE BY ENTERING INTO ONE OR
4 MORE PROPERTY SALE CONTRACTS WITH ONE OR MORE THIRD PARTIES.
5 ANY SUCH PROPERTY SALE CONTRACT SHALL REPRESENT A TRANSFER BY
6 THE AUTHORITY OF THE COMPLETE RIGHT OF THE AUTHORITY TO ALL OR
7 ANY DEFINED PORTION OF SUCH SETTLEMENT MONEYS IN EXCHANGE FOR
8 CASH AND ANY OTHER VALUABLE CONSIDERATION SPECIFIED IN THE
9 PROPERTY SALE CONTRACT. UPON THE EXECUTION OF A PROPERTY SALE
10 CONTRACT BY THE AUTHORITY PURSUANT TO THIS SUBSECTION (4), THE
11 RIGHT TO SETTLEMENT MONEYS TRANSFERRED SHALL NOT BE CONSIDERED
12 PROPERTY OF THE AUTHORITY FOR ANY PURPOSE UNDER STATE OR FEDERAL
13 LAW, NOTWITHSTANDING THE RETENTION OF ANY REMAINDER OR RESIDUAL
14 INTEREST IN THE RIGHT TO SETTLEMENT MONEYS SO TRANSFERRED. THE
15 AUTHORITY MAY ALSO TRANSFER ANY RIGHT OF THE AUTHORITY TO
16 RECEIVE DAMAGES PAYMENTS RECEIVABLE UNDER A PROPERTY SALE
17 CONTRACT WITH THE STATE BY EXECUTING ONE OR MORE AGREEMENTS
18 THAT ARE NOT CHARACTERIZED AS PROPERTY SALE CONTRACTS WITH ONE
19 OR MORE THIRD PARTIES IN EXCHANGE FOR CASH AND ANY OTHER
20 VALUABLE CONSIDERATION.

21 (5) IN CONNECTION WITH ANY PROPERTY SALE CONTRACT OR
22 OTHER TRANSFER AGREEMENT EXECUTED PURSUANT TO SUBSECTION (2) OF
23 THIS SECTION, AN AUTHORITY MAY CREATE A TRUSTOR OR OTHER ENTITY
24 AND ACT AS THE GRANTOR OR IN ANY OTHER CAPACITY WITH RESPECT TO
25 SUCH TRUST OR OTHER ENTITY AND MAY EXECUTE SUCH AGREEMENTS AND
26 CERTIFICATES, CONTAINING SUCH REPRESENTATIONS AND COVENANTS, AS
27 ARE REASONABLE AND APPROPRIATE TO ACCOMPLISH THE INTENDED

1 TRANSFER OF THE RIGHT TO RECEIVE DAMAGES PAYMENTS. THE
2 AUTHORITY SHALL AUTHORIZE THE EXECUTION OF ANY PROPERTY SALE
3 CONTRACT, OTHER TRANSFER AGREEMENT, OR RELATED CERTIFICATE OR
4 AGREEMENT PURSUANT TO A RESOLUTION OF THE DIRECTORS.

5 (6) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, AN
6 AUTHORITY SHALL NOT ENTER INTO ANY PROPERTY SALE CONTRACT
7 PURSUANT TO THIS SECTION WITH ANY THIRD PARTY THAT IS A
8 CORPORATION OR OTHER BUSINESS ENTITY AND A PARTY TO THE TOBACCO
9 LITIGATION SETTLEMENT OR WITH ANY ASSIGNEE, AGENT, PARTNER,
10 CORPORATE PARENT, AFFILIATE, SUBSIDIARY, OR SUCCESSOR IN INTEREST
11 OF ANY SUCH THIRD PARTY.

12 (7) IF AN AUTHORITY ISSUES BONDS FOR THE PURPOSE OF
13 OBTAINING THE FINANCING NECESSARY TO ENABLE THE AUTHORITY TO
14 ENTER INTO A PROPERTY SALE CONTRACT WITH THE STATE TREASURER, IT
15 SHALL ISSUE SUCH BONDS IN ACCORDANCE WITH THE PROVISIONS OF
16 SECTION 43-4-509 AND ANY OTHER PROVISIONS OF THIS PART 5 THAT
17 GOVERN THE ISSUANCE OF BONDS BY AN AUTHORITY.

18 (8) THIS SECTION IS REPEALED, EFFECTIVE AUGUST 15, 2001,
19 UNLESS THE STATE TREASURER ENTERS INTO A PROPERTY SALE CONTRACT
20 PURSUANT TO SECTION 24-22-115.8 (3), C.R.S. IF THE TREASURER ENTERS
21 INTO A PROPERTY SALE CONTRACT, THE TREASURER SHALL NOTIFY THE
22 REVISOR OF STATUTES THAT A PROPERTY SALE CONTRACT HAS BEEN
23 EXECUTED NO LATER THAN TEN DAYS FOLLOWING THE EXECUTION OF THE
24 PROPERTY SALE CONTRACT OR AUGUST 10, 2001, WHICHEVER IS EARLIER.

25 **SECTION 3.** 43-4-503 (13), Colorado Revised Statutes, is
26 amended to read:

27 **43-4-503. Definitions.** As used in this part 5, unless the context

1 otherwise requires:

2 (13) "Revenues" means any tolls, fees, rates, charges, assessments,
3 grants, contributions, SETTLEMENT MONEYS AS DEFINED IN SECTION
4 24-75-1102 (2), C.R.S., RECEIVED PURSUANT TO A PROPERTY SALE
5 CONTRACT AS DEFINED IN SECTION 43-4-509.5 (2), or other income and
6 revenues received by the authority.

7 **SECTION 4.** 24-22-115.5 (2), Colorado Revised Statutes, is
8 amended to read:

9 **24-22-115.5. Legislative declaration - tobacco litigation**
10 **settlement trust fund - creation - repeal.** (2) (a) There is hereby created
11 in the state treasury the tobacco litigation settlement trust fund. The
12 principal of the trust fund shall consist of:

13 (I) The first thirty-three million dollars of all moneys, other than
14 attorney fees and costs, paid to the state treasurer in accordance with the
15 terms of the master settlement agreement, the smokeless tobacco master
16 settlement agreement, and the consent decree approved and entered by the
17 court in the case denominated *State of Colorado, ex rel. Gale A. Norton,*
18 *Attorney General v. R.J. Reynolds Tobacco Co.; American Tobacco Co.,*
19 *Inc.; Brown & Williamson Tobacco Corp.; Liggett Group Inc.; Lorillard*
20 *Tobacco Company; Phillip Morris, Inc.; United States Tobacco Co.;*
21 *B.A.T. Industries, P.L.C.; The Council For Tobacco Research --U.S.A.,*
22 *Inc.; and Tobacco Institute, Inc.,* Case No. 97 CV 3432, in the district
23 court for the city and county of Denver;

24 (II) Not less than twenty-one percent of all additional moneys,
25 other than attorney fees and costs, paid to the state treasurer in accordance
26 with the settlement agreements and the consent decree; ~~and~~

27 (III) Any moneys transferred to the trust fund from the tobacco

1 litigation settlement cash fund at the end of any fiscal year pursuant to
2 section 24-22-115; AND

3 (IV) ANY MONEYS DEPOSITED IN THE FUND PURSUANT TO SECTION
4 24-22-115.8 (3) (b).

5 (b) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF
6 THIS SUBSECTION (2):

7 (A) SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (2)
8 IS REPEALED, EFFECTIVE AUGUST 15, 2001, IF THE STATE TREASURER
9 ENTERS INTO A PROPERTY SALE CONTRACT PURSUANT TO SECTION
10 24-22-115.8 (3). IF THE TREASURER ENTERS INTO A PROPERTY SALE
11 CONTRACT, THE TREASURER SHALL NOTIFY THE REVISOR OF STATUTES THAT
12 A PROPERTY SALE CONTRACT HAS BEEN EXECUTED NO LATER THAN TEN
13 DAYS FOLLOWING THE EXECUTION OF THE PROPERTY SALE CONTRACT OR
14 AUGUST 10, 2001, WHICHEVER IS EARLIER.

15 (B) SUBPARAGRAPH (IV) OF PARAGRAPH (a) OF THIS SUBSECTION
16 (2) IS REPEALED, EFFECTIVE AUGUST 15, 2001, UNLESS THE STATE
17 TREASURER ENTERS INTO A PROPERTY SALE CONTRACT PURSUANT TO
18 SECTION 24-22-115.8 (3). IF THE TREASURER ENTERS INTO A PROPERTY
19 SALE CONTRACT, THE TREASURER SHALL NOTIFY THE REVISOR OF STATUTES
20 THAT A PROPERTY SALE CONTRACT HAS BEEN EXECUTED NO LATER THAN
21 TEN DAYS FOLLOWING THE EXECUTION OF THE PROPERTY SALE CONTRACT
22 OR AUGUST 10, 2001, WHICHEVER IS EARLIER.

23 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE AUGUST 15,
24 2001.

25 (c) The principal of the trust fund shall not be expended or
26 appropriated for any purpose. All interest derived from the deposit and
27 investment of moneys in the trust fund shall be credited to the trust fund.

1 Such interest shall become subject to appropriation by the general
2 assembly for the funding of any programs or funds authorized by law to
3 be funded by tobacco litigation settlement moneys at such time as the state
4 auditor certifies that actuarially sound projections of future interest
5 earnings indicate that such interest will be sufficient to fully fund such
6 programs and funds. No part of such trust fund, principal or interest, shall
7 be transferred to the general fund or any other fund or used or
8 appropriated except as provided in this section.

9 **SECTION 5.** 24-22-116 (2) (a), Colorado Revised Statutes, is
10 amended to read:

11 **24-22-116. Legislative declaration - exclusion of revenue in**
12 **tobacco litigation settlement fund from fiscal year spending - repeal.**

13 (2) (a) (I) For purposes of section 20 of article X of the state constitution
14 and article 77 of this title, any moneys credited to the tobacco litigation
15 settlement cash fund in accordance with section 24-22-115 (1), including
16 moneys transferred to the tobacco settlement defense account created in
17 said cash fund pursuant to section 24-22-115 (2), or the tobacco litigation
18 settlement trust fund in accordance with section 24-22-115.5 are damage
19 awards, as defined in section 24-77-102 (2), or interest accruing on such
20 damage awards. Any moneys credited to or expended from the tobacco
21 litigation settlement cash fund, including the tobacco settlement defense
22 account, or the tobacco litigation settlement trust fund, are not included
23 in state fiscal year spending, as defined in section 24-77-102 (17), for any
24 state fiscal year.

25 (II) (A) ANY MONEYS CREDITED TO THE TOBACCO LITIGATION
26 SETTLEMENT TRUST FUND IN ACCORDANCE WITH SECTION 24-22-115.8 (3)
27 (b) ARE BOTH PROCEEDS FROM A PROPERTY SALE, AS DEFINED IN SECTION

1 24-77-102 (11), AND A DAMAGE AWARD, AS DEFINED IN SECTION 24-77-102
2 (2), OR INTEREST ACCRUING ON SUCH PROCEEDS OR A DAMAGE AWARD.

3 (B) THIS SUBPARAGRAPH (II) IS REPEALED, EFFECTIVE AUGUST 15,
4 2001, UNLESS THE STATE TREASURER ENTERS INTO A PROPERTY SALE
5 CONTRACT PURSUANT TO SECTION 24-22-115.8 (3). IF THE STATE
6 TREASURER ENTERS INTO A PROPERTY SALE CONTRACT, THE STATE
7 TREASURER SHALL NOTIFY THE REVISOR OF STATUTES THAT A PROPERTY
8 SALE CONTRACT HAS BEEN EXECUTED NO LATER THAN TEN DAYS
9 FOLLOWING THE EXECUTION OF THE PROPERTY SALE CONTRACT OR AUGUST
10 10, 2001, WHICHEVER IS EARLIER.

11 **SECTION 6.** 24-75-1101, Colorado Revised Statutes, is amended
12 to read:

13 **24-75-1101. Legislative declaration.** (1) The general assembly
14 hereby finds and declares that, pursuant to the master settlement
15 agreement between several states, including Colorado, and certain tobacco
16 companies, the state will receive substantial moneys for several years, and
17 that such moneys may be reduced based on several factors, such as
18 decreased sales of tobacco products. The general assembly further finds
19 that such moneys will enable Colorado to enact tobacco use prevention,
20 education, and cessation programs, related health programs, and literacy
21 programs and that such programs must involve cost-effective programs at
22 the state and local levels. For such purposes, the policies in this part 11
23 shall apply to all moneys received by the state from the master settlement
24 agreement.

25 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
26 SETTLEMENT MONEYS MAY ENABLE COLORADO TO COMMENCE AND
27 COMPLETE QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS INCLUDED

1 IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT PROGRAM OF
2 THE DEPARTMENT OF TRANSPORTATION THAT MIGHT OTHERWISE BE
3 DELAYED DUE TO THE DIVERSION OF A PORTION OF STATE INCOME TAX
4 REVENUES TO THE STATE EDUCATION FUND PURSUANT TO SECTION 17 OF
5 ARTICLE IX OF THE STATE CONSTITUTION ADOPTED BY THE VOTERS OF THE
6 STATE AT THE 2000 GENERAL ELECTION.

7 **SECTION 7.** 24-75-1102 (3), Colorado Revised Statutes, is
8 amended to read:

9 **24-75-1102. Definitions.** As used in this part 11, unless the
10 context otherwise requires:

11 (3) (a) "Tobacco settlement program" means any program that
12 receives appropriations from moneys received by the state pursuant to the
13 master settlement agreement.

14 (b) "TOBACCO SETTLEMENT PROGRAM" DOES NOT INCLUDE ANY
15 HIGH PRIORITY QUALIFIED FEDERAL AID TRANSPORTATION PROJECT THAT
16 RECEIVES FUNDING FROM MONEYS RECEIVED BY THE STATE PURSUANT TO
17 A PROPERTY SALE CONTRACT ENTERED INTO BY THE STATE TREASURER
18 PURSUANT TO SECTION 24-22-115.8 (3).

19 **SECTION 8.** 24-75-1103 (4), Colorado Revised Statutes, is
20 amended to read:

21 **24-75-1103. Policy on use of tobacco settlement funds.**

22 (4) (a) Since the amount of moneys to be received by the state is
23 uncertain, a portion of the settlement moneys shall be placed in an
24 endowment trust fund created in section 24-22-115.5, with the principal
25 and interest reinvested in the trust fund until the state auditor certifies that
26 actuarially sound projections of future interest earnings indicate that the
27 interest earned will be sufficient to fully fund the tobacco settlement

1 programs.

2 (b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS
3 SUBSECTION (4), IF THE STATE TREASURER ENTERS INTO A PROPERTY SALE
4 CONTRACT PURSUANT TO SECTION 24-22-115.8 (3) AND THE ONLY
5 SETTLEMENT MONEYS RECEIVED BY THE STATE IN ANY GIVEN STATE FISCAL
6 YEAR ARE SETTLEMENT MONEYS TO BE APPROPRIATED IN ACCORDANCE
7 WITH SECTION 24-75-1104, NO SETTLEMENT MONEYS NEED BE PLACED IN
8 THE TRUST FUND EXCEPT AS OTHERWISE PROVIDED BY LAW.

9 **SECTION 9.** 24-75-1104, Colorado Revised Statutes, is amended
10 BY THE ADDITION OF A NEW SUBSECTION to read:

11 **24-75-1104. Use of settlement moneys - programs.**

12 (4) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS
13 SECTION, IF THE AMOUNT OF SETTLEMENT MONEYS ANNUALLY RECEIVED
14 BY THE STATE IS REDUCED BECAUSE THE STATE TREASURER ENTERS INTO
15 A PROPERTY SALE CONTRACT PURSUANT TO SECTION 24-22-115.8 (3), THE
16 SPECIFIED AMOUNTS TO BE APPROPRIATED PURSUANT TO SUBSECTION (1)
17 OF THIS SECTION SHALL BE CALCULATED AS IF THE AMOUNT OF
18 SETTLEMENT MONEYS HAD NOT BEEN REDUCED.

19 **SECTION 10.** Part 11 of article 75 of title 24, Colorado Revised
20 Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

21 **24-75-1106. Repeal - instructions to revisor of**

22 **statutes.** SECTIONS 24-75-1101 (2), 24-75-1102 (3) (b), 24-75-1103 (4)
23 (b), 24-75-1104 (4), AND 24-75-1106 ARE REPEALED, EFFECTIVE AUGUST
24 15, 2001, UNLESS THE STATE TREASURER ENTERS INTO A PROPERTY SALE
25 CONTRACT PURSUANT TO SECTION 24-22-115.8 (3). IF THE STATE
26 TREASURER ENTERS INTO A PROPERTY SALE CONTRACT, THE STATE
27 TREASURER SHALL NOTIFY THE REVISOR OF STATUTES THAT A PROPERTY

1 SALE CONTRACT HAS BEEN EXECUTED NO LATER THAN TEN DAYS
2 FOLLOWING THE EXECUTION OF THE PROPERTY SALE CONTRACT OR AUGUST
3 10, 2001, WHICHEVER IS EARLIER.

4 **SECTION 11. 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.