A BILL FOR AN ACT

CONCERNING TRANSPORTATION INFRASTRUCTURE FUNDING.

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://leg.colorado.gov.)

In 1999, the voters of the state authorized the executive director of the department of transportation (executive director) to issue transportation revenue anticipation notes (TRANs) in a maximum principal amount of $1.7 billion and with a maximum repayment cost of $2.3 billion in order to provide financing to accelerate the construction of qualified federal aid transportation projects. The executive director issued the TRANs as authorized, and the TRANs have been fully repaid.

Section 8 of the bill requires the transportation commission...
(commission) to submit a ballot question to the voters of the state at the November 2018 statewide election, which, if approved:

! Would authorize the executive director to issue additional TRANs in a maximum principal amount of $3.5 billion and with a maximum repayment cost of $5 billion; and

! Would, in conjunction with sections 3, 4, and 7, repeal current law, enacted by Senate Bill 17-267, that requires the state treasurer to execute lease-purchase agreements of up to $1.88 billion for the purpose of funding high-priority qualified federal aid transportation projects.

The additional TRANs must have a maximum repayment term of 20 years, and the certificate, trust indenture, or other instrument authorizing their issuance must provide that the state may pay them in full before the end of the specified payment term without penalty. Additional TRANs must otherwise generally be issued subject to the same requirements and for the same purposes as the original TRANs; except that the commission must pledge to annually allocate from legally available money under its control any money needed for payment of the notes until the notes are fully repaid. Section 9 requires TRANs proceeds not otherwise pledged for TRANs payments to be credited to the state highway fund.

On and after July 1, 2018, section 5 requires 10% of state sales and use tax net revenue to be credited to the state highway fund and used first to make TRANs payments. Section 6 specifies that state sales and use tax net revenue credited to the state highway fund that is not expended to make TRANs payments and TRANs net proceeds credited to the state highway fund must be used only for qualified federal aid transportation projects that are included in the strategic transportation project investment program of the department of transportation (CDOT) and designated for tier 1 funding as 10-year development program projects on CDOT's development program project list. At least 25% of the TRANs net proceeds must be used for projects in counties with populations of 50,000 or less and at least 10% of the TRANs net proceeds must be used for transit purposes or transit-related capital improvements. Section 7 requires CDOT to include specified information about the state sales and use tax net revenue and TRANs net proceeds in its annual report to the senate transportation committee and the house transportation and energy committee.

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

SECTION 1. Short title. The short title of this act is the "Fix Colorado Roads Act".
SECTION 2. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) Colorado's population is expected to increase to over six million nine hundred thousand by 2030;

(b) Population growth has significantly increased traffic and congestion and will continue to do so in the future, causing longer travel times, increasing air pollution, decreasing Coloradans' access to recreational opportunities, and accelerating the deterioration of Colorado's transportation infrastructure;

(c) The growth of the economy of the state has prompted new and ever-increasing uses of public highways, roads, and other transportation infrastructure, and the existing transportation infrastructure of the state cannot accommodate such greatly increased uses;

(d) In order to preserve and improve Colorado's economic prosperity and quality of life, it is necessary to develop and maintain a modern, efficient, and cost-effective multimodal transportation system that can move people, goods, and information without undue delays or environmental consequences;

(e) One of the major concerns of the citizens of the state is the ability of the state and local governments to address the long-term transportation infrastructure needs of the state that are critical to the continued growth of the state's economy and the maintenance of citizens' quality of life;

(f) The state has significantly decreased its contribution of general state revenues available in recent years to fund critical priority transportation infrastructure needs, and current transportation funding mechanisms do not provide adequate revenue to keep pace with the
increasing demands on transportation infrastructure statewide;

(g) State and regional economically significant transportation corridors, and their related congestion relief projects, remain unfunded or underfunded while construction costs escalate and congestion worsens;

(h) In 1999, the general assembly and the voters of the state approved Referendum A, which authorized the state to issue transportation revenue anticipation notes to accelerate the funding and completion of twenty-eight strategic transportation projects in significant corridors, including the T-REX project, the highly successful expansion and congestion mitigation project for the Interstate 25 corridor in the Denver metropolitan area;

(i) The success of the 1999 transportation revenue anticipation notes program shows that leveraging existing revenue is a prudent and cost-effective means to accelerate and deliver large-scale and economically significant transportation projects throughout the state;

(j) In 2017, the general assembly enacted Senate Bill 17-267, which:

(I) Requires the state to enter into lease-purchase agreements for state facilities in the amount of three hundred eighty million dollars during the 2018-19 fiscal year and five hundred million dollars during each of the 2019-20, 2020-21, and 2021-22 state fiscal years in order to accelerate the funding of high-priority transportation projects throughout the state; and

(II) Significantly increases the amount of money that the state may retain and spend under its fiscal year spending limit;

(k) While the lease-purchase agreements required by Senate Bill 17-267 will provide some increased funding for transportation, such
agreements leverage state capital assets, rather than state revenue, and, to
the extent currently authorized, provide less total funding than
transportation revenue anticipation notes can;

(l) If the state enters into all of the lease-purchase agreements
required by Senate Bill 17-267, the state will be required to spend
approximately one hundred fifty million dollars per year, including one
hundred million dollars per year from the state general fund and fifty
million dollars per year from money under the control of the
transportation commission, to repay the lease-purchase agreements;

(m) It is necessary, in order to avoid delaying critical
transportation projects that are expected to be funded in part with
proceeds of lease-purchase agreements to be issued during the 2018-19
state fiscal year, for the state to enter into lease-purchase agreements as
required by Senate Bill 17-267 during the 2018-19 state fiscal year;

(n) It is also necessary, appropriate, and in the best interest of the
state to:

(I) Repeal the requirement that the state enter into additional
lease-purchase agreements during the 2019-20, 2020-21, and 2021-22
state fiscal years;

(II) If required statewide voter approval can be obtained either at
the November 2018 general election for a citizen-initiated ballot measure
that authorizes the state to issue transportation revenue notes or at the
November 2019 statewide election for a ballot issue submitted by the
state that authorizes the state to issue transportation revenue anticipation
notes as specified in this act, use transportation revenue anticipation notes
instead of lease-purchase agreements to finance federal aid transportation
projects because doing so will generate a larger amount of up-front
revenue for the projects and will enable the state to design and construct
the projects more efficiently; and

(III) Use the money that will no longer be needed to repay
lease-purchase agreements, as well as a portion of the additional general
fund money that the state may retain and spend under its fiscal year
spending limit due to the enactment of Senate Bill 17-267, to repay the
transportation revenue anticipation notes and provide additional funding
for transportation infrastructure projects and maintenance; and

(o) The issuance of new transportation revenue anticipation notes
in lieu of the execution of lease-purchase agreements will accelerate the
funding and efficient completion of a greater number of specific and
designated projects throughout the state that the Colorado department of
transportation and the transportation planning regions of the state have
determined to be of highest priority and economically significant to the
state and the regions in which they will be built.

(2) The general assembly further finds and declares that:

(a) This act does not increase taxes or fees or refer a ballot issue
to the voters of the state seeking their approval to raise taxes or fees;

(b) Private citizens have proposed ballot measures by initiative,
one or more of which may be placed on the ballot for the November 2018
general election, which, if approved by the voters of the state, will
authorize the state to issue transportation revenue anticipation notes to
provide additional funding for transportation infrastructure projects; and

(c) If such a citizen-initiated ballot measure is not placed on the
ballot for the November 2018 general election or if the voters reject every
such ballot measure that is placed on that ballot, it is necessary and
appropriate for the state to refer a ballot issue that authorizes the state to
issue transportation revenue anticipation notes to the voters of the state at the November 2019 statewide election as specified in this act.

SECTION 3. In Colorado Revised Statutes, 24-75-219, add (1)(g) and (5) as follows:

24-75-219. Transfers - transportation - capital construction - definitions - repeal. (1) As used in this section, unless the context otherwise requires:

(g) "STATE HIGHWAY FUND" MEANS THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219.

(5) (a) On June 30, 2019, the state treasurer shall transfer five hundred million dollars from the general fund to the state highway fund for expenditure in accordance with section 43-1-220.5.

(b) (I) Except as otherwise provided in subsection (5)(b)(II) of this section, on June 30, 2020, and on each succeeding June 30 through June 30, 2039, the state treasurer shall transfer two hundred fifty million dollars from the general fund to the state highway fund for expenditure in accordance with section 43-1-220.5.

(II) (A) This subsection (5)(b) is repealed, effective January 1, 2020, if either a ballot issue that authorizes the state to issue transportation revenue anticipation notes is not submitted to the registered electors of the state for their approval or rejection at the November 2019 statewide election pursuant to section 43-4-705 (13)(b) or such a ballot issue is submitted and a majority of the electors voting on the ballot issue vote "No/Against".
(B) THIS SUBSECTION (5)(b)(II) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR".

SECTION 4. In Colorado Revised Statutes, 24-82-1303, amend (2)(a), (2)(b), and (2)(d)(II); and repeal (1) as follows:

24-82-1303. Lease-purchase agreements for capital construction and transportation projects. (1) On or before December 31, 2017, the state architect, the director of the office of state planning and budgeting or his or her designee, and the state institutions of higher education shall identify and prepare a collaborative list of eligible state facilities that can be collateralized as part of the lease-purchase agreements for capital construction and transportation projects authorized in this part 13. The total current replacement value of the identified buildings must equal at least two billion dollars.

(2) (a) Notwithstanding the provisions of sections 24-82-102 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no sooner than July 1, 2018, the state, acting by and through the state treasurer, shall execute lease-purchase agreements, each for no more than twenty years of annual payments, for the projects described in subsection (4) of this section. The state shall execute the lease-purchase agreements only in accordance with the following schedule: DURING THE 2018-19 STATE FISCAL YEAR IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS.

(f) During the 2018-19 state fiscal year, the state shall execute
lease-purchase agreements in an amount up to five hundred million dollars;

(II) During the 2019-20 state fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars;

(III) During the 2020-21 state fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars; and

(IV) During the 2021-22 fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars.

(b) The anticipated annual state-funded payments for the principal and interest components of the amount payable under all lease-purchase agreements entered into pursuant to subsection (2)(a) of this section shall not exceed one hundred fifty THIRTY-SEVEN million FIVE HUNDRED
         THOUSAND dollars.

(d) Any lease-purchase agreement executed as required by subsection (2)(a) of this section shall provide that all of the obligations of the state under the agreement are subject to the action of the general assembly in annually making money available for all payments thereunder. Payments under any lease-purchase agreement must be made, subject to annual allocation pursuant to section 43-1-113 by the transportation commission created in section 43-1-106 (1) or subject to annual appropriation by the general assembly, as applicable, from the following sources of money:

(II) Next, fifty TEN million ONE HUNDRED THOUSAND dollars annually, or any lesser amount that is sufficient to make each full payment
due, shall be paid from any legally available money under the control of
the transportation commission solely for the purpose of allowing the
construction, supervision, and maintenance of state highways to be
funded with the proceeds of lease-purchase agreements as specified in
subsection (4)(b) of this section and section 43-4-206 (1)(b)(V); and

SECTION 5. In Colorado Revised Statutes, add 43-1-125 as
follows:

43-1-125. Restriction on tolled and managed lanes - absence of
feasible alternatives required - definition. (1) As used in this
section, "MANAGED LANE" means a toll lane, a high-occupancy
toll lane, or a high-occupancy vehicle lane.

(2) Neither the department nor any enterprise of the
department shall construct or designate a managed lane on a
state highway or enter into a public-private partnership that
includes the construction or designation of a managed lane on
a state highway unless:

(a) The department or enterprise, taking safety
considerations into account but balancing any safety impacts
against the benefits of capacity expansion and congestion relief,
has thoroughly evaluated alternative means of increasing the
capacity of and reducing traffic congestion on the state
highway including:

(I) Narrowing lanes or shoulders on the existing roadway
in order to increase the number of lanes available;

(II) Converting one or more existing lanes, or one or more
new lanes resulting from lane or shoulder narrowing, into
reversible lanes; and
(III) Optimizing traffic flow through other configurational or operational changes to the state highway such as:

(A) Weaving section improvements;

(B) Interchange modification and, if applicable, other access point modifications;

(C) One or more dedicated bus or truck lanes; and

(D) If the state highway includes traffic signals, optimization of traffic flow through traffic signal coordination or use of adaptive traffic signals; and

(b) The department or enterprise has published detailed written data-based findings that clearly establish that when compared to the addition of one or more managed lanes, all of the alternatives evaluated are unfeasible to implement or too unsafe to be implemented or would not provide adequate capacity expansion and congestion relief.

SECTION 6. In Colorado Revised Statutes, add 43-1-220.5 as follows:

43-1-220.5. State highway fund - use of money transferred from general fund - repayment of transportation revenue anticipation notes - repeal. (1) The department of transportation shall expend money transferred from the general fund to the state highway fund pursuant to section 24-75-219 (5)(a) only for new highway construction projects as otherwise provided in subsections (2) and (3) of this section, the department of transportation shall expend money transferred from the general fund to the state highway fund pursuant to section
24-75-219 (5)(b) ONLY FOR QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS THAT ARE INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT OF TRANSPORTATION AND THAT ARE DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S DEVELOPMENT PROGRAM PROJECT LIST, WITH AT LEAST TWENTY-FIVE PERCENT OF THE GENERAL FUND MONEY BEING USED FOR PROJECTS THAT ARE LOCATED IN COUNTIES WITH POPULATIONS OF FIFTY THOUSAND OR LESS AS OF JULY 2015 AS REPORTED BY THE STATE DEMOGRAPHY OFFICE OF THE DEPARTMENT OF LOCAL AFFAIRS; EXCEPT THAT SUCH GENERAL FUND MONEY MAY ALSO BE EXPENDED FOR MAINTENANCE OF THE STATE HIGHWAY SYSTEM. NO MORE THAN NINETY PERCENT OF THE GENERAL FUND MONEY SHALL BE EXPENDED FOR HIGHWAY PURPOSES OR HIGHWAY-RELATED CAPITAL IMPROVEMENTS, AND AT LEAST TEN PERCENT OF THE GENERAL FUND MONEY SHALL BE EXPENDED FOR TRANSIT PURPOSES OR FOR TRANSIT-RELATED CAPITAL IMPROVEMENTS.

(2) (a) IF A BALLOT ISSUE INITIATED BY PRIVATE CITIZENS THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR", THE DEPARTMENT SHALL EXPEND MONEY TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5) FIRST, TO THE EXTENT NEEDED, FOR MAINTENANCE OF THE TRANSPORTATION INFRASTRUCTURE PROJECTS FINANCED BY THE NOTES AND THEREAFTER EXCLUSIVELY FOR MAINTENANCE OF THE STATE HIGHWAY SYSTEM.
(b) (I) This subsection (2) is repealed, effective January 1, 2019, if either:

(A) A ballot issue initiated by private citizens that authorizes the state to issue transportation revenue anticipation notes to finance the construction of transportation infrastructure projects is not submitted to the registered electors of the state for their approval or rejection at the November 2018 general election; or

(B) such a ballot issue is submitted and a majority of the electors voting on the ballot issue vote "No/Against".

(II) This subsection (2)(b) is repealed, effective January 1, 2019, if a ballot issue initiated by private citizens that authorizes the state to issue transportation revenue anticipation notes is submitted to the registered electors of the state for their approval or rejection at the November 2018 general election and a majority of the electors voting on the ballot issue vote "Yes/For".

(3) (a) If a ballot issue that authorizes the state to issue transportation revenue anticipation notes is submitted to the registered electors of the state for their approval or rejection at the November 2019 statewide election pursuant to section 43-4-705 (13)(b) and a majority of the electors voting on the ballot issue vote "Yes/For", the department shall expend money transferred from the general fund to the state highway fund pursuant to section 24-75-219 (5) first, to the extent needed, to make the full amount of payments due on the notes and thereafter exclusively for maintenance of the state highway
SYSTEM.

(b) (I) THIS SUBSECTION (3) IS REPEALED:

(A) EFFECTIVE JANUARY 1, 2019, IF A BALLOT ISSUE INITIATED BY PRIVATE CITIZENS THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/For";

(B) EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/Against".

(II) THIS SUBSECTION (3)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/For".

SECTION 7. In Colorado Revised Statutes, 43-1-1401, amend (2) as follows:

43-1-1401. Legislative declaration. (2) The general assembly intends that this part 14 authorize AUTHORIZES the department of transportation to enter INTO design-build contracts and to use an adjusted
score design-build selection and procurement process for particular transportation projects regardless of the minimum or maximum cost of such projects, based on the individual needs and merits of such projects, and subject to approval by the transportation commission. The general assembly also intends that the department's use of an adjusted score design-build contract process shall "DOES not prohibit use of the low bid process currently used by the department pursuant to part 1 of article 92 of title 24 and part 14 of article 30 of title 24. C.R.S. THE GENERAL ASSEMBLY FURTHER INTENDS THAT WHEN DETERMINING WHETHER TO USE THE LOW BID PROCESS OR THE DESIGN-BUILD PROCESS TO CONTRACT FOR A PROJECT, THE DEPARTMENT STRONGLY CONSIDER THE EXTENT TO WHICH USE OF THE DESIGN-BUILD PROCESS IS LIKELY, BY EXCLUDING CONTRACTORS THAT LACK THE CAPABILITY OR SIZE TO DO BOTH THE DESIGN AND CONSTRUCTION WORK FOR THE PROJECT, TO REDUCE COMPETITION IN BIDDING FOR THE CONTRACT, INCREASE THE TOTAL COSTS TO THE STATE OF DESIGNING AND BUILDING THE PROJECT, OR BOTH.

SECTION 8. In Colorado Revised Statutes, 43-4-206, amend (1) introductory portion, (2)(b) introductory portion, (2)(b)(III), and (2)(b)(IV) as follows:

43-4-206. State allocation. (1) Except as otherwise provided in subsections (1)(a)(V), (2), (2)(b)(V), and (3) of this section, after paying the costs of the Colorado state patrol and any other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, that are appropriated by the general assembly, money in the highway users tax fund shall be paid to the state highway fund and expended for the following purposes:

(2)(b) Beginning in 1998, the department of transportation shall
report annually to the transportation committee of the senate and the
transportation and energy committee of the house of representatives
concerning the revenue expended by the department pursuant to
subsection (2)(a) of this section and, beginning in 2018, any STATE
GENERAL FUND MONEY THAT IS CREDITED TO THE STATE HIGHWAY FUND
PURSUANT TO SECTION 24-75-219 (5) AND EXPENDED BY THE
DEPARTMENT PURSUANT TO SECTION 43-1-220.5, AND ANY NET PROCEEDS
of lease-purchase agreements executed as required by section 24-82-1303
(2)(a) that are credited to the state highway fund pursuant to section
24-82-1303 (4)(b) and expended by the department pursuant to subsection
(1)(b)(V) of this section. The department shall present the report at the
joint meeting required under section 43-1-113 (9)(a), and the report shall
describe for each fiscal year, if applicable:

   (III) The projected amounts of revenue and net proceeds that the
department expects to receive under this subsection (2), and subsection
(1)(b)(V) of this section

   (IV) The amount of revenue and net proceeds that the department
has already received under this subsection (2), and subsection (1)(b)(V)
of this section

SECTION 9. In Colorado Revised Statutes, 43-4-702, repeal (7); and add (9) as follows:

43-4-702. Definitions. As used in this part 7, unless the context
otherwise requires:

(7) "Revenue anticipation notes" or "notes" means revenue
anticipation notes authorized by and issued in accordance with this part.
(9) "TRANSPORTATION REVENUE ANTICIPATION NOTES", "REVENUE ANTICIPATION NOTES", OR "NOTES" MEANS REVENUE ANTICIPATION NOTES AUTHORIZED BY AND ISSUED IN ACCORDANCE WITH THIS PART 7.

SECTION 10. In Colorado Revised Statutes, 43-4-705, amend (13) as follows:

43-4-705. Revenue anticipation notes - repeal.

(13) (a) Notwithstanding any other provision of this part 7 to the contrary, the executive director shall have the authority to issue revenue anticipation notes pursuant to this part 7 only if voters statewide approve the ballot question submitted at the November 1999 statewide election pursuant to section 43-4-703 (1) and only then to the extent allowed under the maximum amounts of debt and repayment cost so approved.

(b) (I) SUBJECT TO VOTER APPROVAL OF THE BALLOT ISSUE SUBMITTED AT THE NOVEMBER 2019 GENERAL ELECTION PURSUANT TO SUBSECTION (13)(b)(III) OF THIS SECTION AND THE REPAYMENT FUNDING COMMITMENT REQUIREMENT SPECIFIED IN SUBSECTION (13)(b)(II) OF THIS SECTION, THE EXECUTIVE DIRECTOR SHALL ISSUE ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES IN A MAXIMUM AMOUNT OF THREE BILLION FIVE HUNDRED MILLION DOLLARS AND WITH A MAXIMUM REPAYMENT COST OF FIVE BILLION DOLLARS. THE MAXIMUM REPAYMENT TERM FOR ANY NOTES ISSUED PURSUANT TO THIS SUBSECTION (13)(b) IS TWENTY YEARS, AND THE CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT AUTHORIZING THEIR ISSUANCE SHALL PROVIDE THAT THE STATE MAY PAY THE NOTES IN FULL BEFORE THE END OF THE SPECIFIED PAYMENT TERM WITHOUT PENALTY.

(II) NOTWITHSTANDING SECTION 43-1-113 (19) AND SUBSECTION
(a) OF THIS SECTION, BEFORE ISSUING ANY REVENUE ANTICIPATION
NOTES AS AUTHORIZED BY SUBSECTION (13)(b)(I) OF THIS SECTION, THE
TRANSPORTATION COMMISSION SHALL ADOPT A RESOLUTION PLEDGING TO
ANNUALLY ALLOCATE FROM LEGALLY AVAILABLE MONEY UNDER ITS
CONTROL ANY AMOUNT NEEDED FOR PAYMENT OF THE NOTES UNTIL THE
NOTES ARE FULLY REPAID.

(III) THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED
ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE
NOVEMBER 2019 STATEWIDE ELECTION THE FOLLOWING BALLOT ISSUE:
"SHALL STATE OF COLORADO DEBT BE INCREASED UP TO $3,500,000,000,
WITH A MAXIMUM REPAYMENT COST OF $5,000,000,000, THROUGH THE
ISSUANCE OF TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE
PURPOSE OF ADDRESSING CRITICAL PRIORITY TRANSPORTATION NEEDS IN
THE STATE BY FINANCING TRANSPORTATION PROJECTS, SHALL NOTE
PROCEEDS AND INVESTMENT EARNINGS ON NOTE PROCEEDS BE EXCLUDED
FROM STATE FISCAL YEAR SPENDING LIMITS, AND SHALL THE AMOUNT OF
LEASE-PURCHASE AGREEMENTS REQUIRED BY CURRENT LAW TO BE ISSUED
FOR THE PURPOSE OF FINANCING TRANSPORTATION PROJECTS BE
REDUCED?"

(IV) WITHIN FORTY-FIVE DAYS OF THE EFFECTIVE DATE OF THIS
SUBSECTION (13)(b)(IV), THE DEPARTMENT SHALL PROVIDE TO THE
DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL THE MOST RECENT
AVAILABLE LIST OF QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS,
INCLUDING MULTIMODAL CAPITAL PROJECTS, THAT ARE DESIGNATED FOR
TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE
DEPARTMENT'S 2019 DEVELOPMENT PROGRAM PROJECT LIST AND THAT
THE DEPARTMENT WILL FUND WITH PROCEEDS OF ANY TRANSPORTATION
REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED BY THIS
SUBSECTION (13)(b). IN ORDER TO FULLY INFORM THE VOTERS OF THE
STATE CONCERNING THE PROJECTS TO BE FUNDED WITH PROCEEDS OF ANY
SUCH ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES
BEFORE THE VOTERS VOTE ON THE BALLOT QUESTION SPECIFIED IN
SUBSECTION (13)(b)(III) OF THIS SECTION, THE DIRECTOR OF RESEARCH
SHALL PUBLISH THE LIST, INCLUDING ANY SUBSEQUENT UPDATES TO THE
LIST MADE BEFORE FINAL APPROVAL BY THE LEGISLATIVE COUNCIL OF THE
2018 BALLOT INFORMATION BOOKLET PREPARED PURSUANT TO SECTION
1-40-124.5, WHICH UPDATES THE DEPARTMENT SHALL EXPEDITIOUSLY
PROVIDE TO THE DIRECTOR OF RESEARCH, IN THE BALLOT INFORMATION
BOOKLET.

(V) (A) THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE
JANUARY 1, 2019, IF A BALLOT ISSUE INITIATED BY PRIVATE CITIZENS THAT
AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE
ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE
STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018
GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE
BALLOT ISSUE VOTE "YES/For".

(B) THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE JANUARY
1, 2020, IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE IN
SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "NOAGAINST".

(C) THIS SUBSECTION (13)(b)(V) IS REPEALED, EFFECTIVE
JANUARY 1, 2020, IF A MAJORITY OF THE ELECTORS VOTING ON THE
BALLOT ISSUE IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE
"YES/For".

SECTION 11. In Colorado Revised Statutes, amend 43-4-714 as
follows:

43-4-714. Priority of strategic transportation project investment program - additional contract award process requirements - use of note proceeds - repeal. (1) If the executive director issues any revenue anticipation notes in accordance with the provisions of this part 7, the proceeds from the sale of such notes that are not otherwise pledged for the payment of such notes shall be used for the qualified federal aid transportation projects included in the strategic transportation project investment program of the department of transportation.

(2) (a) In addition to the requirement specified in subsection (1) of this section, net proceeds from the sale of any transportation revenue anticipation notes that the executive director issues pursuant to section 43-4-705 (13)(b) that are not otherwise pledged for the payment of the notes shall be credited to the state highway fund and expended by the department only for qualified federal aid transportation projects that are included in the strategic transportation project investment program of the department of transportation and that are designated for tier 1 funding as ten-year development program projects on the department’s development program project list, with at least twenty-five percent of the net proceeds of transportation revenue anticipation notes being used for projects that are located in counties with populations of fifty thousand or less as of July 2015 as reported by the state demography office of the department of local affairs. No more than ninety percent of the
NET PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES SHALL BE EXPENDED FOR HIGHWAY PURPOSES OR HIGHWAY-RELATED CAPITAL IMPROVEMENTS, AND AT LEAST TEN PERCENT OF THE NET PROCEEDS SHALL BE EXPENDED FOR TRANSIT PURPOSES OR FOR TRANSIT-RELATED CAPITAL IMPROVEMENTS, INCLUDING SOUND WALLS ALONG INTERSTATE HIGHWAYS.

(b) (I) THIS SUBSECTION (2) IS REPEALED:

(A) EFFECTIVE JANUARY 1, 2019, IF A BALLOT ISSUE INITIATED BY PRIVATE CITIZENS THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR".

(B) EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST".

(II) THIS SUBSECTION (2)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/For".
SECTION 12. Effective date - applicability. (1) Except as otherwise provided in subsection (2) of this section, this act takes effect upon passage.

(2) Section 4 of this act takes effect only if either:

(a) A ballot issue initiated by private citizens that authorizes the state to issue transportation revenue anticipation notes is submitted to the registered electors of the state for their approval or rejection at the November 2018 general election and a majority of the electors voting on the ballot issue vote "Yes/For", and, in such case, section 4 of this act takes effect on the date of the official declaration of the vote thereon by the governor; or

(b) A ballot issue that authorizes the state to issue transportation revenue anticipation notes is submitted to the registered electors of the state for their approval or rejection at the November 2019 statewide election pursuant to section 43-4-705 (13)(b), Colorado Revised Statutes, enacted in section 9 of this act, and a majority of the electors voting on the ballot issue vote "Yes/For", and, in such case, section 4 of this act takes effect on the date of the official declaration of the vote thereon by the governor.

SECTION 13. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.