First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

ENGROSSED

This Version Includes All Amendments Adopted on Second Reading in the House of Introduction

LLS NO. 23-0746.01 Zach Blaes x4348

HOUSE BILL 23-1156

HOUSE SPONSORSHIP

Taggart and Young,

SENATE SPONSORSHIP

Kolker and Pelton R.,

House Committees

Senate Committees

Transportation, Housing & Local Government

A BILL FOR AN ACT

CONCERNING MODERNIZATION OF THE PUBLIC AIRPORT AUTHORITY

102 ACT.

101

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.)

The "Public Airport Authority Act" (act) authorizes a county or a municipality, or a combination of counties and municipalities, to create an airport authority to operate an airport located within the county or municipality or the combination of counties and municipalities. The bill modernizes the act as follows:

• Section 1 of the bill defines "inflation" as the annual

- percentage change in the United States department of labor, bureau of labor statistics, consumer price index for Denver-Aurora-Lakewood for all items paid by all urban consumers, or its successor index;
- Section 2 clarifies the extent of the power of a county, a municipality, or a combination of counties and municipalities, to terminate an airport authority by requiring that a terminating county, municipality, or combination assume the terminated authority's outstanding financial and contractual obligations and requiring that a terminating county, municipality, or combination operate and maintain the airport that the airport authority previously operated, and receive and hold title to the land on which the airport is located;
- Section 3 clarifies that members of an airport authority's board of commissioners (board) do not receive compensation for their services, members of a board are subject to the statutory ethics and conflict of interest provisions that apply to local government officials, a member of a board who was appointed to fill a vacancy may be appointed to serve a successive term, and that board meetings are subject to statutory open meetings requirements;
- Section 3 changes the requirement that 60% of board members be present for a quorum to 50%;
- Section 3 clarifies that the majority vote of all members of a board is required for questions involving the inclusion in or exclusion from an airport authority of a municipality or county and for authorizing an expenditure greater than \$250,000;
- Section 3 modifies the process by which a board procures contracts, including updating the process for a board to award a contract to the lowest bidder after soliciting an invitation for bids and clarifying that the process to award a contract to the lowest bidder applies only to capital improvement projects and the purchase of new vehicles and equipment;
- Section 4 clarifies an airport authority's powers to remove hazards and encroachments, impose fees on airport users to defray the cost of operating an airport, and regulate commercial activities conducted within an airport authority;
- Section 4 clarifies that an airport authority must follow local zoning regulations when erecting structures within an airport authority and that an airport authority may invest surplus money in a local government investment pool;

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- Section 4 allows an airport authority to request that a county or municipality within which the airport authority is located levy a tax for the airport authority's benefit or modify or adopt certain local zoning regulations;
- Section 5 clarifies that tenants or users of an airport that an airport authority operates are not entitled to any of the tax exemptions that apply to airport authorities; and
- Section 6 makes a conforming amendment to clarify that a member of a board is a local government official.

1 Be it enacted by the General Assembly of the State of Colorado: 2 **SECTION 1.** In Colorado Revised Statutes, 41-3-103, add (12.5) 3 as follows: 4 **41-3-103. Definitions.** As used in this article ARTICLE 3, unless 5 the context otherwise requires: 6 (12.5) "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN 7 THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR 8 STATISTICS, CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD 9 FOR ALL ITEMS PAID BY ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX. 10 **SECTION 2.** In Colorado Revised Statutes, 41-3-104, amend (6) 11 as follows: 12 41-3-104. Creation of authorities. (6) Any authority created 13 pursuant to the provisions of this article shall cease to exist upon the 14 filing with the director of the division of local government of a certified 15 resolution of each county or municipality composing the authority 16 requesting the termination of such authority; but adequate provisions shall 17 be made for the payment of the outstanding bonds of the authority A 18 COUNTY, A MUNICIPALITY, OR A COMBINATION MAY ADOPT A RESOLUTION 19 TERMINATING THE EXISTENCE OF AN AUTHORITY. A TERMINATING 20 RESOLUTION MUST REQUIRE THE COUNTY, THE MUNICIPALITY, OR THE

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1	COMBINATION TERMINATING THE AUTHORITY TO:
2	(a) Assume the repayment obligations of any of the
3	AUTHORITY'S OUTSTANDING BONDS;
4	(b) Assume the obligations of any of the authority's
5	OUTSTANDING CONTRACTS ENTERED INTO PURSUANT TO THIS ARTICLE 3;
6	(c) ASSUME THE OPERATION AND MAINTENANCE OF THE AIRPORT
7	THAT THE AUTHORITY WAS AUTHORIZED TO OPERATE AND MAINTAIN; AND
8	(d) RECEIVE AND HOLD TITLE TO THE REAL PROPERTY ON WHICH
9	THE AIRPORT IS LOCATED AND THAT THE AUTHORITY IS AUTHORIZED TO
10	OPERATE AND MAINTAIN.
11	SECTION 3. In Colorado Revised Statutes, 41-3-105, amend (2),
12	(3), (5)(a), (5)(d), and (5)(h) as follows:
13	41-3-105. Board of commissioners. (2) The board of
14	commissioners of an authority created by the formation of a combination
15	shall consist CONSISTS of at least five members, but no more than nine
16	members, representing the counties or municipalities participating in the
17	combination. The authorizing resolution, filed with the director of the
18	division of local government in the department of local affairs, as
19	provided in PURSUANT TO section 41-3-104 (1), shall MUST contain a
20	provision as to the representation of the counties and municipalities
21	participating in the combination. The members of the board of an
22	authority created by a combination shall MUST be appointed by resolution
23	of the governing boards of the counties or municipalities that are
24	members of the combination, WITH the initial appointments, at the
25	election of such municipality or county, to be made by the authorizing
26	resolution filed with the director of said THE division OF LOCAL
27	GOVERNMENT. If the county in which the airport is to be located is not a

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member of the combination, then the member or members, if any, to which such THE county is entitled shall be appointed by the board of county commissioners of such THE county. The board created by the independent action of a county shall consist CONSISTS of five members who shall be appointed by the board of county commissioners of the county, and initial appointments to such THE board, at the election of the board of county commissioners, may be made in the authorizing resolution filed with the director of said THE division OF LOCAL GOVERNMENT. Board members from municipalities and counties in this state shall MUST be taxpaying electors, as defined in section 1-1-104 (49), C.R.S., at the time of their appointment residing AND MUST RESIDE in the municipality or county from which appointed. After an authority is organized by the formation of a combination, the inclusion of additional counties or municipalities shall entitle ENTITLES the included municipalities or counties to representation on the same basis as other counties or municipalities. Each member of the board may receive as compensation for his or her services a sum not in excess of sixty dollars per year. No member of the board shall receive any compensation as an employee of the authority or otherwise, other than that provided in this section, and A MEMBER OF THE BOARD DOES NOT RECEIVE COMPENSATION FOR THE MEMBER'S SERVICE ON THE BOARD. No member of the board shall be interested in any contract or transaction with the authority except in his or her THE MEMBER'S official respective capacity. MEMBERS OF THE BOARD ARE SUBJECT TO THE STANDARDS OF CONDUCT FOR LOCAL GOVERNMENT OFFICIALS SPECIFIED IN ARTICLE 18 OF TITLE 24.

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(3) The term of each member shall be for IS four years; except that the terms of the members of the first board shall be ARE adjusted so that

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the terms of one-half of the members shall expire AFTER two years thereafter. At the first meeting of the board of a newly formed authority the commissioners shall determine by lot which members shall serve for two-year terms and which shall serve for four-year terms. At the expiration of the term of any commissioner, a new appointment shall be made by the appropriate governing board, and any member, INCLUDING A MEMBER APPOINTED TO FILL A VACANCY, may be appointed to succeed himself TO SERVE A SUCCESSIVE TERM.

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- (5) The board, in addition to any other powers conferred by this article, has the following powers:
- (a) To fix the time and place at which its regular meetings shall be ARE held, which place may be located within any municipality or county forming a part of an authority created by a combination, or within the county independently creating such authority; and shall provide for the calling and holding of special meetings to organize, adopt bylaws and rules of procedure, and select a chairman CHAIRPERSON and pro tem chairman. Notice of time and place designated for all regular meetings shall be posted in at least three places within each municipality and county forming a part of the authority if created by the formation of a combination, and, in addition, one such notice shall be posted, irrespective of the procedure under which the authority is created, in the county courthouse in the county wherein the airport is located and in the county creating the authority. Such notices shall remain posted and shall be changed in the event that the time or place of such regular meeting is changed. Special meetings CHAIRPERSON. A SPECIAL MEETING may be called by any officer or member of the board by informing the other members of the date, time, and place of such THE SPECIAL meeting and

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the purpose for which it is called. and by posting as provided in this paragraph (a) at least three days previous to said meeting. All business of the board shall be conducted only during such regular or special meetings, and all of such meetings shall be open to the public ALL REGULAR OR SPECIAL MEETINGS ARE SUBJECT TO THE OPEN MEETING AND NOTICE REQUIREMENTS OF SECTION 24-6-402.

(d) To transact business only if a quorum of sixty percent FIFTY PERCENT of the board is present at a regular or special meeting. but all THE BOARD MAY TAKE ACTION OR APPROVE ANY MATTER BY A MAJORITY OF A QUORUM; EXCEPT THAT ALL questions involving the inclusion or exclusion of a municipality or county in or from the authority or authorizing any expenditures in excess of ten thousand dollars shall require the affirmative majority vote of the board, and all other questions shall require the affirmative vote of not less than fifty percent of the board TWO HUNDRED FIFTY THOUSAND DOLLARS MUST BE APPROVED BY A MAJORITY OF THE MEMBERS OF THE BOARD. BEGINNING JANUARY 1, 2029, AND EVERY FIVE YEARS THEREAFTER, THE TWO HUNDRED FIFTY THOUSAND DOLLAR FIGURE SPECIFIED IN THIS SUBSECTION IS ADJUSTED FOR INFLATION.

(h) To prescribe a method of auditing and allowing or rejecting claims and demands and a method for the letting of contracts on a fair and competitive basis for the construction of works, structures, or equipment or the performance or furnishing of labor, materials, or supplies as required for the carrying out of any of the purposes of this article; but, in cases where the amount involved is fifty thousand dollars or more, the board shall provide for the letting of contracts to the lowest responsible bidder after publication in the official newspaper of notices inviting bids,

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subject to the right of said board to reject any and all proposals and to readvertise for bids as provided in this section. The procedures above described shall be subject to the approval of the board of county commissioners of any county independently creating an authority under the provisions of this article, and any action on the part of the board to raise or increase revenue from any source whatsoever for the purposes of the authority shall also be subject to such approval. The board shall be bound to carry out any action requested by the board of county commissioners PROCURING CONTRACTS TO CARRY OUT THE AUTHORITY'S PURPOSES PURSUANT TO THIS ARTICLE 3, INCLUDING CONTRACTS FOR THE CONSTRUCTION OF WORKS AND STRUCTURES, EQUIPMENT, THE PERFORMANCE OF LABOR OR SERVICES, OR THE FURNISHING OF SUPPLIES OR MATERIALS. THE BOARD SHALL COMPLY WITH THE REQUIREMENTS OF ARTICLE 91 OF TITLE 24 WHEN PROCURING AND ENTERING INTO A CONSTRUCTION CONTRACT. FOR ANY CONTRACT INVOLVING FEDERAL FUNDS, THE BOARD SHALL COMPLY WITH ALL APPLICABLE FEDERAL STATUTES, REGULATIONS, GUIDELINES, AND POLICIES. FOR ALL CAPITAL IMPROVEMENT PROJECTS AND THE PURCHASE OF NEW VEHICLES AND NEW EQUIPMENT, THE BOARD SHALL:

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(I) SOLICIT THE CONTRACT BY AN INVITATION FOR BIDS. AN INVITATION FOR BIDS MAY INCLUDE CRITERIA FOR THE BOARD TO DETERMINE ACCEPTABILITY OF A BID, INCLUDING INSPECTION, TESTING, QUALITY, WORKMANSHIP, DELIVERY, AND SUITABILITY FOR A PARTICULAR PURPOSE. ANY CRITERIA THAT THE BOARD CONSIDERS IN EVALUATING THE BID MUST BE OBJECTIVELY MEASURABLE.

(II) INCLUDE WITHIN AN INVITATION FOR BIDS A PURCHASE DESCRIPTION AND ALL CONTRACTUAL TERMS AND CONDITIONS

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1	APPLICABLE TO THE PROCUREMENT;
2	(III) PROVIDE ADEQUATE PUBLIC NOTICE OF THE INVITATION FOR
3	BIDS WITHIN A REASONABLE TIME PRIOR TO THE TIME THE BOARD SETS FOR
4	THE OPENING OF BIDS;
5	(IV) RECORD THE AMOUNT OF EACH BID AND THE NAME OF EACH
6	BIDDER, WHICH THE BOARD SHALL KEEP OPEN FOR PUBLIC INSPECTION;
7	(V) Allow the withdrawal of an inadvertently erroneous
8	BID BEFORE THE BID IS AWARDED IF THE BIDDER SUBMITS DOCUMENTARY
9	EVIDENCE THAT CLEARLY AND CONVINCINGLY DEMONSTRATES AN ERROR
10	WAS MADE;
11	(VI) AWARD THE CONTRACT WITH REASONABLE PROMPTNESS TO
12	THE LOW RESPONSIBLE BIDDER WHOSE BID MEETS THE CRITERIA SET FORTH
13	IN THE INVITATION FOR BIDS; EXCEPT THAT THE BOARD SHALL RESOLVE
14	ANY TIE IN ACCORDANCE WITH SECTION 24-103-902; AND
15	(VII) MAINTAIN FOR PUBLIC INSPECTION ALL BIDS AND BID
16	DOCUMENTS IN ACCORDANCE WITH SECTIONS 24-72-203 AND 24-72-204.
17	SECTION 4. In Colorado Revised Statutes, 41-3-106, amend
18	(1)(d), (1)(h), (1)(k), and (1)(l); and add (1)(m) and (1)(n) as follows:
19	41-3-106. Powers of an authority. (1) An authority has the
20	following powers:
21	(d) To enter into contracts and agreements affecting the affairs of
22	the authority, including, but not limited to, contracts with the United
23	States, the state of Colorado, and an adjoining state, if a combination
24	includes a municipality or county from the adjoining state, AND ANY
25	COUNTY OR MUNICIPALITY FROM WHICH THE AUTHORITY ORIGINATED;
26	(h) To regulate, when acting singly, or by agreement, when acting
27	jointly with any other municipality or county, the receiving, deposit, and

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removal and the embarkation of passengers or property to or from the airport; to regulate or prohibit any airport hazard to exact and require charges, fees, and rentals, together with a lien to enforce the payment IN THE SAME MANNER THAT A COUNTY OR MUNICIPALITY IS AUTHORIZED TO REMOVE A HAZARD PURSUANT TO SECTION 41-4-108 OR AN ENCROACHMENT PURSUANT TO SECTION 41-4-109; TO IMPOSE CHARGES, FEES, AND RENTALS ON USERS OF THE AUTHORITY'S AIRPORT AND FACILITIES TO DEFRAY THE COSTS OF OPERATING, MAINTAINING, AND IMPROVING THE AIRPORT; to lease or assign for operation such ANY space, or area, appurtenances, appliances, or other conveniences necessary or useful in connection therewith WITH OPERATING THE AIRPORT; EXCEPT AS RELATED TO THE PRICE, ROUTE, OR SERVICE OF AN AIR CARRIER, TO REGULATE A COMMERCIAL ACTIVITY THAT ANY PERSON CONDUCTS AT AN AIRPORT; to own and operate aircraft; to employ pilots; to provide rules and regulations governing the use of such THE airport and facilities and the use of other property and means of transportation within or over said THE airport, landing field, and navigation facilities; to perform any duties necessary or consistent with the regulation of air traffic; to enter into contracts or otherwise cooperate with the United States, the state, an adjoining state, if a combination includes a municipality or county from the adjoining state, or other public or private agencies; and to exercise such powers as may be required or consistent with the promotion of aeronautics and the furtherance of commerce and navigation by air;

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(k) To construct and maintain works and establish and maintain facilities, within or without the boundaries of the municipalities or counties constituting members of the authority or within or without the boundaries of the county independently creating an authority pursuant to

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the provisions of this article, across or along any public street or highway or in, upon, under, or over any vacant public lands, which public lands are now, or may become, the property of the state; but the authority shall promptly restore any such street or highway to its former state of usefulness as nearly as may be and shall not use the same STREET OR HIGHWAY in such manner as to completely or unnecessarily impair the usefulness thereof OF THE STREET OR HIGHWAY. WHEN EXERCISING ITS POWER PURSUANT TO THIS SUBSECTION (1)(k), AN AUTHORITY SHALL COMPLY WITH ALL APPLICABLE LOCAL ZONING AND BUILDING REGULATIONS, EXCEPT TO THE EXTENT THAT ANY ZONING OR BUILDING REGULATIONS ARE PREEMPTED BY FEDERAL LAW, AND ALL GUIDELINES AND REGULATIONS OF THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION.

(l) To invest any surplus money in the treasury of the authority, including such money in any sinking or trust fund established for the purpose of retiring bonds at or prior to maturity not required for the immediate necessities of the authority, IN ANY LOCAL GOVERNMENT INVESTMENT POOL TRUST FUND PURSUANT TO PART 7 OF ARTICLE 75 OF TITLE 24, OR in securities meeting the investment requirements established in part 6 of article 75 of title 24. C.R.S. Such ANY investment IN SECURITIES may be made by direct purchase of any issue of such securities, or part thereof, at the original sale of the same THE SECURITIES or by the subsequent purchase of such THE securities. Any securities thus purchased and held BY AN AUTHORITY may be sold, unless such THE sale is prohibited by any agreement under which the same THE SECURITIES have been or shall WILL be deposited and the proceeds thereof OF THE SECURITIES reinvested in securities as provided in this paragraph (l). Sales

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1	SUBSECTION (1)(1). THE SALE of any securities thus purchased and held
2	shall BY THE AUTHORITY MUST be made at such time so that A TIME WHEN
3	the proceeds may be applied to the purposes for which THAT the money
4	with which the securities were originally purchased was placed in the
5	treasury of the authority.
6	(m) NOTWITHSTANDING SUBSECTION (1)(e) OF THIS SECTION, TO
7	REQUEST THAT A COUNTY OR MUNICIPALITY IN WHICH THE AUTHORITY IS
8	LOCATED LEVY A TAX WITHIN THAT COUNTY OR MUNICIPALITY FOR THE
9	AUTHORITY'S BENEFIT THAT IS CONSISTENT WITH THE COLORADO
10	CONSTITUTION AND THE POWER OF A COUNTY OR MUNICIPALITY TO LEVY
11	A TAX; AND
12	(n) TO REQUEST, CONSISTENT WITH ALL APPLICABLE GUIDELINES
13	AND REGULATIONS OF THE UNITED STATES DEPARTMENT OF
14	TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION, THAT A COUNTY
15	OR MUNICIPALITY ADOPT OR MODIFY EXISTING ZONING REGULATIONS
16	REGARDING:
17	(I) THE PREVENTION OR ELIMINATION OF HAZARDS TO AIR
18	NAVIGATION;
19	(II) THE INSTALLATION, OPERATION, AND MAINTENANCE OF
20	NAVIGATIONAL MARKING AND LIGHTING ON STRUCTURES OR TREES IN
21	AREAS SURROUNDING THE AIRPORT AN AUTHORITY OPERATES;
22	(III) COMPATIBLE LAND USES IN AREAS IMMEDIATELY
23	SURROUNDING THE AIRPORT THE AUTHORITY OPERATES; OR
24	(IV) THE CRITERIA FOR AREAS SURROUNDING AIRPORTS SPECIFIED
25	IN SECTION 24-65.1-202 (5)(a).
26	SECTION 5. In Colorado Revised Statutes, amend 41-3-107 as
27	follows:

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1	41-3-107. Legal status of authorities - tax exemption. (1) An
2	authority created pursuant to this article is hereby declared to be a
3	political subdivision of the state, exercising essential governmental
4	powers for a public purpose. The general assembly, therefore, finds:
5	(a) That no authority, or county independently creating an
6	authority, shall be IS required to pay any general ad valorem taxes upon
7	an airport or any facilities connected therewith located within the state
8	nor upon the interest of the authority therein;
9	(b) That bonds issued under this article and the income therefrom
10	shall be ARE free and exempt from taxation by the state, or any political
11	subdivision of the state, with the exception of transfer, inheritance, and
12	estate taxes; AND
13	(c) The tax exemptions specified in this section do not
14	APPLY TO ANY TENANTS OR USERS OF THE AIRPORT THAT AN AUTHORITY
15	OPERATES.
16	SECTION 6. In Colorado Revised Statutes, 24-18-102, amend
17	(6) as follows:
18	24-18-102. Definitions. As used in this part 1, unless the context
19	otherwise requires:
20	(6) "Local government official" means an elected or appointed
21	official of a local government, but does not include an employee of a
22	local government. Local government official includes a member of
23	THE BOARD OF COMMISSIONERS OF ANY AIRPORT AUTHORITY CREATED
24	PURSUANT TO ARTICLE 3 OF TITLE 41.
25	SECTION 7. Act subject to petition - effective date. This act
26	takes effect at 12:01 a.m. on the day following the expiration of the
27	ninety-day period after final adjournment of the general assembly; except

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- that, if a referendum petition is filed pursuant to section 1 (3) of article V
- of the state constitution against this act or an item, section, or part of this
- act within such period, then the act, item, section, or part will not take
- 4 effect unless approved by the people at the general election to be held in
- November 2024 and, in such case, will take effect on the date of the
- 6 official declaration of the vote thereon by the governor.

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