

HOUSE COMMITTEE OF REFERENCE REPORT

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April 16, 2018

Chairman of Committee

Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB18-1374 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, page 3, strike lines 5 through 21 and substitute  
2 "LEASE-PURCHASE AGREEMENT MUST INCLUDE A CONTRACTUAL  
3 REQUIREMENT THAT IN THE FIFTEENTH CALENDAR YEAR AFTER EITHER THE  
4 DATE OF THE SUBSTANTIAL COMPLETION OF THE CONSTRUCTION OR AFTER  
5 THE DATE OF ACQUISITION, A SECOND LEASE-PURCHASE AGREEMENT MUST  
6 BE ENTERED INTO IN ORDER TO ESTABLISH A RESERVE TO BE USED FOR THE  
7 CONTROLLED MAINTENANCE NEEDS OF THE REAL PROPERTY IN AN AMOUNT  
8 THAT, AT THE TIME THE SECOND LEASE-PURCHASE AGREEMENT IS  
9 EXECUTED, EQUALS AN ESTIMATION OF THE SUM OF ONE PERCENT OF THE  
10 INSURED VALUE OF THE REAL PROPERTY FOR EACH YEAR STARTING WITH  
11 THE SIXTEENTH YEAR AFTER EITHER THE DATE OF THE SUBSTANTIAL  
12 COMPLETION OF THE CONSTRUCTION OR AFTER THE DATE OF ACQUISITION  
13 AND CONTINUING FOR A TOTAL PERIOD OF TWENTY-FIVE YEARS. THE  
14 MONEY IN THE RESERVE MAY BE INVESTED AND, IF INVESTED, THE  
15 INVESTMENTS MUST MEET THE REQUIREMENTS SET FORTH IN SECTION  
16 24-36-113. THE MONEY IN THE RESERVE MAY BE USED FOR ANY  
17 CONTROLLED MAINTENANCE NEEDS OF THE REAL PROPERTY. A BILL  
18 ENACTED BY THE GENERAL ASSEMBLY AS REQUIRED IN SUBSECTION  
19 (1)(a)(I) OF THIS SECTION AUTHORIZING THE FIRST LEASE-PURCHASE  
20 AGREEMENT MUST INCLUDE A REFERENCE TO THE RESERVE REQUIREMENT  
21 SET FORTH IN THIS SUBSECTION (1)(a)(II). THE REQUIREMENT THAT A  
22 LEASE-PURCHASE AGREEMENT MAY ONLY BE AUTHORIZED BY A BILL  
23 ENACTED BY THE GENERAL ASSEMBLY DOES NOT APPLY TO THE SECOND  
24 LEASE-PURCHASE AGREEMENT THAT MUST BE ENTERED INTO PURSUANT TO

- 1 THIS SUBSECTION (1)(a)(II).".
- 2 Page 3, line 24, strike "INCLUDES" and substitute "MAY INCLUDE".
- 3 Page 3, line 26, after "BUDGET." add "ALSO FOR PURPOSES OF THIS  
4 SECTION, "INSURED VALUE" MEANS THE INSURED VALUE OF THE REAL  
5 PROPERTY AS DETERMINED THROUGH THE RISK MANAGEMENT PROGRAM  
6 ESTABLISHED IN PART 15 OF ARTICLE 30 OF TITLE 24.".

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