

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 20-0541.01 Jason Gelender x4330

HOUSE BILL 20-1161

HOUSE SPONSORSHIP

Bird, Snyder

SENATE SPONSORSHIP

Winter and Tate,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ALLOCATION OF PRIVATE ACTIVITY BONDS, AND, IN**
102 **CONNECTION THEREWITH, ELIMINATING THE BOND ALLOCATION**
103 **COMMITTEE, REQUIRING THE STATE HOUSING BOARD TO ASSUME**
104 **THE ALLOCATION RELATED FUNCTIONS OF THE COMMITTEE,**
105 **AND ELIMINATING THE CAP ON THE DIRECT ALLOCATION FEE**
106 **PAID TO THE DEPARTMENT OF LOCAL AFFAIRS.**

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>.)

Federal law limits the amount of tax-exempt private activity bonds

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
3rd Reading Unamended
February 18, 2020

HOUSE
2nd Reading Unamended
February 18, 2020

that may issued within each state and allows each state to provide by law a formula for allocating the limited amount of bonding authority among eligible bond issuers. **Sections 1 and 2** of the bill eliminate the bond allocation committee that currently reviews and makes recommendations to the executive director of the department of local affairs (DOLA) regarding statewide priorities for the allocation of the limited amount of bonding authority and requires the state housing board to conduct the review and make the recommendations. **Section 3** eliminates a cap on the amount of the direct allocation fee paid to DOLA by bond issuers that use the direct allocation of bonding authority to issue private activity bonds or that make a mortgage credit certificate election and eliminates the executive director's authority to promulgate rules to implement the statutes that govern private activity bond allocation.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-32-1703, **repeal**
3 (6); and **add** (1.5) as follows:

4 **24-32-1703. Definitions.** As used in this part 17, unless the
5 context otherwise requires:

6 (1.5) "BOARD" MEANS THE STATE HOUSING BOARD CREATED IN
7 SECTION 24-32-706 (1).

8 (6) ~~"Committee" means the bond allocations committee created~~
9 ~~pursuant to section 24-32-1707 (3).~~

10 **SECTION 2.** In Colorado Revised Statutes, 24-32-1707, **amend**
11 (2)(b) and (4); and **repeal** (3) as follows:

12 **24-32-1707. Statewide balance.** (2) (b) On and after September
13 15 each year, the statewide balance may be allocated among all issuing
14 authorities. The executive director shall make all of the allocations from
15 the statewide balance in his or her sole discretion with the advice of the
16 ~~committee~~ BOARD and in accordance with the priorities pursuant to this
17 section.

18 (3) ~~There is hereby created, within the department, a bond~~

1 ~~allocations committee, composed of nine members, as follows: The~~
2 ~~executive director, who shall act as chairman of the committee; four~~
3 ~~municipal or county officials, one of whom shall represent a municipality~~
4 ~~or county west of the continental divide; three citizens at large, one of~~
5 ~~whom shall reside west of the continental divide; and one representative~~
6 ~~of the state issuing authorities who shall be appointed annually and serve~~
7 ~~at the pleasure of the governor. The four municipal or county officials and~~
8 ~~the three citizens at large shall be appointed by the governor for terms not~~
9 ~~to exceed three years, and such members shall serve at the pleasure of the~~
10 ~~governor. Any vacancy occurring in the membership of the committee~~
11 ~~shall be filled by the governor by appointment for the unexpired term of~~
12 ~~such member. The members of the committee shall serve without~~
13 ~~compensation; except that members shall be entitled to reimbursement for~~
14 ~~actual and necessary expenses. The executive director may convene the~~
15 ~~committee from time to time as he deems necessary.~~

16 (4) The ~~committee~~ BOARD shall review and recommend to the
17 executive director statewide priorities for the allocation of the statewide
18 balance. Prior to the making of such recommendations, the department
19 shall hold one or more public meetings to obtain input from the public
20 regarding statewide priorities for the current year, information regarding
21 the use of all bond allocations in the prior year, and other appropriate
22 matters.

23 **SECTION 3.** In Colorado Revised Statutes, 24-32-1709.5,
24 **amend** (1)(a); and **repeal** (3) as follows:

25 **24-32-1709.5. Administrative costs of the department - private**
26 **activity bond allocation fund - creation.** (1) The department may
27 charge and collect the following administrative fees for the costs

1 associated with the administration of this part 17:

2 (a) **The direct allocation fee.** The department may charge an
3 administrative fee for direct allocations. The executive director shall
4 annually determine the amount of the fee. ~~In no event shall the amount of~~
5 ~~the fee specified in this paragraph (a) be set so as to reimburse the~~
6 ~~department for more than thirty percent of the direct and indirect costs of~~
7 ~~administering this part 17.~~ The fee charged shall only be borne by entities
8 that use the direct allocation to issue private activity bonds or make a
9 mortgage credit certificate election.

10 (3) ~~The executive director may promulgate rules in accordance~~
11 ~~with article 4 of this title to the extent necessary for the administration of~~
12 ~~this part 17.~~

13 **SECTION 4. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2020 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.