

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 14-0465.01 Esther van Mourik x4215

HOUSE BILL 14-1170

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A BILL FOR AN ACT

101 CONCERNING THE AUTHORITY OF THE STATE TO ENTER INTO
102 LEASE-PURCHASE AGREEMENTS FOR THE COLORADO BUREAU
103 OF INVESTIGATION'S PUEBLO REGIONAL OFFICE AND FORENSIC
104 LABORATORY, AND, IN CONNECTION THEREWITH, MAKING AN
105 APPROPRIATION. ==

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://www.leg.state.co.us/bills summaries>.)

The bill authorizes the state treasurer to enter into one or more

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.*

SENATE
Amended 2nd Reading
April 25, 2014

HOUSE
3rd Reading Unamended
April 7, 2014

HOUSE
Amended 2nd Reading
April 4, 2014

lease-purchase agreements on the state's behalf for the financing of the purchase and remodel by the state of real property for the Colorado bureau of investigation's Pueblo forensic laboratory and regional office.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) The Colorado bureau of investigation's (CBI) Pueblo regional
5 office provides investigative assistance and forensic evidence analysis to
6 support thirty-four thousand square miles policed by approximately one
7 hundred twenty-five Colorado law enforcement agencies;

8 (b) The CBI's Pueblo regional office is a key access point for law
9 enforcement agencies in southern Colorado to receive investigative and
10 forensic services;

11 (c) The current Pueblo forensic laboratory and regional office are
12 housed in a leased single story building with a basement structure that
13 was built in 1965. The building was originally planned and occupied as
14 a retail establishment and is surrounded by existing retail establishments.

15 (d) Significant safety, environmental, structural, and capacity
16 issues have been identified in the current facility, which will make
17 receiving International Organization for Standardization (ISO)
18 accreditation for the laboratory impossible. The facility is unsafe and does
19 not provide sufficient space to conduct forensic analysis per industry
20 standards.

21 (e) The potential for evidence contamination, which would
22 negatively impact the outcome of criminal cases, is a constant concern;

23 (f) Without the ISO accreditation, the Pueblo facility will have to
24 close and operations will have to be relocated to Denver and Grand

1 Junction. Response times for the CBI would increase by an additional one
2 hour and 45 minutes if responding from Denver and five hours if
3 responding from Grand Junction. This would also increase round-trip
4 transportation costs. Increased travel time from either the Denver or
5 Grand Junction laboratories would inflate the risk of losing perishable
6 evidence due to inclement weather or unsecured crime scenes, and it
7 would also delay the time for gathering witness statements, conducting
8 interviews, or interrogations.

9 (g) Without the ISO accreditation the CBI would lose a prorated
10 annual portion of approximately \$250,000 in federal operating funds from
11 the National Institute of Justice, which would negatively impact local law
12 enforcement agencies and the CBI's operating budget;

13 (h) During the 2013 legislative session, the general assembly
14 enacted House Bill 13-1020, which requires law enforcement agencies to
15 submit to the CBI an inventory of all unanalyzed forensic evidence in
16 active sexual assault investigations that meet the standards for mandatory
17 submission, and the CBI has developed a plan to analyze this evidence.
18 Overall, the plan required by House Bill 13-1020 is expected to increase
19 sexual assault submissions by four times the current submission rate. This
20 will mean an additional eight hundred submissions will need to be
21 processed annually at the Pueblo facility, necessitating more DNA testing
22 equipment.

23 (i) For the past six years the CBI has been working closely with
24 law enforcement and private sector partners in the Pueblo service area to
25 locate an alternative Pueblo facility. The CBI recognizes that maintaining
26 a facility in Pueblo is critical for providing public safety services to
27 Southern Colorado and for keeping professional law enforcement and

1 scientist positions in the area.

2 (j) A new facility will enable the CBI to receive ISO certification
3 by 2015 and would allow for more space for technology solutions,
4 improvement of turnaround times, and would provide the safe and
5 effective operation of a forensic science laboratory and crime scene
6 responses in the Southern Colorado region.

7 (2) It is therefore considered good public policy to authorize the
8 state of Colorado, acting by and through the state treasurer, to enter into
9 one or more lease-purchase agreements and other agreements as
10 necessary to finance the purchase and remodel of real property for the
11 Colorado Bureau of Investigation's regional office and forensic laboratory
12 located in Pueblo.

13 **SECTION 2. Lease-purchase agreement.** (1) (a) Subject to the
14 requirements specified in paragraph (c) of this subsection (1), the state of
15 Colorado, acting by and through the state treasurer, is authorized to
16 execute a lease-purchase agreement for up to twenty years for the state to
17 purchase and renovate real property in Pueblo county for the Colorado
18 bureau of investigation's regional Pueblo office and forensic laboratory.
19 The total amount of the principal component of said lease-purchase
20 agreement shall not exceed eleven million dollars (\$11,000,000), plus
21 reasonable and necessary administrative, monitoring, and closing costs
22 and interest.

23 (b) Enactment of this act shall satisfy the requirements of sections
24 24-82-102 (1) (b) and 24-82-801, Colorado Revised Statutes, which
25 require authorization of a lease-purchase agreement by a bill other than
26 an annual general appropriation bill or a supplemental appropriation bill.

27 (c) (I) The department of public safety must present a plan for the

1 purchase and renovation of the real property and for the lease-purchase
2 transaction to the office of state planning and budgeting and the capital
3 development committee for approval no later than the effective date of
4 this paragraph (c). Once approved, the department of public safety must
5 seek approval prior to closing from the office of state planning and
6 budgeting and the capital development committee for any material
7 changes to the plan that may become necessary during the negotiation.

8 (II) The construction and renovation of the real property must be
9 completed by following the requirements set forth in articles 91 to 93 of
10 title 24, Colorado Revised Statutes.

11 (III) The real property may not be subject to any restrictive
12 covenants, contracts, or zoning requirements that restrict public access to
13 the property or restrict any alternative state use of the property.

14 (IV) The state controller may not enter into any agreement for a
15 payment in lieu of property taxes from which the state is statutorily
16 exempt under section 39-3-124 (1), Colorado Revised Statutes.

17 (V) The state controller must approve all agreements relating to
18 the purchase, operation, and lease-purchase financing of the real property
19 prior to closing.

20 (2) (a) The lease-purchase agreement authorized in subsection (1)
21 of this section must provide that all of the obligations of the state under
22 the agreement are subject to the action of the general assembly in
23 annually making moneys available for all payments thereunder. The
24 agreement must also provide that the obligations shall not be deemed or
25 construed as creating an indebtedness of the state within the meaning of
26 any provision of the state constitution or the laws of the state of Colorado
27 concerning or limiting the creation of indebtedness by the state of

1 Colorado and shall not constitute a multiple fiscal-year direct or indirect
2 debt or other financial obligation of the state within the meaning of
3 section 20 (4) of article X of the state constitution. In the event the state
4 of Colorado does not renew the lease-purchase agreement authorized in
5 subsection (1) of this section, the sole security available to the lessor shall
6 be the real property that is the subject of the nonrenewed lease-purchase
7 agreement.

8 (b) (I) The lease-purchase agreement authorized in subsection (1)
9 of this section may contain such terms, provisions, and conditions as the
10 state treasurer, acting on behalf of the state of Colorado, may deem
11 appropriate, including all optional terms; except that the lease-purchase
12 agreement must specifically authorize the state of Colorado to:

13 (A) Receive fee title to all real and personal property that is the
14 subject of the lease-purchase agreement on or prior to the expiration of
15 the terms of the lease-purchase agreement; and

16 (B) Reduce the term of the lease through prepayment of rental and
17 other payments.

18 (II) Any title to property received by the state on or prior to the
19 expiration of the terms of the lease-purchase agreement will be held by
20 the state for the benefit and use of the Colorado bureau of investigation.

21 (c) The state of Colorado, acting through the state treasurer, is
22 authorized to enter into ancillary agreements and instruments as are
23 deemed necessary or appropriate in connection with the lease-purchase
24 agreements, including but not limited to ground leases, easements, or
25 other instruments relating to the real property to be purchased.

26 (3) The provisions of section 24-30-202 (5) (b), Colorado Revised
27 Statutes, shall not apply to the lease-purchase agreement authorized in

1 subsection (1) of this section or any ancillary agreement entered into
2 pursuant to paragraph (c) of subsection (2) of this section. Any provision
3 of the fiscal rules promulgated pursuant to section 24-30-202 (1) and
4 (13), Colorado Revised Statutes, that the state controller deems to be
5 incompatible or inapplicable with respect to said lease-purchase
6 agreements or any ancillary agreement may be waived by the controller
7 or his or her designee.

8 **SECTION 3. Appropriation.** In addition to any other
9 appropriation, there is hereby appropriated, out of any moneys in the
10 general fund, not otherwise appropriated, to the department of public
11 safety, for the fiscal year beginning July 1, 2013, the sum of \$37,500, or
12 so much thereof as may be necessary, for allocation to the Colorado
13 bureau of investigation for project management costs related to the
14 implementation of this act.

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16 **SECTION 4. Appropriation.** (1) In addition to any other
17 appropriation, there is hereby appropriated, out of any moneys in the
18 general fund, not otherwise appropriated, to the department of public
19 safety, for the fiscal year beginning July 1, 2014, the sum of \$984,542, or
20 so much thereof as may be necessary, to be allocated for the
21 implementation of this act as follows:

- 22 (a) \$867,542 for lease payments;
- 23 (b) \$112,500 for project management costs; and
- 24 (c) \$4,500 for property insurance.

25 **(2)** In addition to any other appropriation, there is hereby
26 appropriated to the department of personnel, for the fiscal year beginning
27 July 1, 2014, the sum of \$4,500, or so much thereof as may be necessary,

1 for allocation to risk management services for property insurance for the
2 department of public safety related to the implementation of this act. Said
3 sum is from reappropriated funds received from the department of public
4 safety out of the appropriation made in paragraph (c) of subsection (1) of
5 this section.

6 **SECTION 5. Safety clause.** The general assembly hereby finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, and safety.