

Second Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

DRAFT  
1.27.20

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LLS NO. 20-0642.01 Esther van Mourik x4215

COMMITTEE BILL

Capital Development Committee

BILL TOPIC: "Waive 6-month Cap Constr Encumbrance Deadline"

A BILL FOR AN ACT

101 CONCERNING THE WAIVER OF THE SIX-MONTH ENCUMBRANCE  
102 DEADLINE FOR PROFESSIONAL SERVICES CONTRACTS ENTERED  
103 INTO FOR CAPITAL CONSTRUCTION PROJECTS. <{*This could be*  
104 *tightened up depending on what the CDC would like to do with*  
105 *this issue.*}>

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/>.)*

**Capital Development Committee.** Current law requires the capital development committee (CDC) to recommend to the controller

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

that the deadline be waived for capital construction projects that cannot meet the 6-month encumbrance deadline for professional services contracts entered into for capital construction projects. The bill eliminates the CDC's involvement in the waiver requests and instead leaves the controller with the sole authority to approve such waiver requests.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-30-1404, amend  
3 (7)(a) as follows:

4           **24-30-1404. Contracts.** (7) (a) Except as provided in subsections  
5 (7)(b), (7)(c), (7)(e), (7)(f), (7)(g), and (7)(h) of this section, any  
6 professional services contract entered into pursuant to the provisions of  
7 this part 14 shall be executed and encumbered within six months after the  
8 date on which the appropriation that includes the project for which the  
9 professional services are required becomes law. If no professional  
10 services contract is required for a particular project, the contract with the  
11 contractor for the project shall be entered into within six months after the  
12 appropriation. If a state agency or state institution of higher education  
13 determines that the nature of a particular project is such that the deadlines  
14 imposed by this section cannot be met, the state agency or state institution  
15 of higher education may request ~~the capital development committee to~~  
16 ~~recommend to the controller that~~ TO WAIVE the deadline be waived for  
17 that project. The controller ~~in consultation with the capital development~~  
18 ~~committee~~ may grant a waiver from the deadlines. This subsection (7)  
19 ~~shall~~ DOES not apply to projects under the supervision of the department  
20 of transportation. This subsection (7) ~~shall~~ DOES not affect any priority  
21 established pursuant to section 44-40-111 (11) in the general  
22 appropriation act for expenditures for projects to be financed from net  
23 lottery proceeds appropriated for capital construction.

1 <{Here's an example of how the 6-month encumbrance deadline  
2 waiver could be addressed. The CDC could just choose to get itself out  
3 of the business of being involved in those waivers and leave it up to the  
4 controller to make those decisions.}>

5 <{Another option would be to eliminate all of subsection (7) and not  
6 require the money to be encumbered in 6 months. I believe Mr. Pogue  
7 will have some information for you as to why this subsection was  
8 adopted in 1989.}>

9 <{FYI, 24-30-1404 (7)(h) already specifies that the 6-month  
10 encumbrance deadline does not apply to IT projects that are overseen  
11 by the JTC.}>

12 SECTION 2. Act subject to petition - effective date -  
13 applicability. (1) This act takes effect at 12:01 a.m. on the day following  
14 the expiration of the ninety-day period after final adjournment of the  
15 general assembly (August 5, 2020, if adjournment sine die is on May 6,  
16 2020); except that, if a referendum petition is filed pursuant to section 1  
17 (3) of article V of the state constitution against this act or an item, section,  
18 or part of this act within such period, then the act, item, section, or part  
19 will not take effect unless approved by the people at the general election  
20 to be held in November 2020 and, in such case, will take effect on the  
21 date of the official declaration of the vote thereon by the governor.

22 (2) This act applies to professional services contracts entered into  
23 on or after the applicable effective date of this act.