



## SB25-081

**SHORT TITLE:** Treasurer's Office

**LONG TITLE:** Concerning public financing, and, in connection therewith establishing the building urgent infrastructure and leveraging dollars authority, modifying the state public financing cash fund, and allowing the state treasurer to use a security token offering for state capital financing.

**SPONSORS:** Senators Bridges and Amabile/Rep. Bird

**COMMITTEES:** Senate Finance

**PURPOSE OF THE BILL:** To encourage the building of critical large infrastructure in Colorado through public investment of capital financing by creating a Critical Infrastructure Authority and expanding the powers of the State Treasurer.

**PROponents OF THE BILL:** Construction industry, unions, bond dealers?

**POTENTIAL STAKEHOLDERS:** Construction industry, unions, bond dealers, proponents of various infrastructure projects, municipalities, financial institutions

**BACKGROUND:** When a state agency obtains the required approval for the financing of a capital project as specified in law, the state treasurer shall act as the issuing manager as set forth in 24-36-121 C.R.S. Previous legislation SB 22-025 directed the Treasurer to study the use of security token to raise capital financing through a security token offering. "Security token offering" means a capital financing method in which security tokens representing fractional interests in a financial asset are sold to investors in lieu of selling the actual financial asset to investors.

**Is this bill necessary this year (is there a deadline)?** Not unless there is a deadline for use of any federal funds that may be deposited in the account which is unknown at present.

**How does the bill change current law?** In addition to creating a new entity whose primary purpose is to finance certain infrastructure projects that are ready for construction or commencement. The Authority can issue bonds. The bill removes the limit on the amounts included in the issuance or incurrence of certain financial obligations by the state that the state treasurer credits to the fund. The bill modifies the fund so that bond counsel approval is no longer needed before money in the fund is used to reimburse the state treasurer for certain verifiable costs. The bonds can be used to finance a variety of named infrastructure, SB 25-081 authorizes the Treasurer to use a security token offering for critical infrastructure financing.

**Does the bill affect the prior appropriation system?** No

**How is the bill implemented?** A nine-member board whose membership is set forth in statute will oversee the Authority. Acting as a body corporate, the Board has broad powers to conduct its duties including all acts necessary to effectuate the issuance of bonds and continue the fund for its designated use.

**Practical considerations:** Will enough revenue be generated to repay the loan from the revolving fund? If the financing of a potential water project is unsuccessful, or a loan default, how will that impact future private or public financing for such projects?

**Fiscal impact:** There is no fiscal note