

**First Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 09-0565.01 Duane Gall

**HOUSE BILL 09-1126**

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**HOUSE SPONSORSHIP**

**Hullinghorst, Curry**

**SENATE SPONSORSHIP**

**Shaffer B., Heath**

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**House Committees**

Transportation & Energy  
Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING INCENTIVES FOR THE DEVELOPMENT OF SOLAR THERMAL**  
102     **ENERGY SYSTEMS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Allows local governments to provide the same incentives for solar thermal installations as may now be provided for solar electric installations. Adds a corresponding exemption from state sales and use tax.

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

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.*

1           **SECTION 1.** 31-20-101.3 (2), Colorado Revised Statutes, is  
2 amended to read:

3           **31-20-101.3. Incentives for installation of renewable energy**  
4 **fixtures - definitions.** (2) For purposes of this section, unless the  
5 context otherwise requires, "renewable energy fixture" means any fixture,  
6 product, system, device, or interacting group of devices that produces  
7 ENERGY, INCLUDING BUT NOT LIMITED TO ALTERNATING CURRENT  
8 electricity, from renewable resources, including, but not limited to,  
9 photovoltaic systems, solar thermal systems, small wind systems, biomass  
10 systems, or geothermal systems.

11           **SECTION 2.** 39-26-724, Colorado Revised Statutes, is amended  
12 to read:

13           **39-26-724. Components used to produce energy from a**  
14 **renewable energy source - definitions.** (1) (a) For fiscal years  
15 commencing on or after July 1, 2006, all sales, storage, and use of  
16 components used in the production of alternating current electricity from  
17 a renewable energy source, including but not limited to wind, shall be  
18 exempt from taxation under ~~the provisions of~~ parts 1 and 2 of this article.

19           (b) FOR STATE FISCAL YEARS 2009-10 THROUGH 2013-14, ALL  
20 SALES, STORAGE, AND USE OF COMPONENTS USED IN SOLAR THERMAL  
21 SYSTEMS SHALL BE EXEMPT FROM TAXATION UNDER PARTS 1 AND 2 OF  
22 THIS ARTICLE.

23           (2) As used in this section:

24           (a) "COMPONENTS USED IN SOLAR THERMAL SYSTEMS" SHALL  
25 INCLUDE, BUT SHALL NOT BE LIMITED TO:

26           (I) SOLAR COLLECTORS, INCLUDING FLAT-PLATE COLLECTORS,  
27 EVACUATED TUBE COLLECTORS, SOLAR AIR COLLECTORS, AND

1       CONCENTRATING SOLAR THERMAL COLLECTORS;

2               (II) TANKS FOR THE STORAGE OF GASES OR LIQUIDS THAT HAVE  
3       BEEN HEATED OR COOLED BY SOLAR-GENERATED ENERGY;

4               (III) PUMPS, IMPELLERS, AND FANS FOR THE CIRCULATION OF  
5       GASES OR LIQUIDS THAT HAVE BEEN HEATED OR COOLED BY  
6       SOLAR-GENERATED ENERGY;

7               (IV) HEAT EXCHANGERS USED TO TRANSFER SOLAR-GENERATED  
8       ENERGY;

9               (V) SUPPORT STRUCTURES, RACKS, AND FOUNDATIONS FOR ANY  
10       COMPONENTS LISTED IN SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH  
11       (a); AND

12              (VI) ANY OTHER SYSTEM COMPONENTS SUCH AS PIPING, VALVES,  
13       GAUGES, FITTINGS, INSULATION, AND CONTROLS FOR ANY COMPONENTS  
14       LISTED IN SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH (a).

15              (b) (I) "Components USED IN THE PRODUCTION OF ALTERNATING  
16       CURRENT ELECTRICITY FROM A RENEWABLE ENERGY SOURCE" shall  
17       include, but shall not be limited to, wind turbines, rotors and blades, solar  
18       modules, trackers, generating equipment, supporting structures or racks,  
19       inverters, towers and foundations, balance of system components such as  
20       wiring, control systems, switchgears, and generator step-up transformers,  
21       and concentrating solar power components that include, but are not  
22       limited to, mirrors, plumbing, and heat exchangers.

23              ~~(b) (II) As used in this section,~~ "Components USED IN THE  
24       PRODUCTION OF ALTERNATING CURRENT ELECTRICITY FROM A RENEWABLE  
25       ENERGY SOURCE" shall not include any components beyond the point of  
26       generator step-up transformers located at the production site, labor,  
27       energy storage devices, or remote monitoring systems.

1 (c) "SOLAR THERMAL SYSTEM" MEANS A SYSTEM WHOSE PRIMARY  
2 PURPOSE IS TO USE ENERGY FROM THE SUN TO PRODUCE HEAT OR COLD  
3 FOR:

4 (I) HEATING OR COOLING A RESIDENTIAL OR COMMERCIAL  
5 BUILDING;

6 (II) HEATING OR COOLING WATER; OR

7 (III) ANY INDUSTRIAL, COMMERCIAL, OR MANUFACTURING  
8 PROCESS.

9 **SECTION 3.** 29-2-105 (1) (d) (I) (J), Colorado Revised Statutes,  
10 is amended to read:

11 **29-2-105. Contents of sales tax ordinances and proposals.**

12 (1) The sales tax ordinance or proposal of any incorporated town, city,  
13 or county adopted pursuant to this article shall be imposed on the sale of  
14 tangible personal property at retail or the furnishing of services, as  
15 provided in paragraph (d) of this subsection (1). Any countywide or  
16 incorporated town or city sales tax ordinance or proposal shall include the  
17 following provisions:

18 (d) (I) A provision that the sale of tangible personal property and  
19 services taxable pursuant to this article shall be the same as the sale of  
20 tangible personal property and services taxable pursuant to section  
21 39-26-104, C.R.S., except as otherwise provided in this paragraph (d).  
22 The sale of tangible personal property and services taxable pursuant to  
23 this article shall be subject to the same sales tax exemptions as those  
24 specified in part 7 of article 26 of title 39, C.R.S.; except that the sale of  
25 the following may be exempted from a town, city, or county sales tax only  
26 by the express inclusion of the exemption either at the time of adoption  
27 of the initial sales tax ordinance or resolution or by amendment thereto:

1 (J) The exemption for sales of components used in the production  
2 of ENERGY, INCLUDING BUT NOT LIMITED TO alternating current electricity,  
3 from a renewable energy source ~~including but not limited to wind,~~  
4 specified in section 39-26-724, C.R.S.; except that this sub-subparagraph  
5 (J) shall not apply to any incorporated town, city, or county that adopted  
6 the exemption specified in sub-subparagraph (A) of this subparagraph (I)  
7 prior to May 27, 2008;

8 **SECTION 4.** The introductory portion to 29-2-109 (1), Colorado  
9 Revised Statutes, is amended to read:

10 **29-2-109. Contents of use tax ordinances and proposals.**

11 (1) The use tax ordinance, resolution, or proposal of any town, city, or  
12 county adopted pursuant to this article shall be imposed only for the  
13 privilege of using or consuming in the town, city, or county any  
14 construction and building materials purchased at retail or for the privilege  
15 of storing, using, or consuming in the town, city, or county any motor and  
16 other vehicles, purchased at retail on which registration is required, or  
17 both. For the purposes of this subsection (1), the term "construction and  
18 building materials" shall not include parts or materials utilized in the  
19 fabrication, construction, assembly, or installation of passenger tramways,  
20 as defined in section 25-5-702 (4), C.R.S., by any ski area operator, as  
21 defined in section 33-44-103 (7), C.R.S., or any person fabricating,  
22 constructing, assembling, or installing a passenger tramway for a ski area  
23 operator. The ordinance, resolution, or proposal may recite that the use  
24 tax shall not apply to the storage and use of wood from salvaged trees  
25 killed or infested in Colorado by mountain pine beetles as exempted from  
26 the state use tax pursuant to section 39-26-723, C.R.S. The ordinance,  
27 resolution, or proposal may recite that the use tax shall not apply to the

1 storage and use of components used in the production of ENERGY,  
2 INCLUDING BUT NOT LIMITED TO alternating current electricity, from a  
3 renewable energy source, ~~including but not limited to wind~~, as exempted  
4 from the state use tax pursuant to section 39-26-724, C.R.S. The  
5 ordinance, resolution, or proposal shall recite that the use tax shall not  
6 apply:

7 **SECTION 5. Effective date - applicability.** (1) This act shall  
8 apply to systems and components installed on or after July 1, 2009.

9 (2) This act shall not take effect unless House Bill 09-1366 is  
10 enacted and becomes law.

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