

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

Date

April 25, 2014

Committee on Appropriations.

After consideration on the merits, the Committee recommends the following:

HB14-1159 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation and with a recommendation that it be placed on the consent calendar:

1 Amend reengrossed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, 39-26-724, **amend**
4 (2) (a); and **add** (1) (c) and (2) (a.5) as follows:

5 **39-26-724. Components used to produce energy from a**
6 **renewable energy source - definitions - repeal.** (1) (c) (I) ON AND
7 AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH (c), ALL SALES, STORAGE,
8 AND USE OF COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS FOR THE
9 PRODUCTION OF BIOGAS FOR SALE TO A POWER GENERATOR, AS A
10 TRANSPORTATION FUEL, OR AS RENEWABLE NATURAL GAS ARE EXEMPT
11 FROM TAXATION UNDER PARTS 1 AND 2 OF THIS ARTICLE.

12 (II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2019.

13 (2) As used in this section:

14 (a) (I) ~~"Components used in solar thermal systems"~~ shall include,
15 but shall not be limited to:

16 ~~(I) Solar collectors, including flat-plate collectors, evacuated tube~~
17 ~~collectors, solar air collectors, and concentrating solar thermal collectors;~~

18 ~~(H) Tanks for the storage of gases or liquids that have been heated~~
19 ~~or cooled by solar-generated energy;~~

20 ~~(HH) Pumps, impellers, and fans for the circulation of gases or~~
21 ~~liquids that have been heated or cooled by solar-generated energy;~~

22 ~~(IV) Heat exchangers used to transfer solar-generated energy;~~

23 ~~(V) Support structures, racks, and foundations for any components~~

1 ~~listed in subparagraphs (I) to (IV) of this paragraph (a); and~~
2 ~~(VI) Any other system components such as piping, valves, gauges,~~
3 ~~fittings, insulation, and controls for any components listed in~~
4 ~~subparagraphs (I) to (IV) of this paragraph (a). "COMPONENTS USED IN~~
5 ~~BIOGAS PRODUCTION SYSTEMS" INCLUDES ALL TANGIBLE PERSONAL~~
6 ~~PROPERTY USED IN CONNECTION WITH THE PRODUCTION OF BIOGAS AND~~
7 ~~RELATED SOLID BY-PRODUCTS AND LIQUID BY-PRODUCTS, INCLUDING BUT~~
8 ~~NOT LIMITED TO:~~
9 (A) ANAEROBIC DIGESTION SYSTEMS, INCLUDING BUT NOT LIMITED
10 TO TRUCK WEIGHING EQUIPMENT, TRUCK UNLOADING EQUIPMENT,
11 MANURE RECEIVING PITS, SUBSTRATE STORAGE TANKS, SUBSTRATE
12 RECEIVING PITS, DOSING TANKS, ANAEROBIC DIGESTER TANKS, NATURAL
13 GAS-FIRED BOILERS, BLOWERS, PUMPS, ELECTRICAL EQUIPMENT, CONTROL
14 SYSTEMS, PIPING, VALVES, AND RELATED TANGIBLE PERSONAL PROPERTY;
15 (B) BIOGAS UPGRADE SYSTEMS, INCLUDING BUT NOT LIMITED TO
16 PRESSURIZED GAS PROCESSING TECHNOLOGY SYSTEMS, OXYGEN REMOVAL
17 GAS SYSTEMS, BOOSTER COMPRESSORS, GROUND FLARES, DRYERS, PUMPS,
18 ELECTRICAL EQUIPMENT, CONTROL SYSTEMS, GAS PIPELINE
19 INTERCONNECTION EQUIPMENT, PIPING, VALVES, HYDROGEN SULFIDE GAS
20 CLEAN UP SYSTEMS, AND RELATED TANGIBLE PERSONAL PROPERTY; AND
21 (C) DIGESTED SOLIDS SYSTEMS, INCLUDING BUT NOT LIMITED TO
22 HOLDING PITS, CENTRIFUGES, OTHER DEWATERING EQUIPMENT, PUMPS,
23 ELECTRICAL EQUIPMENT, CONTROL SYSTEMS, CONVEYORS, WATER
24 STORAGE PONDS AND RELATED EQUIPMENT, PIPING, VALVES, AND RELATED
25 TANGIBLE PERSONAL PROPERTY.
26 (II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE JULY 1, 2019.
27 (a.5) "COMPONENTS USED IN SOLAR THERMAL SYSTEMS" INCLUDE,
28 BUT ARE NOT LIMITED TO:
29 (I) SOLAR COLLECTORS, INCLUDING FLAT-PLATE COLLECTORS,
30 EVACUATED TUBE COLLECTORS, SOLAR AIR COLLECTORS, AND
31 CONCENTRATING SOLAR THERMAL COLLECTORS;
32 (II) TANKS FOR THE STORAGE OF GASES OR LIQUIDS THAT HAVE
33 BEEN HEATED OR COOLED BY SOLAR-GENERATED ENERGY;
34 (III) PUMPS, IMPELLERS, AND FANS FOR THE CIRCULATION OF
35 GASES OR LIQUIDS THAT HAVE BEEN HEATED OR COOLED BY
36 SOLAR-GENERATED ENERGY;
37 (IV) HEAT EXCHANGERS USED TO TRANSFER SOLAR-GENERATED
38 ENERGY;
39 (V) SUPPORT STRUCTURES, RACKS, AND FOUNDATIONS FOR ANY
40 COMPONENTS LISTED IN SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH
41 (a.5); AND

1 (VI) ANY OTHER SYSTEM COMPONENTS SUCH AS PIPING, VALVES,
2 GAUGES, FITTINGS, INSULATION, AND CONTROLS FOR ANY COMPONENTS
3 LISTED IN SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH (a.5).

4 **SECTION 2.** In Colorado Revised Statutes, 29-2-105, **add** (1) (d)
5 (I) (M) as follows:

6 **29-2-105. Contents of sales tax ordinances and proposals -**
7 **repeal.** (1) The sales tax ordinance or proposal of any incorporated town,
8 city, or county adopted pursuant to this article shall be imposed on the
9 sale of tangible personal property at retail or the furnishing of services,
10 as provided in paragraph (d) of this subsection (1). Any countywide or
11 incorporated town or city sales tax ordinance or proposal shall include the
12 following provisions:

13 (d) (I) A provision that the sale of tangible personal property and
14 services taxable pursuant to this article shall be the same as the sale of
15 tangible personal property and services taxable pursuant to section
16 39-26-104, C.R.S., except as otherwise provided in this paragraph (d).
17 The sale of tangible personal property and services taxable pursuant to
18 this article shall be subject to the same sales tax exemptions as those
19 specified in part 7 of article 26 of title 39, C.R.S.; except that the sale of
20 the following may be exempted from a town, city, or county sales tax only
21 by the express inclusion of the exemption either at the time of adoption
22 of the initial sales tax ordinance or resolution or by amendment thereto:

23 (M) THE EXEMPTION FOR SALES OF COMPONENTS USED IN BIOGAS
24 PRODUCTION SYSTEMS SPECIFIED IN SECTION 39-26-724 (1) (c), C.R.S.
25 THIS SUB-SUBPARAGRAPH (M) IS REPEALED, EFFECTIVE JULY 1, 2019.

26 **SECTION 3.** In Colorado Revised Statutes, 29-2-109, **add** (1.5)
27 as follows:

28 **29-2-109. Contents of use tax ordinances and proposals -**
29 **repeal.** (1.5) (a) THE USE TAX ORDINANCE, RESOLUTION, OR PROPOSAL OF
30 ANY TOWN, CITY, OR COUNTY ADOPTED PURSUANT TO THIS ARTICLE MAY
31 RECITE THAT THE USE TAX DOES NOT APPLY TO THE STORAGE AND USE OF
32 COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS, AS EXEMPTED FROM
33 THE STATE USE TAX PURSUANT TO SECTION 39-26-724 (1) (c), C.R.S.

34 (b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JULY 1, 2019.

35 **SECTION 4. Safety clause.** The general assembly hereby finds,
36 determines, and declares that this act is necessary for the immediate
37 preservation of the public peace, health, and safety."

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