

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

ENGROSSED

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

LLS NO. 09-0410.01 Ed DeCecco

SENATE BILL 09-085

SENATE SPONSORSHIP

Scheffel and Williams, Mitchell

HOUSE SPONSORSHIP

Lambert and Priola, McNulty

Senate Committees

Business, Labor and Technology
Finance
Appropriations

House Committees

Appropriations

A BILL FOR AN ACT

101 **CONCERNING A PROPERTY TAX EXEMPTION FOR BUSINESS PERSONAL**
102 **PROPERTY.**

Bill Summary

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

Exempts a percentage of business personal property, excluding state-assessed property, from property taxation. Increases the amount of the exemption every 2 years until all business personal property is exempt.

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.*

SENATE
Amended 2nd Reading
April 20, 2009

1 2027, AND THE NEXT THREE PROPERTY TAX YEARS THEREAFTER, ELEVEN
2 PERCENT;

3 (VI) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
4 2031, AND THE NEXT THREE PROPERTY TAX YEARS THEREAFTER, EIGHTEEN
5 PERCENT;

6 (VII) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
7 2035, AND THE NEXT THREE PROPERTY TAX YEARS THEREAFTER,
8 TWENTY-NINE PERCENT;

9 (VIII) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY
10 1, 2039, AND THE NEXT THREE PROPERTY TAX YEARS THEREAFTER,
11 FORTY-SEVEN PERCENT;

12 (IX) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
13 2043, AND THE NEXT THREE PROPERTY TAX YEARS THEREAFTER,
14 SEVENTY-SIX PERCENT; AND

15 (X) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
16 2047, AND EACH PROPERTY TAX YEAR THEREAFTER, ONE HUNDRED
17 PERCENT.

18 (b) (I) THERE IS HEREBY CREATED THE INTERIM COMMITTEE ON
19 THE BUSINESS PERSONAL PROPERTY TAX, REFERRED TO IN THIS SECTION AS
20 THE "COMMITTEE". THE COMMITTEE SHALL MEET IN THE INTERIM AFTER
21 THE CONCLUSION OF THE 2009 FIRST REGULAR SESSION OF THE
22 SIXTY-SEVENTH GENERAL ASSEMBLY. THE COMMITTEE SHALL CONSIST OF
23 TEN MEMBERS OF THE GENERAL ASSEMBLY. FIVE MEMBERS OF THE
24 COMMITTEE SHALL BE FROM THE SENATE , THREE OF WHOM SHALL BE
25 APPOINTED BY THE PRESIDENT OF THE SENATE AND TWO OF WHOM SHALL
26 BE APPOINTED BY THE MINORITY LEADER OF THE SENATE. FIVE MEMBERS
27 OF THE COMMITTEE SHALL BE FROM THE HOUSE OF REPRESENTATIVES ,

1 THREE OF WHOM SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE OF
2 REPRESENTATIVES AND TWO OF WHOM SHALL BE APPOINTED BY THE
3 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES. THE PRESIDENT
4 OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
5 SHALL APPOINT COCHAIRPERSONS OF THE COMMITTEE, WHO SHALL SHARE
6 THE RESPONSIBILITIES OF CHAIRING THE COMMITTEE.

7 (II) THE COMMITTEE SHALL STUDY, BUT NEED NOT LIMIT ITS
8 CONSIDERATION TO, THE FOLLOWING:

9 (A) BUSINESS PERSONAL PROPERTY TAX EXEMPTIONS THAT
10 ELIMINATE OR PHASE OUT THE BUSINESS PERSONAL PROPERTY TAX;

11 (B) AN ANALYSIS OF THE CUMULATIVE FISCAL IMPACT OF THE
12 ELIMINATION ON THE STATE AND LOCAL GOVERNMENTS; AND

13 (C) METHODS TO REIMBURSE ANY REVENUE LOSSES TO LOCAL
14 GOVERNMENTS FROM SUCH TAX POLICY CHANGES.

15 (III) THE COMMITTEE SHALL MEET DURING THE 2009 INTERIM.
16 THESE MEETINGS SHALL BE OPEN TO THE PUBLIC AND THE COMMITTEE
17 SHALL SOLICIT THE TESTIMONY OF THE MEMBERS OF THE PUBLIC,
18 ESPECIALLY THOSE MEMBERS OF THE PUBLIC WITH EXPERTISE RELATED TO
19 THE FISCAL IMPACTS OF TAX POLICY CHANGES.

20 (IV) (A) EXPENDITURES INCURRED IN CONDUCTING THE STUDY
21 DESCRIBED IN THIS SECTION SHALL BE APPROVED BY THE CHAIRPERSON OF
22 THE LEGISLATIVE COUNCIL AND PAID BY VOUCHERS AND WARRANTS
23 DRAWN AS PROVIDED BY LAW FROM MONEYS ALLOCATED TO THE
24 LEGISLATIVE COUNCIL FROM APPROPRIATIONS MADE BY THE GENERAL
25 ASSEMBLY.

26 (B) THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF
27 LEGISLATIVE LEGAL SERVICES SHALL BE AVAILABLE TO ASSIST THE

1 COMMITTEE IN CARRYING OUT ITS DUTIES.

2 (V) THE LEGISLATIVE MEMBERS OF THE COMMITTEE SHALL BE
3 COMPENSATED AS PROVIDED IN SECTION 2-2-307 FOR ATTENDANCE AT
4 MEETINGS OF THE COMMITTEE.

5 (VI) THE COMMITTEE SHALL MAKE A REPORT TO THE GENERAL
6 ASSEMBLY IN ACCORDANCE WITH THE JOINT RULES OF THE SENATE AND
7 THE HOUSE OF REPRESENTATIVES. SUCH REPORT MAY INCLUDE
8 RECOMMENDATIONS FOR LEGISLATION. LEGISLATION RECOMMENDED BY
9 THE COMMITTEE SHALL BE TREATED AS LEGISLATION RECOMMENDED BY
10 ANY OTHER INTERIM COMMITTEE FOR PURPOSES OF ANY INTRODUCTION
11 DEADLINES OR BILL LIMITATIONS IMPOSED BY THE JOINT RULES OF THE
12 SENATE AND HOUSE OF REPRESENTATIVES.

13 (c) (I) ON OR BEFORE JANUARY 1, 2013, LEGISLATIVE COUNCIL
14 STAFF SHALL SUBMIT A REPORT TO THE BUSINESS AFFAIRS AND LABOR
15 COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE BUSINESS,
16 LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE, OR ANY
17 SUCCESSOR COMMITTEES, THAT SETS FORTH THE DECREASE IN REVENUE
18 FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2011, TO
19 MUNICIPALITIES, COUNTIES, SPECIAL DISTRICTS, AND SCHOOL DISTRICTS BY
20 OPERATION OF THE EXEMPTION CREATED IN PARAGRAPH (a) OF THIS
21 SUBSECTION (2) BASED ON THE CERTIFIED MILL LEVY FOR EACH LOCAL
22 GOVERNMENT.

23 (II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JANUARY 1,
24 2014.

25 (3) THE EXEMPTION SET FORTH IN SUBSECTION (2) OF THIS SECTION
26 SHALL NOT APPLY TO BUSINESS PERSONAL PROPERTY LOCATED IN A
27 COUNTY IN WHICH THE ASSESSED VALUE OF BUSINESS PERSONAL

1 PROPERTY FOR A PROPERTY TAX YEAR COMMENCING ON OR AFTER
2 JANUARY 1, 2010, IS THIRTY PERCENT OR MORE OF THE TOTAL ASSESSED
3 PROPERTY VALUE IN THE COUNTY FOR THE SAME YEAR. SUCH EXEMPTION
4 SHALL NOT APPLY TO THE PROPERTY TAX LEVIED BY THE COUNTY OR A
5 MUNICIPALITY, SPECIAL DISTRICT, OR SCHOOL DISTRICT LOCATED WITHIN
6 THE COUNTY UNTIL THE FIRST YEAR SUBSEQUENT TO A PROPERTY TAX
7 YEAR IN WHICH THE ASSESSED VALUE OF BUSINESS PERSONAL PROPERTY
8 LOCATED IN THE COUNTY IS LESS THAN THIRTY PERCENT OF THE TOTAL
9 ASSESSED PROPERTY VALUE IN THE COUNTY.

10 SECTION 2. 39-4-102 (3), Colorado Revised Statutes, is
11 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

12 39-4-102. Valuation of public utilities. (3) (e) BUSINESS
13 PERSONAL PROPERTY OWNED BY A PUBLIC UTILITY SHALL BE EXEMPT
14 FROM THE LEVY AND COLLECTION OF PROPERTY TAX PURSUANT TO
15 SECTION 39-3-118.5 (2). THE VALUE OF THE EXEMPTION SHALL BE
16 REMOVED FROM THE SYSTEM MARKET VALUE AND SHALL BE DETERMINED
17 BY APPLYING THE MARKET TO BOOK RATIO TO THE NET OF THE HISTORICAL
18 COST LESS DEPRECIATION OF THE BUSINESS PERSONAL PROPERTY.

19 SECTION 3. Act subject to petition - effective date. This act
20 shall take effect at 12:01 a.m. on the day following the expiration of the
21 ninety-day period after final adjournment of the general assembly that is
22 allowed for submitting a referendum petition pursuant to article V,
23 section 1 (3) of the state constitution, (August 4, 2009, if adjournment
24 sine die is on May 6, 2009); except that, if a referendum petition is filed
25 against this act or an item, section, or part of this act within such period,
26 then the act, item, section, or part, if approved by the people, shall take

- 1 effect on the date of the official declaration of the vote thereon by
- 2 proclamation of the governor.