

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

**PREAMENDED**

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

LLS NO. 10-1125.01 Jason Gelender

**HOUSE BILL 10-1431**

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**HOUSE SPONSORSHIP**

**McKinley,**

**SENATE SPONSORSHIP**

**(None),**

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**House Committees**

Transportation & Energy

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE METHODOLOGY USED TO VALUE RENEWABLE**  
102 **ENERGY FACILITIES FOR PURPOSES OF PROPERTY TAXATION.**

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**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://www.leg.state.co.us/billsummaries>.)*

The bill modifies the methodology used to value renewable energy facilities for purposes of property taxation by requiring the state property tax administrator:

! When considering the additional incremental cost per kilowatt of the construction of the facility over that of a

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.*

comparable nonrenewable energy facility as required by current law, to include the value of all property required to generate and deliver energy to the interconnection meter; and

- ! When valuing a renewable energy facility that begins generating energy on or after January 1, 2012, to apply a definition of "tax factor" that includes the value of all property required to generate and deliver renewable energy to the interconnection meter that does not exceed the value of equipment required to deliver nonrenewable energy to the interconnection meter.

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

2 **SECTION 1.** 39-4-102 (1) (e) (I) (A) and (1.5) (b) (IV), Colorado  
3 Revised Statutes, are amended to read:

4 **39-4-102. Valuation of public utilities.** (1) The administrator  
5 shall determine the actual value of the operating property and plant of  
6 each public utility as a unit, giving consideration to the following factors  
7 and assigning such weight to each of such factors as in the administrator's  
8 judgment will secure a just value of such public utility as a unit:

9 (e) (I) When determining the actual value of a renewable energy  
10 facility that primarily produces more than two megawatts of alternating  
11 current electricity, the administrator shall:

12 (A) Consider the additional incremental cost per kilowatt of the  
13 construction of the renewable energy facility over that of the construction  
14 cost of a comparable nonrenewable energy facility, INCLUSIVE OF THE  
15 COST OF ALL PROPERTY REQUIRED TO GENERATE AND DELIVER ENERGY TO  
16 THE INTERCONNECTION METER, that primarily produces alternating current  
17 electricity to be an investment cost and shall not include such additional  
18 incremental cost in the valuation of the facility; and

19 (1.5) The administrator shall determine the actual value of a wind

1 energy facility or a solar energy facility as follows:

2 (b) (IV) As used in this paragraph (b), "tax factor" means a factor  
3 annually established by the administrator. The tax factor shall be a  
4 number that when applied to the selling price at the interconnection meter  
5 results in approximately the same tax revenue over a twenty-year period  
6 on a nominal dollar basis that would have been collected using the cost  
7 basis method of taxation as determined by the administrator for a  
8 renewable energy facility pursuant to paragraph (e) of subsection (1) of  
9 this section. FOR A RENEWABLE ENERGY FACILITY THAT BEGINS  
10 GENERATING ENERGY ON OR AFTER JANUARY 1, 2012, THE  
11 ADMINISTRATOR SHALL INCLUDE ONLY THE COST OF ALL PROPERTY  
12 REQUIRED TO GENERATE AND DELIVER RENEWABLE ENERGY TO THE  
13 INTERCONNECTION METER THAT DOES NOT EXCEED THE COST OF PROPERTY  
14 REQUIRED TO DELIVER NONRENEWABLE ENERGY TO THE  
15 INTERCONNECTION METER.

16 **SECTION 2. Act subject to petition - effective date.** This act  
17 shall take effect at 12:01 a.m. on the day following the expiration of the  
18 ninety-day period after final adjournment of the general assembly (August  
19 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a  
20 referendum petition is filed pursuant to section 1 (3) of article V of the  
21 state constitution against this act or an item, section, or part of this act  
22 within such period, then the act, item, section, or part shall not take effect  
23 unless approved by the people at the general election to be held in  
24 November 2010 and shall take effect on the date of the official  
25 declaration of the vote thereon by the governor.