HB10-1431

Colorado Legislative Council Staff Fiscal Note

NO FISCAL IMPACT

This fiscal note is prepared pursuant to Joint Rule 22.(b) (2)

Drafting Number:	LLS 10-1125	**Date:**	May 4, 2010
Prime Sponsor(s):	Rep. McKinley	**Bill Status:**	House Transportation and Energy
		Fiscal Analyst:	Marc Carey (303-866-4102)

TITLE: CONCERNING THE METHODOLOGY USED TO VALUE RENEWABLE ENERGY FACILITIES FOR PURPOSES OF PROPERTY TAXATION.

Summary of Legislation

With Amendment HB 10-1431_L.002, this bill codifies the methodology that the property tax administrator uses to determine the actual value of renewable energy facilities for purposes of property taxation. Current law requires that the property tax administrator consider the incremental construction cost per kilowatt of a renewable energy facility relative to a nonrenewable facility as an investment cost to be included in the valuation of the facility, including any transmission lines needed to deliver the energy to the interconnection meter. This bill clarifies that, for renewable facilities that begin generating energy on or after January 1, 2012, the cost of transmission lines between the generation facility and the interconnection meter is part of this investment cost and will be included in the valuation of the facility. This cost will be evaluated at the level of a comparable nonrenewable energy facility. The bill does not change how transmission lines for an existing renewable energy will be valued for property tax purposes.

Assessment

Because the bill is expected to codify current practice within the Division of Property Taxation and does not change how existing renewable energy companies are valued, the bill is assessed at having no fiscal impact. No change is expected in state or local revenues or expenditures. The bill becomes effective August 11, 2010, unless a referendum petition filed, and assuming the General Assembly adjourns on May 12, 2010.

Departments Contacted

Local Affairs