

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

**ENGROSSED**

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

LLS NO. 11-0804.01 Ed DeCecco

**SENATE BILL 11-178**

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**SENATE SPONSORSHIP**

**Newell,**

**HOUSE SPONSORSHIP**

**Sonnenberg,**

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**Senate Committees**  
Local Government

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE MANNER IN WHICH A STATUTORY LOCAL**  
102 **GOVERNMENT MAY ADOPT A SALES TAX EXEMPTION.**

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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 sales tax of a statutory town, city, or county (local government) is generally based on the state sales tax. Certain state sales tax exemptions, however, only apply to the local sales tax if the governing body of the local government expressly includes the exemption in the initial sales tax ordinance or resolution or by an amendment thereto. An

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  
2nd Reading Unamended  
March 21, 2011

amendment to the initial sales tax must be adopted in the same manner as the initial ordinance or resolution. Thus, if the registered electors approved the initial ordinance or resolution, then an election would likewise be a prerequisite to creating the exemption. Sales tax exemptions related to sales of the following items are subject to this requirement:

- ! Machinery or machine tools;
- ! Electricity, coal, wood, gas, fuel oil, or coke;
- ! Food;
- ! Vending machine sales of food;
- ! Sales by a charitable organization;
- ! Farm equipment and farm equipment under lease or contract;
- ! Low-emitting motor vehicles, power sources, or parts used for converting such power sources;
- ! Pesticides;
- ! Wood from salvaged trees killed or infested in Colorado by mountain pine beetles;
- ! Components used in the production of energy from a renewable energy source;
- ! Sales that benefit a Colorado school; and
- ! Sales by an association or organization of parents and teachers of public school students that is a charitable organization.

The bill eliminates the requirement that the amendment to the initial sales tax be adopted in the same manner as the initial ordinance or resolution.

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1 *Be it enacted by the General Assembly of the State of Colorado:*  
2           **SECTION 1. Repeal.** 29-2-105 (1) (d) (II), Colorado Revised  
3 Statutes, is repealed as follows:  
4           **29-2-105. Contents of sales tax ordinances and proposals.**  
5 (1) The sales tax ordinance or proposal of any incorporated town, city,  
6 or county adopted pursuant to this article shall be imposed on the sale of  
7 tangible personal property at retail or the furnishing of services, as  
8 provided in paragraph (d) of this subsection (1). Any countywide or  
9 incorporated town or city sales tax ordinance or proposal shall include the  
10 following provisions:

1           (d) (II) ~~If a town, city, or county sales tax expressly includes any~~  
2 ~~exemptions specified in subparagraph (I) of this paragraph (d) by an~~  
3 ~~amendment to the initial sales tax ordinance or resolution, such~~  
4 ~~amendment shall be adopted in the same manner as the initial ordinance~~  
5 ~~or resolution.~~

6           **SECTION 2. Act subject to petition - effective date.** This act  
7 shall take effect at 12:01 a.m. on the day following the expiration of the  
8 ninety-day period after final adjournment of the general assembly (August  
9 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a  
10 referendum petition is filed pursuant to section 1 (3) of article V of the  
11 state constitution against this act or an item, section, or part of this act  
12 within such period, then the act, item, section, or part shall not take effect  
13 unless approved by the people at the general election to be held in  
14 November 2012 and shall take effect on the date of the official  
15 declaration of the vote thereon by the governor.