

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-1015.01 Nicole Myers

SENATE BILL 11-259

SENATE SPONSORSHIP

King K., Bacon, Hudak, Spence

HOUSE SPONSORSHIP

Massey, Hamner, Summers, Solano

Senate Committees

Education
Local Government

House Committees

A BILL FOR AN ACT

101 CONCERNING THE PROVISION OF STATE MATCHING FUNDS FOR
102 PROPERTY TAX REVENUES THAT A SCHOOL DISTRICT RAISES
103 THROUGH A SPECIFIC MILL LEVY OVERRIDE ELECTION FOR THE
104 DISTRICT'S GENERAL FUND.

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 authorizes a school district to seek permission from the voters to raise and expend additional local property tax revenues for the

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.

district's general fund. For the 2012-13 budget year and each budget year thereafter, subject to certain conditions, a school district that receives voter approval for a mill levy increase will receive partial state matching funds for local tax revenues raised by the district through the mill levy increase. Such mill levy increase shall be known as the Colorado's Vision of Tomorrow's Education (C-VOTE) mill levy override.

To be eligible to receive the state matching funds, a district must raise additional local property tax revenues from the C-VOTE mill levy override in an amount equal to \$300 per pupil; except that the number of mills that a district may levy through the C-VOTE mill levy override shall not exceed 8 mills.

The amount of state matching funds for a district that approves a C-VOTE mill levy override is determined by first adding \$300 to the statewide base per pupil funding amount, calculating the district's total program, without including the negative factor, and multiplying the calculated amount by 4.5%. This amount is called the C-VOTE amount. Second, the amount of local property tax revenues that the district received through the C-VOTE mill levy override is subtracted from the C-VOTE amount to determine the amount of state matching funds. The calculation of state matching funds occurs independent from the calculation of total program funding for all districts in the state pursuant to current law and does not impact the total program funding calculation.

A district that approves a C-VOTE mill levy override must notify the department of education and annually report the number of additional mills levied and the amount of additional property tax revenues received.

A district must distribute to its charter schools a portion of the additional property tax revenues and state matching funds that is comparable to the amount of district per pupil revenues the charter school receives. If the district is an accounting district for an institute charter school, the department of education will withhold a portion of the state matching funds that is comparable to the district per pupil revenues that are withheld from the district's state share of total program funding for the institute charter school.

Providing matching funds to school districts for the purpose of encouraging districts to seek voter approval to raise and expend additional local property tax revenues for the district's general fund is a program for accountable education reform and may therefore receive funding from the state education fund; except that the general assembly may appropriate moneys from the state education fund for the purpose of providing state matching funds only if the balance of moneys available for appropriation in the fund at the beginning of the applicable budget year is at least \$50,000,000.

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

1 **SECTION 1. Short title.** This act shall be known and may be
2 cited as the "Colorado's Vision of Tomorrow's Education Act" (C-VOTE
3 Act).

4 **SECTION 2. Legislative declaration.** (1) The general assembly
5 hereby finds and declares that:

6 (a) In 1990, the state and local shares of total program funding for
7 all school districts in the state were approximately equal; however, over
8 time the state's share of total program funding for all school districts in
9 the state has increased while the local share has decreased. Currently, the
10 state's share of total program funding for all school districts in the state
11 is approximately sixty-four percent while the local share is approximately
12 thirty-six percent.

13 (b) School districts currently have the ability to ask their voters for
14 permission to raise, retain, and expend additional local property tax
15 revenues in excess of the property taxes necessary for the district's share
16 of total program through a mill levy override;

17 (c) Currently, there are eight different purposes for which a school
18 district may ask its voters to approve a mill levy override and thereby
19 provide additional support for their school district. In the past, one of
20 these purposes was to raise, retain, and expend additional property tax
21 revenues for the purpose of funding an increase in the cost of living.

22 (d) In addition to mill levy overrides, school districts currently
23 have the ability to ask their voters for permission to contract bonded
24 indebtedness for the purpose of financing capital construction projects;

25 (e) The "Build Excellent Schools Today Act" (BEST), article 43.7
26 of title 22, Colorado Revised Statutes, enacted in 2008, addressed the
27 financing of capital construction for public school buildings;

1 (f) The BEST program has diverted revenues generated by state
2 trust lands to the public school capital construction assistance fund
3 instead of crediting those funds to the public school fund, which serves
4 as a trust to generate moneys that can be used for the state's share of total
5 program funding;

6 (g) Through the BEST program, approximately \$410,443,635 in
7 state moneys have been awarded to school districts and matched by
8 approximately \$180,996,387 at the local level to fund one hundred
9 eighteen capital construction projects, for a total amount of funding for
10 school district capital construction projects that exceeds \$591,440,000;

11 (h) The BEST program has funded capital construction projects
12 in a wide variety of school districts, including those with small pupil
13 enrollment and those in areas with a low assessed value for property tax
14 purposes;

15 (i) The BEST program was supported by every major education
16 organization in the state as a mechanism to help fund school district
17 capital construction projects; and

18 (j) The BEST program demonstrates that, if the state gives a
19 financial incentive to school districts to raise and expend additional
20 property tax revenues for public education, school districts can be
21 successful in gaining local support to raise and expend such additional
22 revenues.

23 (2) The general assembly further finds and declares that:

24 (a) Through Senate Bill 11-____, the state is taking an innovative
25 approach to providing additional funding for public education from
26 preschool through the twelfth grade by encouraging school districts to ask
27 their voters to participate in increasing and guaranteeing local funding for

1 school districts by approving an additional mill levy for such purpose.

2 (b) The revenues from the additional mill levy, called the
3 Colorado's Vision of Tomorrow's Education (C-VOTE) mill levy, will
4 stay in the school district and will support the district's schools;

5 (c) In addition, a district that approves a C-VOTE mill levy will
6 also receive additional funding for the district's schools through the
7 "Public School Finance Act of 1994" because a portion of the revenues
8 from the C-VOTE mill levy will be matched by the state; and

9 (d) The general assembly therefore encourages school districts to
10 consider asking their voters for a C-VOTE mill levy to increase the local
11 and state support for their schools.

12 **SECTION 3.** Article 54 of title 22, Colorado Revised Statutes, is
13 amended BY THE ADDITION OF A NEW SECTION to read:

14 **22-54-136. Additional local revenues - state matching funds -**
15 **state education fund - definitions.** (1) FOR THE 2012-13 BUDGET YEAR
16 ANDEACH BUDGET YEAR THEREAFTER, A DISTRICT THAT RECEIVES VOTER
17 APPROVAL PURSUANT TO THIS SECTION TO RAISE AND EXPEND LOCAL
18 PROPERTY TAX REVENUES IN EXCESS OF THE DISTRICT'S TOTAL PROGRAM
19 SHALL RECEIVE STATE MATCHING MONEYS FOR A PORTION OF THE LOCAL
20 PROPERTY TAX REVENUES RAISED PURSUANT TO THIS SECTION, AS
21 SPECIFIED IN SUBSECTION (4) OF THIS SECTION.

22 (2) SUBJECT TO THE PROVISIONS OF THIS SECTION, EFFECTIVE JULY
23 1, 2011, A DISTRICT THAT DESIRES TO RAISE ANDEXPEND LOCAL PROPERTY
24 TAX REVENUES IN EXCESS OF THE DISTRICT'S TOTAL PROGRAM, AS
25 DETERMINED IN ACCORDANCE WITH SECTION 22-54-104, AND IN EXCESS
26 OF ANY ADDITIONAL LOCAL REVENUES RAISED AND EXPENDED PURSUANT
27 TO SECTION 22-54-108, MAY SUBMIT THE QUESTION OF WHETHER THE

1 DISTRICT SHOULD BE AUTHORIZED TO RAISE AND EXPEND ADDITIONAL
2 LOCAL PROPERTY TAX REVENUES IN THE AMOUNT SPECIFIED IN
3 SUBSECTION (3) OF THIS SECTION, THEREBY AUTHORIZING AN ADDITIONAL
4 LEVY IN EXCESS OF THE LEVY AUTHORIZED UNDER SECTIONS 22-54-106
5 AND 22-54-108 FOR THE DISTRICT'S GENERAL FUND FOR THE BUDGET YEAR
6 SUBSEQUENT TO THE BUDGET YEAR IN WHICH THE QUESTION IS SUBMITTED
7 AND EACH BUDGET YEAR THEREAFTER. THE QUESTION AUTHORIZED BY
8 THIS SUBSECTION (2) SHALL BE SUBMITTED AT AN ELECTION HELD IN
9 ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE
10 CONSTITUTION AND TITLE 1, C.R.S.

11 (3) (a) THE QUESTION OF WHETHER THE DISTRICT SHOULD BE
12 AUTHORIZED TO RAISE AND EXPEND ADDITIONAL LOCAL PROPERTY TAX
13 REVENUES SHALL SPECIFY THAT THE TOTAL ADDITIONAL LOCAL PROPERTY
14 TAX REVENUES THAT A DISTRICT SHALL RECEIVE AS A RESULT OF AN
15 ELECTION HELD PURSUANT TO SUBSECTION (2) OF THIS SECTION IN ANY
16 PROPERTY TAX YEAR SHALL BE AN AMOUNT EQUAL TO THREE HUNDRED
17 DOLLARS PER PUPIL BASED ON THE DISTRICT'S FUNDED PUPIL COUNT;
18 EXCEPT THAT A DISTRICT SHALL NOT LEVY MORE THAN EIGHT MILLS
19 PURSUANT TO THIS SECTION IN ANY PROPERTY TAX YEAR.

20 (b) IF A DISTRICT DOES NOT LEVY THE MAXIMUM NUMBER OF MILLS
21 DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (3), THE DISTRICT
22 SHALL NOT RECEIVE THE STATE MATCHING MONEYS PURSUANT TO
23 SUBSECTION (4) OF THIS SECTION.

24 (4) THE AMOUNT OF STATE MATCHING MONEYS FOR THE LOCAL
25 PROPERTY TAX REVENUES THAT A DISTRICT IS AUTHORIZED BY THE
26 VOTERS TO RAISE AND EXPEND PURSUANT TO THIS SECTION SHALL BE AN
27 AMOUNT EQUAL TO THE DISTRICT'S TOTAL PROGRAM FUNDING

1 CALCULATED PURSUANT TO SECTION 22-54-104 (2), WITH AN ADDITIONAL
2 THREE HUNDRED DOLLARS ADDED TO THE STATEWIDE BASE PER PUPIL
3 FUNDING OR CALCULATED USING MINIMUM PER PUPIL FUNDING,
4 WHICHEVER IS APPLICABLE, MULTIPLIED BY FOUR AND FIFTY-TWO
5 HUNDREDTHS, MINUS THE PROPERTY TAX REVENUES RECEIVED BY THE
6 DISTRICT FROM THE ADDITIONAL MILL LEVY IMPOSED PURSUANT TO THIS
7 SECTION, ASSUMING ONE HUNDRED PERCENT COLLECTION.

8 (5) A DISTRICT THAT IS AUTHORIZED TO RAISE AND EXPEND
9 ADDITIONAL LOCAL PROPERTY TAX REVENUES PURSUANT TO THIS SECTION
10 SHALL NOTIFY THE DEPARTMENT OF EDUCATION OF SAID AUTHORIZATION.
11 THE DISTRICT SHALL ANNUALLY REPORT TO THE DEPARTMENT OF
12 EDUCATION, IN ACCORDANCE WITH TIMELINES ADOPTED BY RULE OF THE
13 STATE BOARD, THE NUMBER OF MILLS TO BE LEVIED PURSUANT TO THIS
14 SECTION AND THE AMOUNT OF PROPERTY TAX REVENUES THE DISTRICT
15 EXPECTS TO RECEIVE.

16 (6) (a) A DISTRICT THAT RECEIVES ADDITIONAL LOCAL PROPERTY
17 TAX REVENUES AND STATE MATCHING MONEYS PURSUANT TO THIS
18 SECTION SHALL DISTRIBUTE TO THE CHARTER SCHOOLS OF THE DISTRICT,
19 IF ANY, A PORTION OF THE TOTAL AMOUNT RECEIVED. EACH CHARTER
20 SCHOOL SHALL RECEIVE A PERCENTAGE OF THE PER PUPIL ADDITIONAL
21 FUNDING AMOUNT THAT IS EQUAL TO THE PERCENTAGE OF PER PUPIL
22 REVENUES OR ADJUSTED PER PUPIL REVENUES THAT THE CHARTER SCHOOL
23 RECEIVES PURSUANT TO ITS CHARTER CONTRACT, MULTIPLIED BY THE
24 NUMBER OF PUPILS ENROLLED IN THE CHARTER SCHOOL FOR THE
25 APPLICABLE BUDGET YEAR.

26 (b) IF A DISTRICT THAT RECEIVES ADDITIONAL LOCAL PROPERTY
27 TAX REVENUES AND STATE MATCHING MONEYS PURSUANT TO THIS

1 SECTION IS AN ACCOUNTING DISTRICT, THE DEPARTMENT OF EDUCATION
2 SHALL WITHHOLD FROM THE DISTRICT'S STATE MATCHING MONEYS AN
3 AMOUNT THAT IS EQUAL TO THE PER PUPIL ADDITIONAL FUNDING AMOUNT
4 MULTIPLIED BY THE NUMBER OF PUPILS ENROLLED IN THE APPLICABLE
5 INSTITUTE CHARTER SCHOOL FOR THE APPLICABLE BUDGET YEAR. THE
6 DEPARTMENT OF EDUCATION SHALL FORWARD THE AMOUNT WITHHELD TO
7 THE STATE CHARTER SCHOOL INSTITUTE AND THE STATE CHARTER SCHOOL
8 INSTITUTE SHALL DISTRIBUTE THE AMOUNT WITHHELD TO THE
9 APPROPRIATE INSTITUTE CHARTER SCHOOL IN ACCORDANCE WITH THE
10 PROVISIONS OF SECTION 22-30.5-513 (4).

11 (c) FOR PURPOSES OF THIS SUBSECTION (6), "PER PUPIL ADDITIONAL
12 FUNDING AMOUNT" MEANS THE AMOUNT OF LOCAL PROPERTY TAX
13 REVENUES AND STATE MATCHING MONEYS RECEIVED BY A DISTRICT
14 PURSUANT TO THIS SECTION DIVIDED BY THE DISTRICT'S FUNDED PUPIL
15 COUNT FOR THE APPLICABLE BUDGET YEAR.

16 (7) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT,
17 FOR THE PURPOSES OF SECTION 17 OF ARTICLE IX OF THE STATE
18 CONSTITUTION, PROVIDING MATCHING MONEYS TO SCHOOL DISTRICTS FOR
19 THE PURPOSE OF ENCOURAGING DISTRICTS TO SEEK VOTER APPROVAL TO
20 RAISE AND EXPEND LOCAL PROPERTY TAX REVENUES IN EXCESS OF THE
21 DISTRICT'S TOTAL PROGRAM FOR OPERATING COSTS IS A PROGRAM FOR
22 ACCOUNTABLE EDUCATION REFORM AND MAY THEREFORE RECEIVE
23 FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17 (4)
24 OF ARTICLE IX OF THE STATE CONSTITUTION.

25 (8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
26 CONTRARY, FOR THE 2012-13 BUDGET YEAR AND EACH BUDGET YEAR
27 THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE TO THE

1 DEPARTMENT OF EDUCATION THE MONEYS NECESSARY TO PAY THE STATE
2 MATCHING MONEYS REQUIRED PURSUANT TO THIS SECTION, AND THE
3 DEPARTMENT OF EDUCATION SHALL DISTRIBUTE SAID MONEYS IN
4 ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THE GENERAL
5 ASSEMBLY MAY APPROPRIATE THE MONEYS FROM THE STATE EDUCATION
6 FUND CREATED IN SECTION 17 (4) OF ARTICLE IX OF THE STATE
7 CONSTITUTION FOR THE PURPOSES OF THIS SECTION ONLY IF THE BALANCE
8 OF MONEYS AVAILABLE FOR APPROPRIATION IN THE STATE EDUCATION
9 FUND AT THE BEGINNING OF THE APPLICABLE BUDGET YEAR IS AT LEAST
10 FIFTY MILLION DOLLARS.

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