

**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. 11-0522.01 Ed DeCecco

HOUSE BILL 11-1141

HOUSE SPONSORSHIP

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House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AN ECONOMIC STIMULUS THROUGH A PROPERTY TAX**
102 **EXEMPTION FOR BUSINESS PERSONAL PROPERTY.**

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 exempts business personal property that is purchased at any time from January 1, 2012, through December 31, 2013, from the levy and collection of property tax.

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.

HOUSE
Amended 2nd Reading
April 6, 2011

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

2 **SECTION 1.** 39-3-118.5, Colorado Revised Statutes, is amended
3 to read:

4 **39-3-118.5. Business personal property - exemption.** (1) For
5 property tax years commencing on and after January 1, 1996, business
6 personal property shall be exempt from the levy and collection of property
7 tax until such business personal property is first used in the business after
8 acquisition.

9 (2) (a) BUSINESS PERSONAL PROPERTY THAT IS PURCHASED AT ANY
10 TIME FROM JANUARY 1, 2012, THROUGH DECEMBER 31, 2013, SHALL BE
11 EXEMPT FROM THE LEVY AND COLLECTION OF PROPERTY TAX SO LONG AS
12 THE PROPERTY IS USED BY THE TAXPAYER WHO PURCHASED THE
13 PROPERTY. THE EXEMPTION SHALL NOT APPLY TO BUSINESS PERSONAL
14 PROPERTY THAT IS SOLD AND REPURCHASED BY THE SAME TAXPAYER.

15 (b) NOTWITHSTANDING ANY PROVISION OF PARAGRAPH (a) OF THIS
16 SUBSECTION (2) TO THE CONTRARY, THE EXEMPTION SET FORTH IN SAID
17 PARAGRAPH (a) SHALL NOT APPLY TO LOCALLY ASSESSED BUSINESS
18 PERSONAL PROPERTY WITH RESPECT TO A LOCAL GOVERNMENT THAT HAS
19 NEGOTIATED AN INCENTIVE PAYMENT OR CREDIT WITH A TAXPAYER
20 PURSUANT TO THE AUTHORITY SET FORTH IN SECTION 30-11-123,
21 31-15-903, 32-1-1702, OR 39-30-107.5, C.R.S., UNLESS THE GOVERNING
22 BODY OF THE LOCAL GOVERNMENT EXPRESSLY ADOPTS THE EXEMPTION.

23 (2.5) THE EXEMPTION SET FORTH IN SUBSECTION (2) OF THIS
24 SECTION SHALL NOT APPLY TO BUSINESS PERSONAL PROPERTY THAT IS
25 SOLD AND LEASED-BACK BY THE SAME TAXPAYER.

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

1 **39-4-102. Valuation of public utilities.** (3) (e) BUSINESS
2 PERSONAL PROPERTY OWNED BY A PUBLIC UTILITY IS EXEMPT FROM THE
3 LEVY AND COLLECTION OF PROPERTY TAX PURSUANT TO SECTION
4 39-3-118.5 (2). THE VALUE OF THE EXEMPTION IS REMOVED FROM THE
5 SYSTEM MARKET VALUE AND IS DETERMINED BY APPLYING THE MARKET
6 TO BOOK RATIO TO THE NET OF THE HISTORICAL COST LESS DEPRECIATION
7 OF THE BUSINESS PERSONAL PROPERTY.

8 **SECTION 3. No appropriation.** The general assembly has
9 determined that this act can be implemented within existing
10 appropriations, and therefore no separate appropriation of state moneys
11 is necessary to carry out the purposes of this act.

12 **SECTION 4. Appropriation for FY 2013-14.** In addition to any
13 other appropriation, there is hereby appropriated, out of any moneys in the
14 general fund not otherwise appropriated, to the department of education,
15 for the fiscal year beginning July 1, 2013, the sum of thirty-seven million
16 five hundred thousand dollars (\$37,500,000), or so much thereof as may
17 be necessary, to finance the decrease in the local share of the total
18 program for kindergarten through twelfth grade public school education.

19 **SECTION 5. Appropriation for FY 2014-15.** In addition to any
20 other appropriation, there is hereby appropriated, out of any moneys in the
21 general fund not otherwise appropriated, to the department of education,
22 for the fiscal year beginning July 1, 2014, the sum of seventy-six million
23 three hundred thousand dollars (\$76,300,000), or so much thereof as may
24 be necessary, to finance the decrease in the local share of the total
25 program for kindergarten through twelfth grade public school education.

26 **SECTION 6. Act subject to petition - effective date.** This act
27 shall take effect at 12:01 a.m. on the day following the expiration of the

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