

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

PREAMENDED

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

LLS NO. 14-0729.01 Nicole Myers x4326

HOUSE BILL 14-1001

HOUSE SPONSORSHIP

Singer, Buck, Young

SENATE SPONSORSHIP

Nicholson, Jones, Kefalas

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A PROPERTY TAX REIMBURSEMENT**
102 **FOR A TAXPAYER THAT OWES PROPERTY TAX ON PROPERTY**
103 **THAT HAS BEEN DESTROYED BY A NATURAL CAUSE.**

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>.)

Beginning in the 2013 income tax year, the bill establishes an income tax credit for a taxpayer that owns real or business personal property that was destroyed by a natural cause as determined by the county assessor of the county in which the property is located. 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.*

amount of the credit is an amount equal to the taxpayer's property tax liability for the destroyed property in the property tax year in which the natural cause occurred. A taxpayer is allowed to claim the credit only for the income tax year during which the property was destroyed.

The bill requires the executive director of the department of revenue (department) to create a certification form to be used by a county assessor to certify to the department, at the request of a taxpayer, that the taxpayer's property was destroyed by a natural cause and that the taxpayer is entitled to an income tax credit. The bill specifies the information that shall be included on the certification form for real or business personal property that was destroyed by a natural cause. The department is required to make the certification form available to taxpayers and county assessors on the department's web site and by any other means deemed necessary by the department.

Before claiming an income tax credit, the bill requires a taxpayer to request that the county assessor in the county in which the destroyed property is located complete and sign a certification form for the destroyed property that is the basis of the income tax credit. The county assessor is required to complete and sign the certification form upon such request and the taxpayer is required to submit the completed and signed certification form to the department with the taxpayer's income tax return.

The amount of the credit allowed that exceeds the taxpayer's income taxes due is refunded to the taxpayer.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-1-123 as
3 follows:

4 **39-1-123. Property tax reimbursement - property destroyed by**
5 **natural cause. (1) Eligibility.** FOR PROPERTY TAX YEARS COMMENCING
6 ON OR AFTER JANUARY 1, 2013, REAL OR BUSINESS PERSONAL PROPERTY
7 THAT WAS DESTROYED BY A NATURAL CAUSE AS DEFINED IN SECTION
8 39-1-102(8.4), AS DETERMINED BY THE COUNTY ASSESSOR IN THE COUNTY
9 IN WHICH THE PROPERTY IS LOCATED, SHALL BE SUBJECT TO A
10 REIMBURSEMENT FROM THE STATE IN AN AMOUNT EQUAL TO THE
11 PROPERTY TAX LIABILITY APPLICABLE TO THE DESTROYED PROPERTY IN
12 THE PROPERTY TAX YEAR IN WHICH THE NATURAL CAUSE OCCURRED.

1 **(2) Report of destroyed properties.** (a) (I) FOR THE PROPERTY
2 TAX YEAR COMMENCING JANUARY 1, 2013, ON OR BEFORE JULY 1, 2014,
3 THE ASSESSOR OF EACH COUNTY WITH PROPERTY DESTROYED BY A
4 NATURAL CAUSE DURING THE YEAR SHALL FORWARD TO THE APPLICABLE
5 COUNTY TREASURER A REPORT OF THE TAXABLE REAL OR BUSINESS
6 PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED BY A
7 NATURAL CAUSE. THE REPORT MUST INCLUDE THE INFORMATION SPECIFIED
8 IN PARAGRAPH (b) OF THIS SUBSECTION (2).

9 (II) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
10 JANUARY 1, 2014, ON OR BEFORE DECEMBER 15 OF THE APPLICABLE
11 PROPERTY TAX YEAR, THE ASSESSOR OF EACH COUNTY WITH PROPERTY
12 DESTROYED BY A NATURAL CAUSE SHALL FORWARD TO THE APPLICABLE
13 COUNTY TREASURER A REPORT OF THE TAXABLE REAL OR BUSINESS
14 PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED BY A
15 NATURAL CAUSE THROUGH NOVEMBER OF THE YEAR. THE REPORT MUST
16 INCLUDE THE INFORMATION SPECIFIED IN PARAGRAPH (b) OF THIS
17 SUBSECTION (2).

18 (III) IF AFTER SUBMITTING A REPORT TO THE COUNTY TREASURER
19 PURSUANT TO SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH (a), THE
20 COUNTY ASSESSOR DISCOVERS ANY TAXABLE REAL OR BUSINESS
21 PERSONAL PROPERTY THAT WAS DESTROYED BY A NATURAL CAUSE
22 DURING THE APPLICABLE PROPERTY TAX YEAR THAT WAS NOT INCLUDED
23 IN THE REPORT, THE COUNTY ASSESSOR SHALL FORWARD TO THE COUNTY
24 TREASURER A SUPPLEMENTAL REPORT OF THE ADDITIONAL TAXABLE REAL
25 OR BUSINESS PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED
26 BY A NATURAL CAUSE. THE REPORT MUST INCLUDE THE INFORMATION
27 SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (2). IF APPLICABLE, THE

1 COUNTY ASSESSOR SHALL FORWARD THE SUPPLEMENTAL REPORT TO THE
2 COUNTY TREASURER ON OR BEFORE JULY 1 OF THE YEAR FOLLOWING THE
3 PROPERTY TAX YEAR IN WHICH THE PROPERTY WAS DESTROYED BY A
4 NATURAL CAUSE.

5 (b) (I) IN THE CASE OF TAXABLE REAL PROPERTY, THE REPORTS
6 REQUIRED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL
7 INCLUDE THE FOLLOWING:

8 (A) THE LEGAL DESCRIPTION OF EACH PARCEL OF REAL PROPERTY
9 IN THE COUNTY CONTAINING THE REAL PROPERTY DESTROYED BY A
10 NATURAL CAUSE IN THE APPLICABLE PROPERTY TAX YEAR;

11 (B) THE SCHEDULE OR PARCEL NUMBER FOR EACH PARCEL OF REAL
12 PROPERTY CONTAINING THE REAL PROPERTY DESTROYED BY A NATURAL
13 CAUSE IN THE APPLICABLE PROPERTY TAX YEAR;

14 (C) THE NAME OF THE REAL PROPERTY OWNER ON RECORD;

15 (D) A DESCRIPTION OF THE REAL PROPERTY AND THE DATE OF THE
16 DESTRUCTION; AND

17 (E) THE PRORATED PROPERTY TAXES DUE ON THE DESTROYED
18 REAL PROPERTY FOR THE APPLICABLE PROPERTY TAX YEAR ACCORDING TO
19 THE RECORDS OF THE COUNTY ASSESSOR.

20 (II) IN THE CASE OF TAXABLE BUSINESS PERSONAL PROPERTY, THE
21 REPORTS REQUIRED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2)
22 SHALL INCLUDE THE FOLLOWING:

23 (A) THE SCHEDULE OR IDENTIFYING NUMBER FOR THE BUSINESS
24 PERSONAL PROPERTY DESTROYED BY A NATURAL CAUSE;

25 (B) THE NAME OF THE TAXPAYER WHO OWNS OR LEASES THE
26 BUSINESS PERSONAL PROPERTY THAT WAS DESTROYED BY A NATURAL
27 CAUSE AND THE NAME OF THE ENTITY UNDER WHICH THE TAXPAYER DOES

1 BUSINESS, IF APPLICABLE; AND

2 (C) THE PROPERTY TAXES DUE ON THE DESTROYED BUSINESS
3 PERSONAL PROPERTY FOR THE APPLICABLE PROPERTY TAX YEAR
4 ACCORDING TO THE RECORDS OF THE COUNTY ASSESSOR.

5 (3) **Verification of property taxes owed.** (a) WITHIN THIRTY
6 CALENDAR DAYS OF RECEIVING A REPORT FROM THE COUNTY ASSESSOR
7 PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE COUNTY TREASURER
8 OF THE SAME COUNTY SHALL VERIFY THE TOTAL AMOUNT OF THE
9 PROPERTY TAX IN THE COUNTY THAT IS ELIGIBLE FOR REIMBURSEMENT
10 PURSUANT TO SUBSECTION (1) OF THIS SECTION. THE COUNTY TREASURER
11 SHALL CALCULATE SUCH AMOUNT BASED ON THE CERTIFIED TAX ROLL
12 THAT THE COUNTY TREASURER RECEIVES FROM THE COUNTY ASSESSOR, AS
13 ADJUSTED BY ANY PRORATION OF THE AMOUNT OF PROPERTY TAXES OWED
14 DUE TO THE DESTRUCTION OF THE PROPERTY.

15 (b) AS SOON AS PRACTICABLE AFTER VERIFYING THE TOTAL
16 AMOUNT OF PROPERTY TAX IN THE COUNTY THAT IS ELIGIBLE TO BE
17 REIMBURSED, THE COUNTY TREASURER SHALL TRANSMIT A REPORT TO THE
18 STATE TREASURER THAT INCLUDES THE COUNTY TREASURER'S
19 VERIFICATION AND THE REPORT OF THE DESTROYED PROPERTIES FROM THE
20 COUNTY ASSESSOR.

21 (4) **State treasurer to pay county treasurer.** WITHIN SIXTY
22 CALENDAR DAYS OF RECEIVING A REPORT FROM A COUNTY TREASURER
23 PURSUANT TO SUBSECTION (3) OF THIS SECTION, THE STATE TREASURER
24 SHALL ISSUE A REIMBURSEMENT WARRANT TO THE APPLICABLE COUNTY
25 TREASURER IN AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF PROPERTY
26 TAX DUE IN THE COUNTY THAT IS ELIGIBLE TO BE REIMBURSED PURSUANT
27 TO SUBSECTION (1) OF THIS SECTION FOR THE APPLICABLE PROPERTY TAX

1 YEAR.

2 (5) **Reimbursement.** (a) IF THE COUNTY TREASURER RECEIVES A
3 REPORT FROM THE ASSESSOR IN ACCORDANCE WITH SUBSECTION (2) OF
4 THIS SECTION ON OR BEFORE DECEMBER 15 OF A PROPERTY TAX YEAR, THE
5 COUNTY TREASURER SHALL APPLY A CREDIT TO THE TAX BILL OF THE
6 DESTROYED PROPERTY FOR THAT YEAR IN THE AMOUNT OF THE EXPECTED
7 REIMBURSEMENT AND APPLY THE REIMBURSEMENT RECEIVED FROM THE
8 TREASURER TO SUCH CREDIT.

9 (b) FOR DESTROYED PROPERTY THAT IS REPORTED BY THE
10 ASSESSOR AFTER DECEMBER 15 OF A PROPERTY TAX YEAR, WITHIN THIRTY
11 CALENDAR DAYS OF THE RECEIPT OF MONEYS FROM THE STATE TREASURER
12 PURSUANT TO SUBSECTION (4) OF THIS SECTION, THE COUNTY TREASURER
13 SHALL PAY THE PROPERTY TAX OWED FOR EACH DESTROYED PROPERTY. IF
14 THE PROPERTY TAX DUE FOR THE DESTROYED PROPERTY HAS ALREADY
15 BEEN PAID, THE COUNTY TREASURER SHALL ISSUE A REIMBURSEMENT TO
16 THE TAXPAYER'S LAST RECORDED MAILING ADDRESS. THE COUNTY
17 TREASURER SHALL WAIVE ANY INTEREST ON UNPAID PROPERTY TAXES
18 THAT ARE PAID PURSUANT TO THIS SUBSECTION (5).

19 (c) IF ANY REIMBURSEMENTS ARE RETURNED TO THE COUNTY
20 TREASURER AS UNDELIVERABLE, THE COUNTY TREASURER SHALL HOLD
21 THE REIMBURSEMENT FOR SIX MONTHS FROM THE DATE THAT THE
22 REIMBURSEMENT WAS RETURNED TO THE COUNTY TREASURER, AND THE
23 TAXPAYER MAY CLAIM THE REIMBURSEMENT FROM THE COUNTY
24 TREASURER. THE COUNTY TREASURER SHALL RETURN TO THE STATE
25 TREASURER ANY REIMBURSEMENTS THAT HAVE NOT BEEN CLAIMED BY
26 THE TAXPAYER WITHIN SUCH TIME.

27 (d) THE STATE TREASURER SHALL TRANSFER TO THE GENERAL

1 FUND ANY MONEYS THAT HE OR SHE RECEIVES FROM A COUNTY
2 TREASURER PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (5).

3 **SECTION 2. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, and safety.