

NOTE: The governor signed this measure on 3/14/2014.

An Act

HOUSE BILL 14-1074

BY REPRESENTATIVE(S) Court and DelGrosso, Becker, Fields, Gerou, Hamner, Hullinghorst, Kraft-Tharp, Labuda, Melton, Pabon, Pettersen, Schafer, Tyler, Williams, Young, Ferrandino, Rosenthal, Ryden, Vigil; also SENATOR(S) Johnston, Kefalas.

CONCERNING PAYMENTS THAT A NONPROFIT OWNER OF A TAX-EXEMPT PROPERTY MAY RECEIVE FOR REASONABLE EXPENSES INCURRED WITHOUT AFFECTING THE TAX-EXEMPT STATUS OF THE PROPERTY.

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

SECTION 1. In Colorado Revised Statutes, 39-3-116, **amend** (2) (c) as follows:

39-3-116. Combination use of property - charitable, religious, and educational purposes - exemption - limitations. (2) In the event that such property is used by any person or organization other than the owner:

(c) The amount received by the owner for the use of such property specified in sections 39-3-107 to 39-3-113.5, other than from any shareholder or member of the owner or from any person or organization controlled by an organization which also controls such shareholder or member, ~~shall~~ **MUST** not exceed one dollar per year plus an equitable

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

portion of the reasonable expenses incurred in the operation and maintenance of the property so used. For purposes of this paragraph (c), reasonable expenses ~~shall~~ include interest expenses, DEPRECIATION, LONG-TERM MAINTENANCE EXPENSES ALLOWED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, CAPITAL EXPENSES DEDICATED TO REFURBISHING THE PROPERTY, AND EXPENSES INCURRED TO ALLOW THE PROPERTY TO CONSERVE ENERGY, WATER, OR OTHER NATURAL RESOURCES, but ~~shall~~ DO not include ~~depreciation~~ or any amount expended to reduce debt.

SECTION 2. Applicability. This act applies to property tax years commencing on or after January 1, 2014.

SECTION 3. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Morgan Carroll
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO