

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0322.01 Ed DeCecco x4216

SENATE BILL 14-042

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SENATE SPONSORSHIP

Scheffel,

HOUSE SPONSORSHIP

(None),

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Senate Committees  
State, Veterans, & Military Affairs

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE ELIMINATION OF THE LIMIT ON THE TERM OF A  
102 BUSINESS INCENTIVE AGREEMENT THAT A LOCAL GOVERNMENT  
103 ENTERS INTO WITH A TAXPAYER WHO PAYS BUSINESS PERSONAL  
104 PROPERTY TAX.

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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>.)*

A county, municipality, or special district (local government) is currently authorized to negotiate an incentive payment or credit with a

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.

taxpayer that pays business personal property tax and that establishes a new business facility, expands an existing business facility, or if there is a substantial risk that the taxpayer will relocate an existing facility out of state. These payments or credits are included in agreements that are commonly known as business incentive agreements.

The bill eliminates a 10-year limit on the term of a business incentive agreement and grants the governing body of the local government the discretion to determine the term of the agreement.

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

2 **SECTION 1.** In Colorado Revised Statutes, 30-11-123, **amend**  
3 (1) (b), (1.5) (c), and (2) as follows:

4 **30-11-123. Legislative declaration - counties - new business**  
5 **facilities - expansion of existing business facilities - incentives -**  
6 **limitations - authority to exceed revenue-raising limitations -**  
7 **definitions.** (1) (b) Notwithstanding any law to the contrary, any county  
8 may negotiate for an incentive payment or credit with any taxpayer who  
9 establishes a new business facility, as defined in section 39-30-105 (7)  
10 (e), C.R.S., in the county. In no instance shall any negotiation result in an  
11 annual incentive payment or credit that is greater than the amount of the  
12 taxes levied by the county upon the taxable personal property located at  
13 or within the new business facility and used in connection with the  
14 operation of the new business facility for the current property tax year.  
15 The term of any agreement made pursuant to the provisions of this section  
16 ~~shall not exceed four years; except that the term of any agreement made~~  
17 ~~or renewed on or after June 3, 2002, may extend to as many as ten years;~~  
18 ~~including the term of any original agreement being renewed~~ IS AT THE  
19 DISCRETION OF THE BOARD OF COUNTY COMMISSIONERS.

20 (1.5) (c) A county shall not give an annual incentive payment or  
21 credit under this subsection (1.5) that is greater than the amount of the

1 taxes levied by the county upon the taxable personal property located at  
2 or within the existing business facility and used in connection with the  
3 operation of the existing business facility for the current property tax year.  
4 The term of an agreement made pursuant to this subsection (1.5) ~~shall not~~  
5 ~~exceed ten years, and this limit includes any renewals of the original~~  
6 ~~agreement~~ IS AT THE DISCRETION OF THE BOARD OF COUNTY  
7 COMMISSIONERS. A county shall not give an annual incentive payment or  
8 credit under this subsection (1.5), unless the board of county  
9 commissioners approves the payment or credit at a public hearing.

10 (2) Notwithstanding any law to the contrary, any county may  
11 negotiate for an incentive payment or credit with any taxpayer who  
12 expands a facility, as defined in section 39-30-105 (7) (c), C.R.S., the  
13 expansion of which constitutes a new business facility, as defined in  
14 section 39-30-105 (7) (e), C.R.S., and that is located in the county. In no  
15 instance shall any negotiation result in an annual incentive payment or  
16 credit that is greater than the amount of the taxes levied by the county  
17 upon the taxable personal property directly attributable to the expansion,  
18 located at or within the expanded facility, and used in connection with the  
19 operation of the expanded facility for the current property tax year. The  
20 term of any agreement made pursuant to the provisions of this section  
21 ~~shall not exceed four years; except that the terms of any agreement made~~  
22 ~~or renewed on or after June 3, 2002, may extend to as many as ten years,~~  
23 ~~including the term of any original agreement being renewed~~ IS AT THE  
24 DISCRETION OF THE BOARD OF COUNTY COMMISSIONERS.

25 **SECTION 2.** In Colorado Revised Statutes, 31-15-903, **amend**  
26 (1) (b), (1.5) (c), and (2) as follows:

27 **31-15-903. Legislative declaration - municipalities - new**

1 **business facilities - expanded or existing business facilities - incentives**  
2 **- limitations - authority to exceed revenue-raising limitation.**

3 (1) (b) Notwithstanding any law to the contrary, any municipality may  
4 negotiate for an incentive payment or credit with any taxpayer who  
5 establishes a new business facility, as defined in section 39-30-105 (7)  
6 (e), C.R.S., in the municipality. In no instance shall any negotiation result  
7 in an annual incentive payment or credit that is greater than the amount  
8 of taxes levied by the municipality upon the taxable personal property  
9 located at or within the new business facility and used in connection with  
10 the operation of the new business facility for the current property tax year.  
11 The term of any agreement made pursuant to the provisions of this section  
12 ~~shall not exceed four years; except that the term of any agreement made~~  
13 ~~or renewed on or after June 3, 2002, may extend to as many as ten years,~~  
14 ~~including the term of any original agreement being renewed~~ IS AT THE  
15 DISCRETION OF THE GOVERNING BODY OF THE MUNICIPALITY.

16 (1.5) (c) A municipality shall not give an annual incentive  
17 payment or credit under this subsection (1.5) that is greater than the  
18 amount of the taxes levied by the municipality upon the taxable personal  
19 property located at or within the existing business facility and used in  
20 connection with the operation of the existing business facility for the  
21 current property tax year. The term of an agreement made pursuant to this  
22 subsection (1.5) ~~shall not exceed ten years, and this limit includes any~~  
23 ~~renewals of the original agreement~~ IS AT THE DISCRETION OF THE  
24 GOVERNING BODY OF THE MUNICIPALITY. A municipality shall not give an  
25 annual incentive payment or credit under this subsection (1.5), unless the  
26 governing body of the municipality approves the payment or credit at a  
27 public hearing.

1           (2) Notwithstanding any law to the contrary, any municipality may  
2 negotiate for an incentive payment or credit with any taxpayer who  
3 expands a facility, as defined in section 39-30-105 (7) (c), C.R.S., the  
4 expansion of which constitutes a new business facility, as defined in  
5 section 39-30-105 (7) (e), C.R.S., and that is located in the municipality.  
6 In no instance shall any negotiation result in an annual incentive payment  
7 or credit that is greater than the amount of the taxes levied by the  
8 municipality upon the taxable personal property directly attributable to the  
9 expansion, located at or within the expanded facility, and used in  
10 connection with the operation of the expanded facility for the current  
11 property tax year. The term of any agreement made pursuant to the  
12 provisions of this section ~~shall not exceed four years; except that the~~  
13 ~~terms of any agreement made or renewed on or after June 3, 2002, may~~  
14 ~~extend to as many as ten years, including the term of any original~~  
15 ~~agreement being renewed~~ IS AT THE DISCRETION OF THE GOVERNING BODY  
16 OF THE MUNICIPALITY.

17           **SECTION 3.** In Colorado Revised Statutes, 32-1-1702, **amend**  
18 (1), (1.5) (c), and (2) as follows:

19           **32-1-1702. New business facilities - expanded or existing**  
20 **business facilities - incentives - limitations - authority to exceed**  
21 **revenue-raising limitation.** (1) Notwithstanding any law to the contrary,  
22 a special district may negotiate for an incentive payment or credit with a  
23 taxpayer who establishes a new business facility, as defined in section  
24 39-30-105 (7) (e), C.R.S., in the special district. In no instance shall any  
25 negotiation result in an annual incentive payment or credit that is greater  
26 than the amount of taxes levied by the special district upon the taxable  
27 business personal property located at or within the new business facility

1 and used in connection with the operation of the new business facility for  
2 the current property tax year. The term of any agreement made pursuant  
3 to the provisions of this section ~~shall not exceed ten years, including the~~  
4 ~~term of any original agreement being renewed~~ IS AT THE DISCRETION OF  
5 THE BOARD OF THE SPECIAL DISTRICT.

6 (1.5) (c) A special district shall not give an annual incentive  
7 payment or credit under this subsection (1.5) that is greater than the  
8 amount of the taxes levied by the special district upon the taxable  
9 personal property located at or within the existing business facility and  
10 used in connection with the operation of the existing business facility for  
11 the current property tax year. The term of an agreement made pursuant to  
12 this subsection (1.5) ~~shall not exceed ten years, and this limit includes any~~  
13 ~~renewals of the original agreement~~ IS AT THE DISCRETION OF THE BOARD  
14 OF THE SPECIAL DISTRICT. A special district shall not give an annual  
15 incentive payment or credit under this subsection (1.5), unless the board  
16 of the special district approves the payment or credit at a public hearing.

17 (2) Notwithstanding any law to the contrary, a special district may  
18 negotiate for an incentive payment or credit with a taxpayer who expands  
19 a facility, as defined in section 39-30-105 (7) (c), C.R.S., the expansion  
20 of which constitutes a new business facility, as defined in section  
21 39-30-105 (7) (e), C.R.S., and that is located in the special district. In no  
22 instance shall any negotiation result in an annual incentive payment or  
23 credit that is greater than the amount of the taxes levied by the special  
24 district upon the taxable business personal property directly attributable  
25 to the expansion located at or within the expanded facility and used in  
26 connection with the operation of the expanded facility for the current  
27 property tax year. The term of any agreement made pursuant to the

1 provisions of this section ~~shall not exceed ten years, including the term of~~  
2 ~~any original agreement being renewed~~ IS AT THE DISCRETION OF THE  
3 BOARD OF THE SPECIAL DISTRICT.

4           **SECTION 4. Act subject to petition - effective date.** This act  
5 takes effect at 12:01 a.m. on the day following the expiration of the  
6 ninety-day period after final adjournment of the general assembly (August  
7 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a  
8 referendum petition is filed pursuant to section 1 (3) of article V of the  
9 state constitution against this act or an item, section, or part of this act  
10 within such period, then the act, item, section, or part will not take effect  
11 unless approved by the people at the general election to be held in  
12 November 2014 and, in such case, will take effect on the date of the  
13 official declaration of the vote thereon by the governor.