

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. 14-0950.01 Bob Lackner x4350

HOUSE BILL 14-1375

HOUSE SPONSORSHIP

DelGrosso,

SENATE SPONSORSHIP

Tochtrop,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO STATUTORY PROVISIONS GOVERNING**
102 **URBAN REDEVELOPMENT TO PROMOTE THE EQUITABLE**
103 **FINANCIAL CONTRIBUTION AMONG AFFECTED PUBLIC BODIES IN**
104 **CONNECTION WITH THE TAX INCREMENT FINANCING OF URBAN**
105 **REDEVELOPMENT PROJECTS.**

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 makes the following modifications to the "Urban Renewal

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.

Law":

- ! If the municipality in which an urban renewal authority (authority) that has been established is not a city and county, **section 1** of the bill requires at least one such commissioner of the authority to be appointed by the board of county commissioners of each county in which an urban renewal project undertaken by the authority is located.
- ! In the case of the special fund established for the collection of taxes to implement tax increment financing by the authority, upon the payment of all bond debt, **section 2** of the bill requires all funds remaining in the special fund to be repaid to each public body pro rata in accordance with the percentages of taxes paid into the special fund and not previously rebated to the public body.
- ! Section 2 also specifies that the percentage of property tax increment revenues of any public body that may be allocated to the authority in connection with tax increment financing must not exceed the percentage of municipal sales tax revenues allocated to the authority under the provisions of the urban renewal plan, as originally approved and as it may be later modified, except that:
 - ! The allocation may be modified by means of an agreement with any such public body;
 - ! Any exemptions, rebates, or repayments paid or to be paid to the municipality must be excluded in determining the percentage of municipal sales tax increment revenue allocated to the authority; and
 - ! Any moneys either that the municipality pays to the authority for the project by the municipality or any public body in advance of the allocation of moneys to the authority or that are spent by a private entity for which the municipality has agreed in writing to reimburse the entity with sales tax revenue collected in the area of the urban renewal project must be included in the determination of the applicable percentages.

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

2 **SECTION 1.** In Colorado Revised Statutes, 31-25-104, **amend**

3 (2) (a) as follows:

4 **31-25-104. Urban renewal authority.** (2) (a) An authority shall

1 consist of any odd number of commissioners, which shall be not less than
2 five nor more than eleven, each of whom shall be appointed by the mayor,
3 who shall designate the chairman for the first year; EXCEPT THAT, IN ALL
4 CASES IN WHICH THE MUNICIPALITY IN WHICH AN AUTHORITY HAS BEEN
5 ESTABLISHED IS NOT A CITY AND COUNTY, AT LEAST ONE SUCH
6 COMMISSIONER MUST BE APPOINTED BY THE BOARD OF COUNTY
7 COMMISSIONERS OF EACH COUNTY IN WHICH AN URBAN RENEWAL PROJECT
8 UNDERTAKEN BY THE AUTHORITY IS LOCATED. Such MAYORAL
9 appointments and designation ~~shall be~~ ARE subject to approval by the
10 governing body. Not more than one of the commissioners may be an
11 official of the municipality. In the event that an official of the
12 municipality is appointed as commissioner of an authority, acceptance or
13 retention of such appointment ~~shall not be~~ IS NOT deemed a forfeiture of
14 his OR HER office, or incompatible therewith, or TO affect his OR HER
15 tenure or compensation in any way. The term of office of a commissioner
16 of an authority who is a municipal official shall not be affected or
17 curtailed by the expiration of the term of his OR HER municipal office.

18 **SECTION 2.** In Colorado Revised Statutes, 31-25-107, **amend**
19 (9) (a) introductory portion and (9) (a) (II); and **add** (9.5) as follows:

20 **31-25-107. Approval of urban renewal plans by local**
21 **governing body.** (9) (a) Notwithstanding any law to the contrary, any
22 urban renewal plan, as originally approved or as later modified pursuant
23 to this part 1, may contain a provision that taxes, if any, levied after the
24 effective date of the approval of such urban renewal plan upon taxable
25 property in an urban renewal area each year or that municipal sales taxes
26 collected within said area, or both such taxes, by or for the benefit of any
27 public body ~~shall~~ MUST be divided for a period not to exceed twenty-five

1 years after the effective date of adoption of such a provision, as follows:

2 (II) That portion of said property taxes or all or any portion of said
3 sales taxes, or both, in excess of the amount of property taxes or sales
4 taxes paid into the funds of each such public body in accordance with the
5 requirements of subparagraph (I) of this paragraph (a) ~~shall~~ MUST be
6 allocated to and, when collected, paid into a special fund of the authority
7 to pay the principal of, the interest on, and any premiums due in
8 connection with the bonds of, loans or advances to, or indebtedness
9 incurred by, whether funded, refunded, assumed, or otherwise, the
10 authority for financing or refinancing, in whole or in part, an urban
11 renewal project, or to make payments under an agreement executed
12 pursuant to subsection (11) of this section. Any excess municipal sales tax
13 collections not allocated pursuant to this subparagraph (II) ~~shall~~ MUST be
14 paid into the funds of the municipality. Unless and until the total
15 valuation for assessment of the taxable property in an urban renewal area
16 exceeds the base valuation for assessment of the taxable property in such
17 urban renewal area, as provided in subparagraph (I) of this paragraph (a),
18 all of the taxes levied upon the taxable property in such urban renewal
19 area ~~shall~~ MUST be paid into the funds of the respective public bodies.
20 Unless and until the total municipal sales tax collections in an urban
21 renewal area exceed the base year municipal sales tax collections in such
22 urban renewal area, as provided in subparagraph (I) of this paragraph (a),
23 all such sales tax collections ~~shall~~ MUST be paid into the funds of the
24 municipality. When such bonds, loans, advances, and indebtedness, if
25 any, including interest thereon and any premiums due in connection
26 therewith, have been paid, all taxes upon the taxable property or the total
27 municipal sales tax collections, or both, in such urban renewal area ~~shall~~

1 MUST be paid into the funds of the respective public bodies, AND ALL
2 FUNDS REMAINING IN THE SPECIAL FUND ESTABLISHED PURSUANT TO THIS
3 SUBPARAGRAPH (II) MUST BE REPAID TO EACH PUBLIC BODY PRO RATA IN
4 ACCORDANCE WITH THE PERCENTAGES OF TAXES PAID INTO THE SPECIAL
5 FUND AND NOT PREVIOUSLY REBATED TO THE PUBLIC BODY.

6 (9.5) THE PERCENTAGE OF PROPERTY TAX INCREMENT REVENUES
7 OF ANY PUBLIC BODY THAT MAY BE ALLOCATED TO THE AUTHORITY
8 PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (9)
9 OF THIS SECTION SHALL NOT EXCEED THE PERCENTAGE OF MUNICIPAL
10 SALES TAX INCREMENT REVENUES ALLOCATED TO THE AUTHORITY
11 PURSUANT TO SAID SUBPARAGRAPH (II) UNDER THE PROVISIONS OF THE
12 PLAN, AS ORIGINALLY APPROVED AND AS IT MAY BE LATER MODIFIED;
13 EXCEPT THAT:

14 (a) THE ALLOCATION REQUIRED BY THIS SUBSECTION (9.5) MAY BE
15 MODIFIED BY MEANS OF AN AGREEMENT WITH ANY SUCH PUBLIC BODY IN
16 ACCORDANCE WITH SUBSECTION (11) OF THIS SECTION;

17 (b) SUBJECT TO PARAGRAPH (c) OF THIS SUBSECTION (9.5), ANY
18 EXEMPTIONS, REBATES, OR REPAYMENTS PAID OR TO BE PAID TO THE
19 MUNICIPALITY MUST BE EXCLUDED IN DETERMINING THE PERCENTAGE OF
20 MUNICIPAL SALES TAX INCREMENT REVENUE ALLOCATED TO THE
21 AUTHORITY; AND

22 (c) ANY MONEYS EITHER THAT THE MUNICIPALITY PAYS TO THE
23 AUTHORITY FOR THE PROJECT BY THE MUNICIPALITY OR ANY PUBLIC BODY
24 IN ADVANCE OF THE ALLOCATION OF MONEYS TO THE AUTHORITY
25 PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (9)
26 OF THIS SECTION OR THAT ARE SPENT BY A PRIVATE ENTITY FOR WHICH
27 THE MUNICIPALITY HAS AGREED IN WRITING TO REIMBURSE THE ENTITY

1 WITH SALES TAX REVENUE COLLECTED IN THE AREA OF THE URBAN
2 RENEWAL PROJECT MUST BE INCLUDED IN THE DETERMINATION OF THE
3 APPLICABLE PERCENTAGES UNDER THIS SUBSECTION (9.5).

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

14 (2) Section 1 of this act applies to urban renewal authorities
15 created or modified on or after January 1, 2015, and to such authorities
16 considering urban renewal plan amendments or modifications, including,
17 without limitation, an addition of urban renewal projects, an alteration of
18 urban renewal area boundaries, or an extension of an urban renewal plan
19 or the duration of specific projects regardless of whether such changes
20 require actual alteration of the terms of the urban renewal plan.

21 (3) Section 2 of this act applies to urban renewal plans adopted on
22 or after January 1, 2015, and to amendments or modifications of such
23 plans, including, without limitation, an addition of urban renewal
24 projects, an alteration of urban renewal area boundaries, or an extension
25 of an urban renewal plan or the duration of specific projects regardless of
26 whether such changes require actual alteration of the terms of the urban
27 renewal plan.