INTRODUCED

Scheffel,

A BILL FOR AN ACT

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

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
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.

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

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

30-11-123. Legislative declaration - counties - new business facilities - expansion of existing business facilities - incentives - limitations - authority to exceed revenue-raising limitations - definitions. (1) (b) Notwithstanding any law to the contrary, any county may negotiate for an incentive payment or credit with any taxpayer who establishes a new business facility, as defined in section 39-30-105 (7) (e), C.R.S., in the county. In no instance shall any negotiation result in an annual incentive payment or credit that is greater than the amount of the taxes levied by the county upon the taxable personal property located at or within the new business facility and used in connection with the operation of the new business facility for the current property tax year. The term of any agreement made pursuant to the provisions of this section shall not exceed four years; except that the term of any agreement made or renewed on or after June 3, 2002, may extend to as many as ten years, including the term of any original agreement being renewed is at the discretion of the Board of County Commissioners.

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

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

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

31-15-903. Legislative declaration - municipalities - new
business facilities - expanded or existing business facilities - incentives
- limitations - authority to exceed revenue-raising limitation.

(1) (b) Notwithstanding any law to the contrary, any municipality may negotiate for an incentive payment or credit with any taxpayer who establishes a new business facility, as defined in section 39-30-105 (7) (e), C.R.S., in the municipality. In no instance shall any negotiation result in an annual incentive payment or credit that is greater than the amount of taxes levied by the municipality upon the taxable personal property located at or within the new business facility and used in connection with the operation of the new business facility for the current property tax year.

The term of any agreement made pursuant to the provisions of this section shall not exceed four years; except that the term of any agreement made or renewed on or after June 3, 2002, may extend to as many as ten years, including the term of any original agreement being renewed IS AT THE DISCRETION OF THE GOVERNING BODY OF THE MUNICIPALITY.

(1.5) (c) A municipality shall not give an annual incentive payment or credit under this subsection (1.5) that is greater than the amount of the taxes levied by the municipality upon the taxable personal property located at or within the existing business facility and used in connection with the operation of the existing business facility for the current property tax year. The term of an agreement made pursuant to this subsection (1.5) shall not exceed ten years, and this limit includes any renewals of the original agreement IS AT THE DISCRETION OF THE GOVERNING BODY OF THE MUNICIPALITY. A municipality shall not give an annual incentive payment or credit under this subsection (1.5), unless the governing body of the municipality approves the payment or credit at a public hearing.
(2) Notwithstanding any law to the contrary, any municipality may negotiate for an incentive payment or credit with any taxpayer who expands a facility, as defined in section 39-30-105 (7) (c), C.R.S., the expansion of which constitutes a new business facility, as defined in section 39-30-105 (7) (e), C.R.S., and that is located in the municipality. In no instance shall any negotiation result in an annual incentive payment or credit that is greater than the amount of the taxes levied by the municipality upon the taxable personal property directly attributable to the expansion, located at or within the expanded facility, and used in connection with the operation of the expanded facility for the current property tax year. The term of any agreement made pursuant to the provisions of this section shall not exceed four years; except that the terms of any agreement made or renewed on or after June 3, 2002, may extend to as many as ten years, including the term of any original agreement being renewed is at the discretion of the governing body of the municipality.

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

32-1-1702. New business facilities - expanded or existing business facilities - incentives - limitations - authority to exceed revenue-raising limitation. (1) Notwithstanding any law to the contrary, a special district may negotiate for an incentive payment or credit with a taxpayer who establishes a new business facility, as defined in section 39-30-105 (7) (e), C.R.S., in the special district. In no instance shall any negotiation result in an annual incentive payment or credit that is greater than the amount of taxes levied by the special district upon the taxable business personal property located at or within the new business facility.
and used in connection with the operation of the new business facility for the current property tax year. The term of any agreement made pursuant to the provisions of this section shall not exceed ten years, including the term of any original agreement being renewed is at the discretion of the board of the special district.

(1.5) (c) A special district shall not give an annual incentive payment or credit under this subsection (1.5) that is greater than the amount of the taxes levied by the special district upon the taxable personal property located at or within the existing business facility and used in connection with the operation of the existing business facility for the current property tax year. The term of an agreement made pursuant to this subsection (1.5) shall not exceed ten years, and this limit includes any renewals of the original agreement is at the discretion of the board of the special district. A special district shall not give an annual incentive payment or credit under this subsection (1.5), unless the board of the special district approves the payment or credit at a public hearing.

(2) Notwithstanding any law to the contrary, a special district may negotiate for an incentive payment or credit with a taxpayer who expands a facility, as defined in section 39-30-105 (7) (c), C.R.S., the expansion of which constitutes a new business facility, as defined in section 39-30-105 (7) (e), C.R.S., and that is located in the special district. In no instance shall any negotiation result in an annual incentive payment or credit that is greater than the amount of the taxes levied by the special district upon the taxable business personal property directly attributable to the expansion located at or within the expanded facility and used in connection with the operation of the expanded facility for the current property tax year. The term of any agreement made pursuant to the
provisions of this section shall not exceed ten years, including the term of
any original agreement being renewed is at the discretion of the
board of the special district.

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