

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0957.01 Esther van Mourik x4215

SENATE BILL 15-282

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SENATE SPONSORSHIP

Scott and Johnston, Cadman, Scheffel

HOUSE SPONSORSHIP

Duran and Willett, DelGrosso

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Senate Committees

State, Veterans, & Military Affairs

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE ESTABLISHMENT OF A RURAL JUMP-START PROGRAM  
102 IN HIGHLY DISTRESSED COUNTIES OF THE STATE FOR NEW  
103 BUSINESSES THAT BRING NEW JOBS TO THE STATE.

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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>.)*

The bill creates the "Tax-friendly Zone Act" and requires the Colorado economic development commission (commission) to manage and oversee the program.

The bill allows tax-friendly zones to be created in up to 30 of the state's highly distressed counties. Those highly distressed counties are

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.*

determined by ranking the state's distressed counties from lowest to highest by the total sum of annual percentage change in each distressed county for population, employment, weekly wage, and the number of establishments. To be distressed, a county must meet 2 of 3 economic indicators related to change in employment, change in assessed value of all property, and the number of pupils eligible for free lunch.

The bill defines a tax-friendly zone as an area within the boundaries of a highly distressed county that is either:

- ! In one or more incorporated portions of the highly distressed county if the municipality provides the commission with a general resolution agreeing to provide incentive payments, exemptions, or credits to offset the imposition of certain municipal taxes for all new businesses in order to be a participant in the tax-friendly zone program;
- ! In one or more incorporated portions of the distressed county if the municipality provides the commission with a limited resolution that indicates the municipality agrees to only provide incentive payments, exemptions, or credits to offset the imposition of certain municipal taxes for a specific new business in order to be a limited participant in the tax-friendly zone program; or
- ! In the unincorporated portions of the highly distressed county.

If a new business establishes a relationship with a state institution of higher education in the tax-friendly zone and then locates in the zone, the new business is entitled to tax-friendly zone program benefits as follows:

- ! An income tax credit for the new business in an amount equal to 100% of the income taxes imposed on the income derived from the new business' activities in the tax-friendly zone for a specified period, and the specified period may be extended, subject to limitations, by the commission at the request of the new business;
- ! An income tax credit for the new business' employees in an amount equal to 100% of the income taxes imposed on the employees' wages paid by the new business for a specified period, and the specified period may be extended, subject to limitations, by the commission at the request of the new business;
- ! A sales and use tax refund on the purchase of all tangible personal property acquired by the new business and used exclusively within the tax-friendly zone for a specified period, and the specified period may be extended, subject to limitations, by the commission at the request of the new

business; and

- ! The elimination of the business personal property tax and incentive payments, exemptions, or refunds as determined by the county or municipality to eliminate any other tax liability imposed on the new business by the county and municipality.

The bill establishes requirements on the new business, the new employees, and the new hires, and sets forth application parameters for the state institution of higher education and the new business. State institutions of higher education include public postsecondary institutions governed by the state board for community colleges and occupational education. The bill also requires the commission to issue guidelines on a number of the details related to the administration of the program. The bill specifies that the guidelines issued by the commission must be reviewed by the office of legislative legal services as if such guidelines were rules subject to review pursuant to the "State Administrative Procedure Act".

The commission is required to annually review the economic stabilities of those counties determined to be not highly distressed to see if the county should be designated as highly distressed. Each highly distressed county retains its designation as a highly distressed county for 3 years, after which the commission will review the designation. If the commission determines that the county is no longer highly distressed, the new business and new employees in such county retain the tax-friendly program benefits for the period set forth in statute.

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

**SECTION 1.** In Colorado Revised Statutes, **add** article 30.5 to title 39 as follows:

**ARTICLE 30.5**

**Tax-friendly Zone Act**

**39-30.5-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "TAX-FRIENDLY ZONE ACT".

**39-30.5-102. Legislative declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) WHILE OVERALL THERE ARE IMPROVEMENTS TO THE COLORADO ECONOMY, THERE STILL EXISTS A SIGNIFICANT CONTRACTION

1 OF LOCAL ECONOMIES IN CERTAIN AREAS OF THE STATE;

2 (b) IMPORTANTLY, THOSE AREAS ARE EXPERIENCING INCREASED  
3 ECONOMIC DOWNTURN AS MEASURED BY CHANGES IN SUCH FACTORS AS  
4 POPULATION, EMPLOYMENT, WEEKLY WAGE, ASSESSED VALUE OF ALL  
5 PROPERTY, AND CONCENTRATION OF PUPILS ELIGIBLE FOR FREE LUNCH;  
6 AND

7 (c) COLORADO'S MANY DIVERSE ASPECTS ARE WHAT MAKE IT SUCH  
8 A UNIQUE AND WONDERFUL STATE, WITH VARYING ECONOMIC SECTORS  
9 AND REGIONS MAKING ITS STRENGTH GREATER THAN THE SUM OF ITS  
10 PARTS. IT IS IMPERATIVE THAT ALL SECTORS OF THE STATE BE KEPT  
11 INDEPENDENTLY STRONG AND BE GIVEN THE CHANCE TO IMPROVE,  
12 PROSPER, AND CONTRIBUTE TO THE WHOLE, FROM WHICH ALL BENEFIT.  
13 THE GENERAL ASSEMBLY IS COMMITTED TO REACHING OUT TO ALL SUCH  
14 AREAS TO ENSURE THIS GOAL IS MET.

15 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT  
16 ESTABLISHING CERTAIN TAX-FRIENDLY ZONES IS BEST SUITED TO BRING  
17 ABOUT THE ECONOMIC VITALITY SO CRITICALLY NEEDED IN THOSE  
18 REGIONS.

19 (3) THE GENERAL ASSEMBLY FINDS THAT, BY ATTRACTING  
20 BUSINESSES THAT ARE COMPLETELY NEW TO COLORADO, ECONOMIC  
21 GROWTH WILL OCCUR IN HIGHLY DISTRESSED COUNTIES WITHOUT  
22 NEGATIVELY IMPACTING OTHER AREAS OF THE STATE AND, WHILE CERTAIN  
23 TAXES, SUCH AS REAL PROPERTY TAXES, WILL NOT BE COLLECTED WITHIN  
24 THE TAX-FRIENDLY ZONE, THE NET IMPACT OF THOSE UNCOLLECTED TAXES  
25 WILL RESULT IN A NET POSITIVE IMPACT TO THE STATE, THE HIGHLY  
26 DISTRESSED COUNTY, AND THE INTERESTED MUNICIPALITY.

27 **39-30.5-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "COLORADO ECONOMIC DEVELOPMENT COMMISSION" OR  
3 "COMMISSION" MEANS THE COLORADO ECONOMIC DEVELOPMENT  
4 COMMISSION CREATED IN SECTION 24-46-102, C.R.S.

5 (2) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE  
6 COMMISSION CERTIFYING THAT THE NEW BUSINESS OR THE NEW EMPLOYEE  
7 QUALIFIES FOR AN INCOME TAX CREDIT ALLOWED IN SECTION 39-30.5-105.

8 (3) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

9 (4) (a) "DISTRESSED COUNTY" MEANS A COUNTY THAT MEETS TWO  
10 OF THE FOLLOWING CRITERIA:

11 (I) A COUNTYWIDE ANNUAL PERCENT CHANGE IN EMPLOYMENT  
12 LESS THAN THE STATEWIDE ANNUAL PERCENT CHANGE IN EMPLOYMENT;

13 (II) A COUNTYWIDE ANNUAL PERCENT CHANGE IN ASSESSED  
14 VALUE OF ALL PROPERTY LESS THAN THE STATEWIDE ANNUAL AVERAGE  
15 PERCENT CHANGE IN ASSESSED VALUE OF ALL PROPERTY; OR

16 (III) A COUNTYWIDE CONCENTRATION OF PUPILS ELIGIBLE FOR  
17 FREE LUNCH PURSUANT TO THE FEDERAL "NATIONAL SCHOOL LUNCH  
18 ACT", 42 U.S.C. SEC. 1751 ET SEQ., GREATER THAN THE STATEWIDE  
19 AVERAGE CONCENTRATION OF PUPILS ELIGIBLE FOR FREE LUNCH.

20 (b) THE COMMISSION SHALL USE DATA FROM THE TWO MOST  
21 RECENTLY AVAILABLE YEARS AND SHALL USE DATA SOURCES PROVIDED  
22 BY THE ECONOMICS STAFF OF THE LEGISLATIVE COUNCIL TO DETERMINE  
23 WHETHER A COUNTY MEETS THE CRITERIA SET FORTH IN PARAGRAPH (a)  
24 OF THIS SUBSECTION (4).

25 (5) "GUIDELINES" MEANS THE GUIDELINES DEVELOPED BY THE  
26 COMMISSION AS SPECIFIED IN SECTION 39-30.5-104 (1).

27 (6) (a) "HIGHLY DISTRESSED COUNTY" MEANS UP TO THIRTY

1 DISTRESSED COUNTIES DETERMINED BY RANKING FROM LOWEST TO  
2 HIGHEST EACH DISTRESSED COUNTY BY THE TOTAL SUM OF ANNUAL  
3 PERCENTAGE CHANGE IN EACH DISTRESSED COUNTY FOR THE FOLLOWING  
4 ECONOMIC INDICATORS:

- 5 (I) POPULATION;
- 6 (II) EMPLOYMENT;
- 7 (III) WEEKLY WAGE; AND
- 8 (IV) ESTABLISHMENTS.

9 (b) THE COMMISSION SHALL USE DATA FROM THE TWO MOST  
10 RECENTLY AVAILABLE YEARS AND SHALL USE DATA SOURCES PROVIDED  
11 BY THE ECONOMICS STAFF OF THE LEGISLATIVE COUNCIL TO DETERMINE  
12 THE AMOUNT OF ANNUAL PERCENTAGE CHANGE IN EACH DISTRESSED  
13 COUNTY FOR THE ECONOMIC INDICATORS SET FORTH IN PARAGRAPH (a) OF  
14 THIS SUBSECTION (6).

15 (7) "MUNICIPALITY" MEANS A MUNICIPALITY AS DEFINED IN  
16 SECTION 31-1-101 (6), C.R.S., WITH BOUNDARIES WHOLLY OR PARTLY  
17 WITHIN THE HIGHLY DISTRESSED COUNTY'S BOUNDARIES.

18 (8) "NEW BUSINESS" MEANS A BUSINESS THAT:

19 (a) IS NOT OPERATING IN THE STATE AT THE TIME IT SUBMITS ITS  
20 APPLICATION TO A STATE INSTITUTION OF HIGHER EDUCATION TO  
21 PARTICIPATE IN THE TAX-FRIENDLY ZONE PROGRAM;

22 (b) IS NOT MOVING EXISTING JOBS INTO THE TAX-FRIENDLY ZONE  
23 FROM ANOTHER AREA IN THE STATE;

24 (c) HIRES AT LEAST EIGHT NEW EMPLOYEES;

25 (d) IS NOT SUBSTANTIALLY SIMILAR IN OPERATION TO AND DOES  
26 NOT DIRECTLY COMPETE WITH THE CORE FUNCTION OF A BUSINESS THAT  
27 IS OPERATING IN THE STATE AT THE TIME THE NEW BUSINESS SUBMITS ITS

1 APPLICATION TO A STATE INSTITUTION OF HIGHER EDUCATION TO  
2 PARTICIPATE IN THE TAX-FRIENDLY ZONE PROGRAM; AND

3 (e) ADDS TO THE ECONOMIC BASE AND EXPORTS GOODS AND  
4 SERVICES OUTSIDE THE HIGHLY DISTRESSED COUNTY.

5 (9) "NEW EMPLOYEE" MEANS AN INDIVIDUAL WHO HAS NOT BEEN  
6 EMPLOYED IN THE TAX-FRIENDLY ZONE FOR TWELVE MONTHS PRIOR TO  
7 BEING HIRED BY THE NEW BUSINESS, WHO HAS PERFORMED LABOR OR  
8 SERVICES IN THE TAX-FRIENDLY ZONE FOR THE NEW BUSINESS FOR MORE  
9 THAN SIX MONTHS FROM THE DATE HIRED AND FOR WHICH SUCH  
10 INDIVIDUAL RECEIVES A FEDERAL FORM W-2, AND WHERE THE JOB  
11 PERFORMED BY THE INDIVIDUAL:

12 (a) IS NEW TO THE STATE;

13 (b) HAS NOT BEEN TRANSFERRED FROM ANOTHER BUSINESS  
14 LOCATED IN THIS STATE THROUGH AN ACQUISITION, MERGER,  
15 CONSOLIDATION OR OTHER BUSINESS REORGANIZATION, OR THROUGH THE  
16 ACQUISITION OF ASSETS OF ANOTHER BUSINESS;

17 (c) IS EITHER A FULL-TIME, WAGE-PAYING JOB OR IS EQUIVALENT  
18 TO A FULL-TIME, WAGE-PAYING JOB REQUIRING AT LEAST THIRTY-FIVE  
19 HOURS PER WEEK; AND

20 (d) HAS A SALARY OR COMPENSATION EQUAL TO OR GREATER  
21 THAN THE COUNTY AVERAGE ANNUAL WAGE.

22 (10) "NEW HIRE" MEANS AN INDIVIDUAL WHO HAS PERFORMED  
23 LABOR OR SERVICES IN THE TAX-FRIENDLY ZONE FOR THE NEW BUSINESS  
24 FOR MORE THAN SIX MONTHS FROM THE DATE HIRED AND FOR WHICH SUCH  
25 INDIVIDUAL RECEIVES A FEDERAL FORM W-2 AND WHERE THE JOB  
26 PERFORMED BY THE INDIVIDUAL:

27 (a) IS EITHER A FULL-TIME, WAGE-PAYING JOB OR IS EQUIVALENT

1 TO A FULL-TIME, WAGE-PAYING JOB REQUIRING AT LEAST THIRTY-FIVE  
2 HOURS PER WEEK; AND

3 (b) HAS A SALARY OR COMPENSATION EQUAL TO OR GREATER  
4 THAN THE COUNTY AVERAGE ANNUAL WAGE.

5 (11) "STATE INSTITUTION OF HIGHER EDUCATION" MEANS A STATE  
6 INSTITUTION OF HIGHER EDUCATION AS DEFINED IN SECTION 23-18-102  
7 (10), C.R.S., WHOSE MAIN CAMPUS IS LOCATED IN A HIGHLY DISTRESSED  
8 COUNTY.

9 (12) "TAX-FRIENDLY ZONE" MEANS AN AREA WITHIN THE  
10 BOUNDARIES OF A HIGHLY DISTRESSED COUNTY THAT IS EITHER:

11 (a) IN ONE OR MORE INCORPORATED PORTIONS OF THE HIGHLY  
12 DISTRESSED COUNTY IF THE MUNICIPALITY PROVIDES THE COMMISSION  
13 WITH A GENERAL RESOLUTION AS DESCRIBED IN SECTION 39-30.5-106  
14 AGREEING TO PROVIDE INCENTIVE PAYMENTS, EXEMPTIONS, OR CREDITS  
15 TO OFFSET THE IMPOSITION OF CERTAIN MUNICIPAL TAXES FOR ALL NEW  
16 BUSINESSES IN ORDER TO BE A PARTICIPANT IN THE TAX-FRIENDLY ZONE  
17 PROGRAM;

18 (b) IN ONE OR MORE INCORPORATED PORTIONS OF THE HIGHLY  
19 DISTRESSED COUNTY IF THE MUNICIPALITY PROVIDES THE COMMISSION  
20 WITH A LIMITED RESOLUTION AS DESCRIBED IN SECTION 39-30.5-106 THAT  
21 INDICATES THE MUNICIPALITY AGREES TO ONLY PROVIDE INCENTIVE  
22 PAYMENTS, EXEMPTIONS, OR CREDITS TO OFFSET THE IMPOSITION OF  
23 CERTAIN MUNICIPAL TAXES FOR A SPECIFIC NEW BUSINESS IN ORDER TO BE  
24 A LIMITED PARTICIPANT IN THE TAX-FRIENDLY ZONE PROGRAM; OR

25 (c) IN THE UNINCORPORATED PORTIONS OF THE HIGHLY  
26 DISTRESSED COUNTY.

27 (13) "TAX-FRIENDLY ZONE PROGRAM" MEANS THE TAX-FRIENDLY



1 ZONE PROGRAM CREATED IN THIS ARTICLE.

2 **39-30.5-104. Tax-friendly zone program requirements -**  
3 **commission guidelines.** (1) (a) THE COMMISSION SHALL DEVELOP  
4 GUIDELINES FOR THE ADMINISTRATION OF THE TAX-FRIENDLY ZONE  
5 PROGRAM CREATED IN THIS ARTICLE, INCLUDING, BUT NOT LIMITED TO:

6 (I) APPLICATION REQUIREMENTS;

7 (II) GUIDELINES REGARDING THE ISSUING OF CREDIT  
8 CERTIFICATES;

9 (III) CONFLICT OF INTEREST GUIDELINES BETWEEN A NEW  
10 BUSINESS AND EXISTING BUSINESSES IN THE HIGHLY DISTRESSED COUNTY  
11 AND BETWEEN THE NEW BUSINESS AND THE STATE INSTITUTION OF HIGHER  
12 EDUCATION WITH WHICH THE NEW BUSINESS HAS A RELATIONSHIP; AND

13 (IV) GUIDELINES CONCERNING THE PROCESS BY WHICH THE  
14 COMMISSION WILL DETERMINE WHETHER A NEW BUSINESS IS NOT  
15 SUBSTANTIALLY SIMILAR IN OPERATION TO AND DOES NOT DIRECTLY  
16 COMPETE WITH THE CORE FUNCTION OF A BUSINESS THAT IS OPERATING IN  
17 THE STATE AT THE TIME THE NEW BUSINESS SUBMITS ITS APPLICATION TO  
18 A STATE INSTITUTION OF HIGHER EDUCATION TO PARTICIPATE IN THE  
19 TAX-FRIENDLY ZONE PROGRAM.

20 (b) THE OFFICE OF LEGISLATIVE LEGAL SERVICES SHALL REVIEW  
21 THE GUIDELINES AS IF THE GUIDELINES WERE RULES AND REGULATIONS  
22 PURSUANT TO SECTION 24-4-103 (8) (d), C.R.S. THE GENERAL ASSEMBLY  
23 SHALL REVIEW THE GUIDELINES IN A BILL THAT IS SEPARATE FROM THE  
24 ANNUAL RULE REVIEW BILL INTRODUCED PURSUANT TO SECTION 24-4-103  
25 (8) (d), C.R.S.

26 (c) THE GUIDELINES MUST BE POSTED ON THE COMMISSION'S WEB  
27 SITE AND ON THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT'S WEB

1 SITE NO LATER THAN DECEMBER 1, 2015.

2 (2) NO LATER THAN DECEMBER 1, 2015, THE COMMISSION SHALL  
3 DETERMINE WHICH OF THE STATE'S COUNTIES ARE HIGHLY DISTRESSED  
4 COUNTIES. IF A HIGHLY DISTRESSED COUNTY IS INTERESTED IN  
5 PARTICIPATING IN THE TAX-FRIENDLY ZONE PROGRAM, THE HIGHLY  
6 DISTRESSED COUNTY SHALL PROVIDE THE COMMISSION WITH A  
7 RESOLUTION DESCRIBED IN SECTION 39-30.5-106 (1) (a).

8 (3) THE COMMISSION SHALL ANNUALLY REVIEW THE ECONOMIC  
9 STABILITIES OF NONHIGHLY DISTRESSED COUNTIES TO DETERMINE IF A  
10 NONHIGHLY DISTRESSED COUNTY SHOULD BE DESIGNATED AS A HIGHLY  
11 DISTRESSED COUNTY. IF THE COMMISSION SUBSEQUENTLY DESIGNATES A  
12 NONHIGHLY DISTRESSED COUNTY AS A HIGHLY DISTRESSED COUNTY  
13 PURSUANT TO THIS SUBSECTION (3), AND SUCH HIGHLY DISTRESSED  
14 COUNTY IS INTERESTED IN PARTICIPATING IN THE TAX-FRIENDLY ZONE  
15 PROGRAM, SUCH NEWLY DESIGNATED HIGHLY DISTRESSED COUNTY SHALL  
16 PROVIDE THE COMMISSION WITH A RESOLUTION DESCRIBED IN SECTION  
17 39-30.5-106 (1) (a).

18 (4) EACH HIGHLY DISTRESSED COUNTY SHALL RETAIN ITS  
19 DESIGNATION AS A HIGHLY DISTRESSED COUNTY FOR THREE YEARS FROM  
20 THE DATE OF THE DESIGNATION. AFTER THE THREE-YEAR PERIOD, THE  
21 COMMISSION SHALL REVIEW THE DESIGNATION. IF THE COMMISSION  
22 DETERMINES THAT THE COUNTY IS NO LONGER DISTRESSED, THE NEW  
23 BUSINESS AND THE NEW EMPLOYEES RETAIN THE BENEFITS SPECIFIED IN  
24 SECTION 39-30.5-105 FOR THE REMAINING PORTION OF THE FIVE-YEAR  
25 PERIOD OUTLINED IN THAT SECTION.

26 (5) A NEW BUSINESS SHALL APPLY TO A STATE INSTITUTION OF  
27 HIGHER EDUCATION TO PARTICIPATE IN A TAX-FRIENDLY ZONE PROGRAM.

1 THE STATE INSTITUTION OF HIGHER EDUCATION SHALL REQUIRE THE NEW  
2 BUSINESS TO PROVIDE DOCUMENTATION THAT THE NEW BUSINESS MEETS  
3 THE DEFINITION OF NEW BUSINESS AS SPECIFIED IN SECTION 39-30.5-103  
4 (8) AND THAT THE NEW EMPLOYEES WILL MEET THE DEFINITION OF NEW  
5 EMPLOYEES AS SPECIFIED IN SECTION 39-30.5-103 (9). IF THE STATE  
6 INSTITUTION OF HIGHER EDUCATION APPROVES THE NEW BUSINESS, THEN  
7 THE STATE INSTITUTION OF HIGHER EDUCATION SHALL APPLY TO THE  
8 COMMISSION FOR THE APPROVAL OF A TAX-FRIENDLY ZONE AS SPECIFIED  
9 IN SUBSECTION (6) OF THIS SECTION AND APPROVAL OF THE NEW BUSINESS  
10 FOR THE TAX-FRIENDLY ZONE PROGRAM BENEFITS AS SPECIFIED IN  
11 SUBSECTION (7) OF THIS SECTION.

12 (6) (a) UPON APPROVING A NEW BUSINESS AS SPECIFIED IN  
13 SUBSECTION (5) OF THIS SECTION, THE STATE INSTITUTION OF HIGHER  
14 EDUCATION SHALL SUBMIT A COMPLETE WRITTEN APPLICATION FOR  
15 APPROVAL FOR A TAX-FRIENDLY ZONE TO THE COMMISSION BY THE  
16 DEADLINE ESTABLISHED IN THE COMMISSION'S GUIDELINES. THE  
17 APPLICATION MUST INCLUDE:

18 (I) IDENTIFICATION OF THE STATE INSTITUTION OF HIGHER  
19 EDUCATION AND THE HIGHLY DISTRESSED COUNTY IN WHICH IT IS  
20 LOCATED;

21 (II) IDENTIFICATION OF THE NEW BUSINESS AND DOCUMENTATION  
22 INDICATING THAT REQUIREMENTS FOR THE NEW BUSINESS HAVE BEEN MET,  
23 INCLUDING AN ESTIMATE OF THE NUMBER OF NEW EMPLOYEES THAT THE  
24 NEW BUSINESS ANTICIPATES IT WILL HIRE;

25 (III) SATISFACTORY DOCUMENTATION THAT THERE EXISTS A  
26 RELATIONSHIP BETWEEN THE NEW BUSINESS AND THE STATE INSTITUTION  
27 OF HIGHER EDUCATION. SUCH DOCUMENTATION MUST SHOW THAT:

1 (A) THE RELATIONSHIP INVOLVES A PARTNERSHIP THAT WILL  
2 RESULT IN POSITIVE BENEFITS TO THE COMMUNITY AND THE LOCAL  
3 ECONOMY; AND

4 (B) THE MISSION AND ACTIVITIES OF THE NEW BUSINESS ALIGN  
5 WITH OR FURTHER THE ACADEMIC MISSION OF THE STATE INSTITUTION OF  
6 HIGHER EDUCATION.

7 (IV) IDENTIFICATION OF THE MUNICIPALITIES WITH BOUNDARIES  
8 WHOLLY OR PARTLY WITHIN THE HIGHLY DISTRESSED COUNTY'S  
9 BOUNDARIES;

10 (V) A RESOLUTION AS DESCRIBED IN SECTION 39-30.5-106 FROM  
11 EACH INTERESTED MUNICIPALITY;

12 (VI) A DESCRIPTION OF THE TAX-FRIENDLY ZONE BOUNDARIES;  
13 AND

14 (VII) ANY OTHER INFORMATION THAT THE COMMISSION DEEMS  
15 NECESSARY AS SPECIFIED IN THE COMMISSION'S GUIDELINES.

16 (b) A STATE INSTITUTION OF HIGHER EDUCATION MAY ALSO  
17 SUBMIT A COMPLETE WRITTEN APPLICATION FOR APPROVAL FOR A  
18 TAX-FRIENDLY ZONE TO THE COMMISSION BY THE DEADLINES  
19 ESTABLISHED IN THE COMMISSION'S GUIDELINES WHEN SUCH STATE  
20 INSTITUTION OF HIGHER EDUCATION HAS NOT YET APPROVED A NEW  
21 BUSINESS AS SPECIFIED IN SUBSECTION (5) OF THIS SECTION. IN THIS CASE,  
22 THE APPLICATION MUST INCLUDE:

23 (I) IDENTIFICATION OF THE STATE INSTITUTION OF HIGHER  
24 EDUCATION AND THE HIGHLY DISTRESSED COUNTY IN WHICH IT IS  
25 LOCATED;

26 (II) IDENTIFICATION OF THE MUNICIPALITIES WITH BOUNDARIES  
27 WHOLLY OR PARTLY WITHIN THE HIGHLY DISTRESSED COUNTY'S

1 BOUNDARIES;

2 (III) A RESOLUTION AS DESCRIBED IN SECTION 39-30.5-106 FROM  
3 EACH INTERESTED MUNICIPALITY;

4 (IV) A DESCRIPTION OF THE TAX-FRIENDLY ZONE BOUNDARIES;  
5 AND

6 (V) ANY OTHER INFORMATION THAT THE COMMISSION DEEMS  
7 NECESSARY AS SPECIFIED IN THE COMMISSION'S GUIDELINES.

8 (7) (a) (I) THE COMMISSION SHALL, AT A PUBLIC MEETING  
9 PROPERLY NOTICED, REVIEW EACH APPLICATION FOR A TAX-FRIENDLY  
10 ZONE SUBMITTED BY A STATE INSTITUTION OF HIGHER EDUCATION. BASED  
11 ON THE APPLICATION SUBMITTED AND THE COMMISSION'S GUIDELINES, THE  
12 COMMISSION MAY APPROVE THE TAX-FRIENDLY ZONE AND MAY APPROVE  
13 THE NEW BUSINESS FOR THE TAX-FRIENDLY ZONE PROGRAM BENEFITS  
14 SPECIFIED IN SECTION 39-30.5-105. THE APPROVAL FOR THE  
15 TAX-FRIENDLY ZONE PROGRAM BENEFITS MUST INCLUDE THE SPECIFIC  
16 TERMS THAT MUST BE MET BY THE STATE INSTITUTION OF HIGHER  
17 EDUCATION AND THE NEW BUSINESS FOR THE NEW BUSINESS AND THE NEW  
18 EMPLOYEES TO QUALIFY FOR THE BENEFITS DESCRIBED IN THIS ARTICLE.

19 (II) THE COMMISSION MAY ONLY APPROVE A NEW BUSINESS FOR  
20 THE TAX-FRIENDLY ZONE PROGRAM BENEFITS IF THE COMMISSION IS  
21 SATISFIED THAT THE NEW BUSINESS MEETS THE DEFINITION OF NEW  
22 BUSINESS AS SPECIFIED IN SECTION 39-30.5-103 (8), THAT THE NEW  
23 EMPLOYEES WILL MEET THE DEFINITION OF NEW EMPLOYEE AS SPECIFIED  
24 IN SECTION 39-30.5-103 (9), THAT THE NEW HIRES WILL MEET THE  
25 DEFINITION OF NEW HIRE AS SPECIFIED IN SECTION 39-30.5-103 (10), AND  
26 THAT THE NEW BUSINESS WILL BE LOCATED IN THE TAX-FRIENDLY ZONE  
27 FOR WHICH THE STATE INSTITUTION OF HIGHER EDUCATION SOUGHT

1 APPROVAL.

2 (b) A NEW BUSINESS THAT RECEIVES APPROVAL AS SPECIFIED IN  
3 PARAGRAPH (a) OF THIS SUBSECTION (7) FOR THE TAX-FRIENDLY ZONE  
4 PROGRAM BENEFITS MUST SUBMIT A REQUEST FOR THE ISSUANCE OF A  
5 CREDIT CERTIFICATE BY THE DEADLINES ESTABLISHED IN THE  
6 COMMISSION'S GUIDELINES. THE REQUEST MUST INCLUDE AN ESTIMATED  
7 AMOUNT, AS CALCULATED BY THE NEW BUSINESS, OF THE INCOME TAX  
8 CREDITS FOR THE NEW BUSINESS AND ANY NEW EMPLOYEES AND NEW  
9 HIRES AND THE SALES AND USE TAX REFUNDS ALLOWED IN SECTION  
10 39-30.5-105 AND AN ESTIMATED AMOUNT, AS CALCULATED BY THE NEW  
11 BUSINESS, OF INCENTIVE PAYMENTS, EXEMPTIONS, OR REFUNDS PROVIDED  
12 BY LOCAL GOVERNMENTS AS SPECIFIED IN SECTION 39-30.5-106. IF THE  
13 BENEFIT IS FOR NEW EMPLOYEES OR NEW HIRES, THE COMMISSION SHALL  
14 PROVIDE THE CREDIT CERTIFICATES FOR SUCH NEW EMPLOYEES OR NEW  
15 HIRES DIRECTLY TO THE NEW BUSINESS, AND THE NEW BUSINESS SHALL  
16 PROVIDE A COPY OF THE CREDIT CERTIFICATE TO THE NEW EMPLOYEE OR  
17 NEW HIRE WITH THEIR FEDERAL FORM W-2.

18 (8) THE COMMISSION MAY REVIEW A NEW BUSINESS, NEW  
19 EMPLOYEE, OR NEW HIRE UP TO TWELVE MONTHS FOLLOWING THE  
20 ISSUANCE OF ANY CREDIT CERTIFICATES TO ENSURE THE REQUIREMENTS  
21 IN THIS ARTICLE ARE BEING MET.

22 (9) THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED  
23 IN SECTION 24-48.5-101, C.R.S., MAY MAKE RECOMMENDATIONS TO THE  
24 COMMISSION REGARDING ANY OF THE COMMISSION'S DUTIES AND  
25 RESPONSIBILITIES OUTLINED IN THIS ARTICLE, MAY PROVIDE STAFF  
26 ASSISTANCE TO THE COMMISSION, AND MAY ASSIST THE COMMISSION IN  
27 ADMINISTERING THE PROVISIONS OF THIS ARTICLE.

1           **39-30.5-105. Tax-friendly zone program benefits.** (1) **New**  
2 **business income tax credit.** (a) (I) IF A NEW BUSINESS LOCATES IN A  
3 TAX-FRIENDLY ZONE DURING THE INCOME TAX YEARS COMMENCING ON OR  
4 AFTER JANUARY 1, 2016, BUT BEFORE JANUARY 1, 2021, AND THE  
5 COMMISSION HAS APPROVED THE NEW BUSINESS FOR THE TAX-FRIENDLY  
6 ZONE PROGRAM BENEFITS AS SPECIFIED IN SECTION 39-30.5-104 (7), THEN  
7 EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (a), THE  
8 NEW BUSINESS IS ENTITLED TO RECEIVE AN ANNUAL INCOME TAX CREDIT  
9 IN AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE INCOME TAXES  
10 IMPOSED BY ARTICLE 22 OF THIS TITLE ON THE INCOME DERIVED FROM ITS  
11 ACTIVITIES IN THE TAX-FRIENDLY ZONE FOR FIVE CONSECUTIVE INCOME  
12 TAX YEARS BEGINNING WITH THE FIRST INCOME TAX YEAR DESIGNATED BY  
13 THE COMMISSION IN THE FIRST CREDIT CERTIFICATE. THE COMMISSION  
14 SHALL CONDUCT AN ANNUAL REVIEW TO VERIFY THAT THE NEW BUSINESS  
15 CONTINUES TO MEET THE REQUIREMENTS SET FORTH IN THIS ARTICLE AND  
16 SHALL ISSUE A CREDIT CERTIFICATE TO THE NEW BUSINESS FOR EVERY  
17 INCOME TAX YEAR DURING THE FIVE-YEAR PERIOD ONLY IF THE  
18 COMMISSION IS SATISFIED THE REQUIREMENTS ARE BEING MET.

19           (II) A NEW BUSINESS MAY SEEK AN EXTENSION OF THE FIVE-YEAR  
20 BENEFITS PERIOD SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a)  
21 BY COMPLETING A WRITTEN APPLICATION TO THE COMMISSION. THE  
22 EXTENSION MAY NOT EXCEED A TOTAL PERIOD OF TEN YEARS. THE  
23 APPLICATION FOR EXTENSION MUST INCLUDE AN EXPLANATION OF THE  
24 NEW BUSINESS' NEED FOR THE EXTENSION AND ANY OTHER INFORMATION  
25 THE COMMISSION DEEMS NECESSARY. IN DECIDING WHETHER TO GRANT  
26 THE EXTENSION, THE COMMISSION MUST CONSIDER THE STATE OF THE  
27 ECONOMY IN THE TAX-FRIENDLY ZONE, THE ESTIMATED DEMAND FOR TAX

1 CREDITS ALLOWED IN THIS SECTION FOR OTHER NEW BUSINESSES, AND THE  
2 IMPORTANCE OF THESE CREDITS IN INCENTIVIZING THE NEW BUSINESS. THE  
3 EXTENSION APPLICATION MUST BE CONSIDERED AT A REGULARLY  
4 SCHEDULED MEETING OF THE COMMISSION WHERE THE PUBLIC IS ALLOWED  
5 TO COMMENT.

6 (b) TO CLAIM THE INCOME TAX CREDIT ALLOWED IN THIS SECTION,  
7 THE NEW BUSINESS SHALL ATTACH A COPY OF THE CREDIT CERTIFICATE TO  
8 ITS STATE INCOME TAX RETURN. NO TAX CREDIT IS ALLOWED UNDER THIS  
9 SECTION UNLESS THE NEW BUSINESS PROVIDES THE COPY OF THE CREDIT  
10 CERTIFICATE WITH ITS FILED STATE INCOME TAX RETURN.

11 (c) IF A NEW BUSINESS HAS INCOME BOTH FROM OPERATIONS  
12 WITHIN THE TAX-FRIENDLY ZONE AND OPERATIONS OUTSIDE OF THE  
13 TAX-FRIENDLY ZONE, THE NEW BUSINESS SHALL APPORTION ITS INCOME  
14 BETWEEN THE OPERATIONS WITHIN AND OUTSIDE THE TAX-FRIENDLY ZONE  
15 IN ACCORDANCE WITH RULES PROMULGATED BY THE DEPARTMENT IN  
16 ORDER TO CALCULATE THE AMOUNT OF INCOME TAX CREDIT. SUCH RULES  
17 SHALL CALCULATE THE VALUE OF THE CREDIT, AS NEARLY AS  
18 PRACTICABLE, TO BE EQUAL TO THE INCOME GENERATED BY THE NEW  
19 BUSINESS THAT RELATES TO ITS ACTIVITIES IN THE TAX-FRIENDLY ZONE ON  
20 THE BASIS OF THE NEW BUSINESS' PROPERTY AND PAYROLL IN THE  
21 TAX-FRIENDLY ZONE RELATIVE TO ITS PROPERTY AND PAYROLL  
22 EVERYWHERE.

23 (d) IF A CREDIT ALLOWED IN THIS SECTION EXCEEDS THE INCOME  
24 TAX DUE ON THE INCOME OF THE NEW BUSINESS FOR THE TAXABLE YEAR,  
25 THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND SHALL BE  
26 REFUNDED TO THE NEW BUSINESS.

27 (e) THE COMMISSION SHALL, IN A SUFFICIENTLY TIMELY MANNER



1 TO ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME  
2 TAX CREDITS ALLOWED BY THIS SECTION, PROVIDE THE DEPARTMENT WITH  
3 AN ELECTRONIC REPORT OF EACH NEW BUSINESS THAT THE COMMISSION  
4 APPROVED FOR THE TAX-FRIENDLY ZONE PROGRAM BENEFITS AS SPECIFIED  
5 IN SECTION 39-30.5-104 (7) FOR THE PRECEDING CALENDAR YEAR THAT  
6 INCLUDES THE FOLLOWING INFORMATION:

7 (I) THE TAXPAYER'S NAME; AND

8 (II) THE TAXPAYER'S SOCIAL SECURITY NUMBER OR THE  
9 TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL EMPLOYER  
10 IDENTIFICATION NUMBER.

11 (f) IF A NEW BUSINESS RECEIVING AN INCOME TAX CREDIT  
12 ALLOWED IN THIS SUBSECTION (1) IS A PARTNERSHIP, LIMITED LIABILITY  
13 COMPANY, S CORPORATION, OR SIMILAR PASS-THROUGH ENTITY, THE  
14 COMMISSION SHALL ISSUE CREDIT CERTIFICATES THAT ALLOCATE THE  
15 CREDIT AMONG THE NEW BUSINESS' PARTNERS, SHAREHOLDERS, MEMBERS,  
16 OR OTHER CONSTITUENT ENTITIES IN ACCORDANCE WITH THEIR OWNERSHIP  
17 INTERESTS. THE NEW BUSINESS SHALL CERTIFY TO THE COMMISSION, AND  
18 THE COMMISSION SHALL PROVIDE TO THE DEPARTMENT NO LATER THAN  
19 THE JANUARY 15 FOLLOWING EACH INCOME TAX YEAR FOR WHICH THE  
20 NEW BUSINESS IS CLAIMING A CREDIT, THE IDENTITY AND OWNERSHIP  
21 PERCENTAGE, INCLUDING SUCH IDENTIFYING INFORMATION AS THE  
22 DEPARTMENT MAY REQUIRE, OF EACH PARTNER, SHAREHOLDER, MEMBER,  
23 OR OTHER CONSTITUENT ENTITY OF THE NEW BUSINESS.

24 (2) **New employee and new hire income tax credit.** (a) (I) IF A  
25 NEW EMPLOYEE OR NEW HIRE IS EMPLOYED BY A NEW BUSINESS, AND THE  
26 COMMISSION HAS APPROVED THE NEW BUSINESS FOR THE TAX-FRIENDLY  
27 ZONE PROGRAM BENEFITS AS SPECIFIED IN SECTION 39-30.5-104 (7), FOR

1 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2016, BUT  
2 BEFORE JANUARY 1, 2021, EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF  
3 THIS PARAGRAPH (a), NEW EMPLOYEES AND NEW HIRES ARE ENTITLED TO  
4 RECEIVE AN INCOME TAX CREDIT IN AN AMOUNT EQUAL TO ONE HUNDRED  
5 PERCENT OF THE INCOME TAXES IMPOSED BY ARTICLE 22 OF THIS TITLE ON  
6 THE NEW EMPLOYEE'S OR NEW HIRE'S WAGES PAID BY THE NEW BUSINESS  
7 FOR FIVE CONSECUTIVE INCOME TAX YEARS BEGINNING WITH THE FIRST  
8 INCOME TAX YEAR IN WHICH THE NEW EMPLOYEE OR NEW HIRE IS  
9 EMPLOYED BY THE NEW BUSINESS. THE COMMISSION SHALL CONDUCT AN  
10 ANNUAL REVIEW TO VERIFY THAT THE NEW EMPLOYEE, NEW HIRE, AND  
11 THE NEW BUSINESS CONTINUE TO MEET THE REQUIREMENTS SET FORTH IN  
12 THIS ARTICLE AND SHALL ISSUE A CREDIT CERTIFICATE TO THE NEW  
13 BUSINESS FOR EACH NEW EMPLOYEE AND NEW HIRE FOR EVERY INCOME  
14 TAX YEAR DURING THE FIVE-YEAR PERIOD ONLY IF THE COMMISSION IS  
15 SATISFIED THE REQUIREMENTS ARE BEING MET.

16 (II) A NEW BUSINESS MAY SEEK AN EXTENSION OF THE FIVE-YEAR  
17 BENEFITS PERIOD SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a)  
18 BY COMPLETING A WRITTEN APPLICATION TO THE COMMISSION. THE  
19 EXTENSION MAY NOT EXCEED A TOTAL PERIOD OF TEN YEARS. THE  
20 APPLICATION FOR EXTENSION MUST INCLUDE AN EXPLANATION OF THE  
21 NEW BUSINESS' NEED FOR THE EXTENSION AND ANY OTHER INFORMATION  
22 THE COMMISSION DEEMS NECESSARY. IN DECIDING WHETHER TO GRANT  
23 THE EXTENSION, THE COMMISSION MUST CONSIDER THE STATE OF THE  
24 ECONOMY IN THE TAX-FRIENDLY ZONE, THE ESTIMATED DEMAND FOR TAX  
25 CREDITS ALLOWED IN THIS SECTION FOR OTHER NEW BUSINESSES, AND THE  
26 IMPORTANCE OF THESE CREDITS IN INCENTIVIZING THE NEW BUSINESS. THE  
27 EXTENSION APPLICATION MUST BE CONSIDERED AT A REGULARLY

1 SCHEDULED MEETING OF THE COMMISSION WHERE THE PUBLIC IS ALLOWED  
2 TO COMMENT.

3 (b) TO CLAIM THE INCOME TAX CREDIT ALLOWED IN THIS SECTION,  
4 THE NEW EMPLOYEE OR NEW HIRE SHALL ATTACH A COPY OF THE CREDIT  
5 CERTIFICATE TO THE NEW EMPLOYEE'S OR NEW HIRE'S STATE INCOME TAX  
6 RETURN. NO TAX CREDIT IS ALLOWED UNDER THIS SECTION UNLESS THE  
7 NEW EMPLOYEE OR NEW HIRE PROVIDES THE COPY OF THE CREDIT  
8 CERTIFICATE WITH HIS OR HER FILED STATE INCOME TAX RETURN.

9 (c) IF A CREDIT ALLOWED IN THIS SECTION EXCEEDS THE INCOME  
10 TAX DUE ON THE INCOME OF THE NEW EMPLOYEE OR THE NEW HIRE FOR  
11 THE TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD  
12 AND SHALL BE REFUNDED TO THE NEW EMPLOYEE OR NEW HIRE.

13 (d) THE COMMISSION SHALL, IN A SUFFICIENTLY TIMELY MANNER  
14 TO ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE CREDIT  
15 ALLOWED BY THIS SECTION, PROVIDE THE DEPARTMENT WITH AN  
16 ELECTRONIC REPORT OF EACH NEW EMPLOYEE RECEIVING A CREDIT  
17 CERTIFICATE AS ALLOWED IN THIS SECTION FOR THE PRECEDING CALENDAR  
18 YEAR THAT INCLUDES THE FOLLOWING INFORMATION:

19 (I) THE NEW EMPLOYEE'S NAME; AND

20 (II) THE NEW EMPLOYEE'S SOCIAL SECURITY NUMBER.

21 (3) **New business sales and use tax refund.** (a) EACH NEW  
22 BUSINESS IS ELIGIBLE FOR A REFUND FOR ALL SALES AND USE TAXES  
23 IMPOSED UNDER PARTS 1 AND 2 OF ARTICLE 26 OF THIS TITLE ON THE  
24 PURCHASE OF ALL TANGIBLE PERSONAL PROPERTY ACQUIRED BY THE NEW  
25 BUSINESS AND USED EXCLUSIVELY WITHIN THE TAX-FRIENDLY ZONE.  
26 EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (3), THE NEW  
27 BUSINESS IS ELIGIBLE FOR THE REFUND ALLOWED IN THIS PARAGRAPH (a)

1 FOR FIVE CONSECUTIVE YEARS BEGINNING WITH THE DATE THE  
2 COMMISSION APPROVED THE NEW BUSINESS FOR THE TAX-FRIENDLY ZONE  
3 PROGRAM BENEFITS AS SPECIFIED IN SECTION 39-30.5-104 (7).

4 (b) A NEW BUSINESS MAY SEEK AN EXTENSION OF THE FIVE-YEAR  
5 PERIOD SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (3) BY  
6 COMPLETING A WRITTEN APPLICATION TO THE COMMISSION. THE  
7 EXTENSION MAY NOT EXCEED A TOTAL PERIOD OF TEN YEARS. THE  
8 APPLICATION FOR EXTENSION MUST INCLUDE AN EXPLANATION OF THE  
9 NEW BUSINESS' NEED FOR THE EXTENSION AND ANY OTHER INFORMATION  
10 THE COMMISSION DEEMS NECESSARY. IN DECIDING WHETHER TO GRANT  
11 THE EXTENSION, THE COMMISSION MUST CONSIDER THE STATE OF THE  
12 ECONOMY IN THE TAX-FRIENDLY ZONE, THE ESTIMATED DEMAND FOR  
13 SALES AND USE TAX REFUNDS ALLOWED IN THIS SECTION FOR OTHER NEW  
14 BUSINESSES, AND THE IMPORTANCE OF THE REFUND IN INCENTIVIZING THE  
15 NEW BUSINESS. THE EXTENSION APPLICATION MUST BE CONSIDERED AT A  
16 REGULARLY SCHEDULED MEETING OF THE COMMISSION WHERE THE PUBLIC  
17 IS ALLOWED TO COMMENT.

18 (c) THE COMMISSION SHALL PROVIDE THE DEPARTMENT WITH A  
19 LIST OF EVERY NEW BUSINESS ELIGIBLE FOR THE SALES AND USE TAX  
20 REFUND ALLOWED IN THIS SUBSECTION (3).

21 (4) **Restrictions on other credits.** NOTWITHSTANDING ANY LAW  
22 TO THE CONTRARY, IF A NEW BUSINESS CLAIMS THE TAX-FRIENDLY ZONE  
23 PROGRAM BENEFITS ALLOWED IN THIS SECTION, THE NEW BUSINESS MAY  
24 NOT CLAIM ANY OTHER TAX INCENTIVE THAT THE NEW BUSINESS IS  
25 ELIGIBLE FOR IN THIS TITLE AS A RESULT OF ESTABLISHING THE NEW  
26 BUSINESS IN THE STATE, INCLUDING TAX INCENTIVES FOR THE NEW  
27 EMPLOYEES HIRED BY THE NEW BUSINESS.

1           **39-30.5-106. Tax-friendly zone - local government**

2 **requirements.** (1) BEFORE THE COMMISSION MAY APPROVE A  
3 TAX-FRIENDLY ZONE AS SPECIFIED IN SECTION 39-30.5-104, THE  
4 FOLLOWING MUST OCCUR:

5           (a) AN INTERESTED HIGHLY DISTRESSED COUNTY MUST ADOPT A  
6 RESOLUTION AFFIRMING THAT IT WILL PROVIDE INCENTIVE PAYMENTS,  
7 EXEMPTIONS, OR REFUNDS, AS APPROPRIATE, TO NEW BUSINESSES TO  
8 ELIMINATE THE BUSINESS PERSONAL PROPERTY TAX, BUT NOT THE REAL  
9 PROPERTY TAX, AND ELIMINATE ANY OTHER TAX LIABILITY IMPOSED ON  
10 ALL NEW BUSINESSES BY THE HIGHLY DISTRESSED COUNTY; AND

11           (b) INTERESTED MUNICIPALITIES WITHIN AN INTERESTED HIGHLY  
12 DISTRESSED COUNTY MUST ADOPT EITHER:

13           (I) A GENERAL RESOLUTION AFFIRMING THAT IT WILL PROVIDE  
14 INCENTIVE PAYMENTS, EXEMPTIONS, OR REFUNDS, AS APPROPRIATE, TO  
15 ALL NEW BUSINESSES TO ELIMINATE THE BUSINESS PERSONAL PROPERTY  
16 TAX, BUT NOT THE REAL PROPERTY TAX, AND ELIMINATE ANY OTHER TAX  
17 LIABILITY IMPOSED ON NEW BUSINESSES BY THE INTERESTED  
18 MUNICIPALITY; OR

19           (II) A LIMITED RESOLUTION AFFIRMING THAT IT WILL PROVIDE  
20 INCENTIVE PAYMENTS, EXEMPTIONS, OR REFUNDS, AS APPROPRIATE, TO A  
21 SPECIFIC NEW BUSINESS TO ELIMINATE THE BUSINESS PERSONAL PROPERTY  
22 TAX, BUT NOT THE REAL PROPERTY TAX, AND ELIMINATE ANY OTHER TAX  
23 LIABILITY IMPOSED ON THE SPECIFIC NEW BUSINESSES BY THE INTERESTED  
24 MUNICIPALITY.

25           **39-30.5-107. Tax-friendly zone reporting requirements.**

26 (1) THE COMMISSION SHALL ANNUALLY POST ON ITS WEB SITE, AND ON  
27 THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT'S WEB SITE, AND

1 INCLUDE IN THE COMMISSION'S ANNUAL REPORT REQUIRED TO BE  
2 PRESENTED TO THE GENERAL ASSEMBLY PURSUANT TO SECTION 24-46-104  
3 (2), C.R.S., THE FOLLOWING INFORMATION REGARDING ANY  
4 TAX-FRIENDLY ZONE PROGRAM BENEFITS ALLOWED UNDER THIS ARTICLE:

5 (a) THE HIGHLY DISTRESSED COUNTY AND INTERESTED  
6 MUNICIPALITIES THAT MAKE UP THE TAX-FRIENDLY ZONE;

7 (b) THE STATE INSTITUTION OF HIGHER EDUCATION THAT  
8 SUBMITTED THE APPLICATION;

9 (c) THE NAME OF THE NEW BUSINESS;

10 (d) THE TYPE OF NEW BUSINESS;

11 (e) THE TAX YEAR FOR WHICH THE FIRST INCOME TAX CREDIT  
12 CERTIFICATE IS ISSUED OR THE DATE THE SALES AND USE TAX REFUND IS  
13 AUTHORIZED;

14 (f) THE NUMBER OF NEW HIRES AND NEW EMPLOYEES HIRED;

15 (g) THE AVERAGE SALARY OR HOURLY WAGE OF EACH NEW  
16 EMPLOYEE AND NEW HIRE;

17 (h) AN ESTIMATED AMOUNT, AS CALCULATED BY THE NEW  
18 BUSINESS, OF THE INCOME TAX CREDITS FOR THE NEW BUSINESS, THE NEW  
19 EMPLOYEES, AND ANY NEW HIRES AND THE SALES AND USE TAX REFUNDS  
20 ALLOWED IN SECTION 39-30.5-105, AND AN ESTIMATED AMOUNT, AS  
21 CALCULATED BY THE NEW BUSINESS, OF INCENTIVE PAYMENTS,  
22 EXEMPTIONS, OR REFUNDS PROVIDED BY LOCAL GOVERNMENTS AS  
23 ALLOWED IN SECTION 39-30.5-106; AND

24 (i) ANY OTHER ECONOMIC BENEFITS RESULTING FROM THE  
25 TAX-FRIENDLY ZONE PROGRAM.

26 (2) ANY NEW BUSINESS LOCATED IN A TAX-FRIENDLY ZONE MUST  
27 SUBMIT AN ANNUAL REPORT TO THE COMMISSION IN A FORM AND AT SUCH

1 TIME AND WITH SUCH INFORMATION AS PRESCRIBED BY THE COMMISSION  
2 IN ITS GUIDELINES. SUCH INFORMATION SHALL BE SUFFICIENT FOR THE  
3 COMMISSION TO MONITOR THE CONTINUED ELIGIBILITY OF THE NEW  
4 BUSINESS, THE NEW EMPLOYEES, AND THE NEW HIRES TO CONTINUE TO  
5 PARTICIPATE IN THE TAX-FRIENDLY ZONE PROGRAM AND TO RECEIVE THE  
6 TAX-FRIENDLY ZONE PROGRAM BENEFITS.

7 **39-30.5-108. Severability.** IF ANY PROVISION OF THIS ARTICLE OR  
8 THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCE IS HELD  
9 INVALID, SUCH INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR  
10 APPLICATIONS OF THIS ARTICLE THAT CAN BE GIVEN EFFECT WITHOUT THE  
11 INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF  
12 THIS ARTICLE ARE DECLARED TO BE SEVERABLE.

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