

**First Regular Session  
Sixty-third General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 01-0627.01 Nicole Hoffman

**HOUSE BILL 01-1145**

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**HOUSE SPONSORSHIP**

**Spradley**

**SENATE SPONSORSHIP**

**Phillips**

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**House Committees**

Finance

Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING THE VALUATION OF INTANGIBLE PERSONAL PROPERTY**  
102             **VALUED BY THE STATE PROPERTY TAX ADMINISTRATOR.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

For the valuation of state-assessed entities for property tax purposes, excludes the value of intangible personal property owned by a state-assessed entity, including, but not limited to, special privileges, franchises, contract rights and obligations, rights-of-way, and licenses granted by the federal communications commission to a wireless carrier, from the factors to be considered by the property tax administrator in determining the actual value of such state-assessed entity.

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.*

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

2 **SECTION 1.** 39-4-101, Colorado Revised Statutes, is amended  
3 BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to  
4 read:

5 **39-4-101. Definitions.** As used in this article, unless the context  
6 otherwise requires:

7 (2.3) "HARD INTANGIBLE PERSONAL PROPERTY" MEANS THE  
8 INTANGIBLE ASSETS THAT A PUBLIC UTILITY HAS INCLUDED ON THE  
9 BALANCE SHEET OF SUCH UTILITY'S ANNUAL STATEMENT OF PROPERTY TO  
10 THE ADMINISTRATOR.

11 (4) "SOFT INTANGIBLE PERSONAL PROPERTY" MEANS ALL ASSETS  
12 THAT ARE NOT CONSIDERED HARD INTANGIBLE PERSONAL PROPERTY  
13 PURSUANT TO SUBSECTION (2.3) OF THIS SECTION.

14 **SECTION 2.** The introductory portion to 39-4-102 (1) and  
15 39-4-102 (1) (b) and (2), Colorado Revised Statutes, are amended, and the  
16 said 39-4-102 is further amended BY THE ADDITION OF A NEW  
17 SUBSECTION, to read:

18 **39-4-102. Valuation of public utilities.** (1) The administrator  
19 shall determine the actual value of the operating property and plant of  
20 each public utility as a unit, giving consideration to the following factors  
21 and assigning such weight to each of such factors as in ~~his~~ THE  
22 ADMINISTRATOR'S judgment will secure a just value of such public utility  
23 as a unit:

24 (b) ~~Its intangibles, such as special privileges, franchises, contract~~  
25 ~~rights and obligations, and rights-of-way; except that licenses granted by~~  
26 ~~the federal communications commission to a wireless carrier, as defined~~

1 in section 29-11-101 (14), C.R.S., shall not be considered, nor shall the  
2 value of such licenses be reflected, in the administrator's valuation of the  
3 carrier's tangible property;

4 (1.5) INTANGIBLE PERSONAL PROPERTY OF ANY PUBLIC UTILITY  
5 SHALL BE  
6 EXEMPT FROM THE LEVY AND COLLECTION OF PROPERTY TAX PURSUANT TO  
7 SECTION 39-3-118. THE VALUE OF INTANGIBLE PERSONAL PROPERTY OF  
8 ANY PUBLIC UTILITY SHALL NOT BE CONSIDERED BY THE ADMINISTRATOR  
9 FOR THE PURPOSE OF DETERMINING THE ACTUAL VALUE OF ANY PUBLIC  
10 UTILITY PURSUANT TO SUBSECTION (1) OF THIS SECTION. HARD INTANGIBLE  
11 PERSONAL PROPERTY SHALL BE REMOVED FROM THE ALLOCATED  
12 COLORADO SYSTEM MARKET VALUE, AND SOFT INTANGIBLE PERSONAL  
13 PROPERTY SHALL BE REMOVED FROM THE ALLOCATED COLORADO SYSTEM  
14 MARKET VALUE TO THE EXTENT THAT THE VALUATION OF ANY PUBLIC  
15 UTILITY YIELDS A MARKET TO BOOK RATIO GREATER THAN ONE. ALL  
16 INTANGIBLE PERSONAL PROPERTY SHALL BE EXEMPT PURSUANT TO SECTION  
17 39-3-118 FOR AIRLINES AND RAILROADS THAT HAVE BEEN GRANTED  
18 PROTECTION FROM TAX DISCRIMINATION PURSUANT TO APPLICABLE  
19 FEDERAL LAW.

20 (2) If, in the judgment of the administrator, the books and records  
21 of any public utility accurately reflect its tangible property ~~its intangibles~~,  
22 and its earnings within this state during the most recent five-year period,  
23 the administrator may determine from such books and records the actual  
24 value of its property and plant within this state and need not determine the  
25 entire value of its property and plant both within and without this state.

26 **SECTION 3.** 39-22-611, Colorado Revised Statutes, is amended  
27 to read:

1           **39-22-611. Property exempt from ad valorem taxes.**

2       Notwithstanding any other provisions of law, all intangible personal  
3       property, whether or not owned by a resident of Colorado, and whether  
4       or not such property or evidence thereof is situated or held or has its legal  
5       situs within the state, shall be exempt from ad valorem tax imposed by the  
6       state of Colorado, or by any political subdivision thereof. ~~but nothing in~~  
7       ~~this section shall be construed to repeal, or in any way affect, the use or~~  
8       ~~inclusion of intangible property other than licenses granted by the federal~~  
9       ~~communications commission to a wireless carrier, as defined in section~~  
10      ~~29-11-101 (14), C.R.S., as a factor in arriving at the valuation of public~~  
11      ~~utility property assessed by the property tax administrator under~~  
12      ~~provisions of articles 1 to 13 of this title.~~

13           **SECTION 4. Effective date.** This act shall take effect January  
14      1, 2003, unless a referendum petition is filed during the ninety-day period  
15      after final adjournment of the general assembly that is allowed for  
16      submitting a referendum petition pursuant to article V, section 1 (3) of the  
17      state constitution. If such a referendum petition is filed against this act or  
18      an item, section, or part of this act within such period, then the act, item,  
19      section, or part shall take effect on the specified date only if approved by  
20      the people.