



# Board of County Commissioners

## FACT SHEET:

**House Bill 09-1070: Urban Renewal Limitations**  
(Rep. Fischer/Rep. Hulinghorst)

### Recommendation:

**BOULDER COUNTY URGES A "YES" VOTE ON HB 09-1070 and L.002.**

### Background:

HB 1070 prohibits the inclusion of agricultural and vacant land in an urban renewal area. It expands the existing provisions requiring municipalities to submit an urban renewal impact report to the governing body of the taxing entity. This incorporates all entities with property taxes at stake, including counties, schools, and special districts, into the process leading up to the approval of an urban renewal plan. It also permits municipalities to enter into an agreement with counties and other taxing entities to share revenue and property taxes generated from urban renewal areas. HB 1070, amended by L.002, serves to stimulate cooperation between cities and counties in order to enable urban renewal while not leaving other taxing entities with future fiscal problems due to the property tax diversions.

### Here's why a "YES" vote on HB 09-1070 is warranted:

- The goal of urban renewal is to redevelop URBAN slum and blight areas, not to create taxpayer subsidies to develop "greenfields" (agricultural or vacant lands.) Such subsidies are a waste of scarce tax revenues and inappropriately destroy a level playing field for developers of similarly situated lands.
- An essential element for urban renewal and the use of public tax revenues in support of that project is that the development being assisted would not happen within a reasonable time without such assistance, due to the obstacles to development posed by the substandard or hazardous conditions of the pre-existing development on the property. This essential element is lacking when the subject property is farm or vacant land for which annexation and development is sought, similar to other surrounding ag and vacant land properties.
- If a municipality desires to designate appropriate blighted development as "urban renewal" and use tax-increment financing to pay for the public improvements, the municipality should work with the other taxing entities to fashion an appropriate property and sales tax revenue mix to pay for those improvements.
- Funding for essential services provided by counties and other taxing entities that depend upon property tax revenue growth to pay for such services for the entirety of their jurisdictions is depleted where a substantial portion of new growth occurs in TIF'd urban renewal areas. The whole picture of the impact of property tax revenue diversions from new growth areas on the future programs and services of the taxing entities should be considered in approval of a TIF plan as well as in any arbitration procedure between the taxing entities and the municipality. L.002 will accomplish this.

Conclusion: HB09-1070, as amended with L.002, will ensure urban renewal is actually used to renew blighted and other slum development areas, and that all of the facts regarding the services and revenues of each taxing entity expected to contribute future property tax revenues to a TIF will be considered in the approval process.

**BOULDER COUNTY URGES A "YES" VOTE ON HB 09-1070 and L.002.**