

CHAPTER 223

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 21-1164

BY REPRESENTATIVE(S) Esgar and Garnett, Amabile, Arndt, Bacon, Bennett, Bird, Caraveo, Cutter, Daugherty, Duran, Exum, Froelich, Gonzales-Gutierrez, Gray, Hooton, Jackson, Kennedy, Kipp, Lontine, McCormick, McLachlan, Michaelson Jenet, Mullica, Ortiz, Ricks, Sirota, Snyder, Titone, Valdez A., Weissman, Woodrow, Young; also SENATOR(S) Zenzinger and Fenberg, Bridges, Buckner, Danielson, Donovan, Fields, Ginal, Gonzales, Hansen, Jaquez Lewis, Kolker, Lee, Moreno, Pettersen, Priola, Rankin, Story, Winter.

AN ACT**CONCERNING REDUCTIONS IN THE PROPERTY TAX CREDITS THAT APPLY TO SCHOOL DISTRICTS' TOTAL PROGRAM MILL LEVIES FOR PURPOSES OF FUNDING THE "PUBLIC SCHOOL FINANCE ACT OF 1994".**

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

SECTION 1. In Colorado Revised Statutes, 22-54-106, **amend** (2.1)(a) and (2.1)(d) as follows:

22-54-106. Local and state shares of district total program - legislative declaration - definition - repeal. (2.1) (a) (I) The general assembly finds that, for property tax years 1994 through 2006, subsection (2)(a)(III) of this section, as it existed before May 9, 2007, was wrongly interpreted and applied to reduce several districts' property tax mill levies to the number of mills that a district could levy under the property tax revenue limitation imposed by section 20 of article X of the state constitution, even though the district had obtained voter approval to retain and spend revenue in excess of that property tax revenue limitation. The general assembly finds, therefore, that the reductions in district mill levies for property tax years 1994 through 2006 were not authorized by statute and are void for purposes of determining a district's correct mill levy pursuant to this subsection (2.1) for the 2020 property tax year and property tax years thereafter, and the determination and levy of the correct number of mills that a district is required to levy pursuant to this subsection (2.1) does not require action by the district other than to certify the mill levy.

(II) THE GENERAL ASSEMBLY FURTHER FINDS THAT IMMEDIATELY CORRECTING THE UNAUTHORIZED REDUCTIONS IN MILL LEVIES BY RESTORING THE DISTRICT TOTAL

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

PROGRAM MILL LEVIES TO THE CORRECT NUMBERS OF MILLS WITHOUT AWARDING A PROPERTY TAX CREDIT WOULD WORK AN UNACCEPTABLE HARDSHIP ON DISTRICT TAXPAYERS. THE GENERAL ASSEMBLY FINDS, THEREFORE, THAT IT IS APPROPRIATE TO CORRECT THE UNAUTHORIZED REDUCTIONS IN MILL LEVIES BY REQUIRING THE DEPARTMENT OF EDUCATION TO ADOPT A CORRECTION SCHEDULE BY WHICH DISTRICTS MUST REDUCE THE PROPERTY TAX CREDIT AWARDED PURSUANT TO SUBSECTION (2.1)(d) OF THIS SECTION AND THEREBY GIVE FULL EFFECT TO THE RESTORATION OF THE CORRECT NUMBER OF MILLS.

(d) (I) ~~In a property tax year in which~~ FOR THE 2020 PROPERTY TAX YEAR, IF A DISTRICT, PURSUANT TO THIS SUBSECTION (2.1), IS REQUIRED TO LEVY A GREATER NUMBER OF MILLS THAN IT LEVIED IN THE 2019 PROPERTY TAX YEAR, THE DISTRICT BOARD OF EDUCATION BY RESOLUTION SHALL GRANT A TEMPORARY PROPERTY TAX CREDIT EQUAL TO THE NUMBER OF MILLS LEVIED IN THE APPLICABLE PROPERTY TAX YEAR THAT EXCEEDS THE NUMBER OF MILLS LEVIED IN THE 2019 PROPERTY TAX YEAR.

(II) BEGINNING IN THE 2021 PROPERTY TAX YEAR AND FOR EACH PROPERTY TAX YEAR THEREAFTER THROUGH THE 2039 PROPERTY TAX YEAR, IF A DISTRICT, PURSUANT TO SUBSECTION (2.1)(c) OF THIS SECTION, IS REQUIRED TO LEVY A GREATER NUMBER OF MILLS THAN IT LEVIED IN THE 2019 PROPERTY TAX YEAR, THE SCHOOL DISTRICT BOARD OF EDUCATION SHALL GRANT A TEMPORARY PROPERTY TAX CREDIT EQUAL TO THE NUMBER OF MILLS REQUIRED FOR THE APPLICABLE PROPERTY TAX YEAR BY THE CORRECTION SCHEDULE ADOPTED BY THE DEPARTMENT OF EDUCATION PURSUANT TO SUBSECTION (2.1)(d)(III) OF THIS SECTION.

(III) THE DEPARTMENT OF EDUCATION SHALL ADOPT A CORRECTION SCHEDULE TO INCREMENTALLY REDUCE THE TEMPORARY PROPERTY TAX CREDITS REQUIRED IN THIS SUBSECTION (2.1)(d) BEGINNING IN THE 2021 PROPERTY TAX YEAR. THE CORRECTION SCHEDULE MUST APPLY IN THE SAME MANNER TO EACH DISTRICT AND MUST ENSURE THAT:

(A) EACH DISTRICT IS REQUIRED TO REDUCE ITS TEMPORARY PROPERTY TAX CREDIT AS QUICKLY AS POSSIBLE BUT BY NO MORE THAN ONE MILL EACH PROPERTY TAX YEAR; AND

(B) BY THE 2040 PROPERTY TAX YEAR, EACH DISTRICT IS LEVYING THE NUMBER OF MILLS REQUIRED IN SUBSECTION (2.1)(c) OF THIS SECTION WITHOUT GRANTING A TEMPORARY PROPERTY TAX CREDIT.

(IV) BEGINNING IN THE 2021-22 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER UNTIL THE GENERAL ASSEMBLY DETERMINES THAT THE STABILIZATION OF THE STATE BUDGET NO LONGER REQUIRES A REDUCTION IN THE AMOUNT OF THE ANNUAL APPROPRIATION TO FUND THE STATE'S SHARE OF TOTAL PROGRAM, THE GENERAL ASSEMBLY SHALL ENSURE THAT ANY AMOUNT OF SAVINGS TO THE STATE SHARE OF TOTAL PROGRAM THAT OCCURS AS A RESULT OF THE DECREASE IN THE DISTRICT PROPERTY TAX CREDITS PURSUANT TO SUBSECTIONS (2.1)(d)(II) AND (2.1)(d)(III) OF THIS SECTION CONTINUES TO BE APPROPRIATED AS A PORTION OF THE STATE SHARE OF TOTAL PROGRAM PURSUANT TO THIS SECTION.

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

Approved: June 11, 2021