

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 22-1011.01 Julie Pelegrin x2700

SENATE BILL 22-202

SENATE SPONSORSHIP

Zenzinger and Rankin,

HOUSE SPONSORSHIP

McCluskie,

Senate Committees

Education
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING PROVIDING STATE MATCHING MONEY FOR PROPERTY**
102 **TAX REVENUE COLLECTED BY SCHOOL DISTRICTS, AND, IN**
103 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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://leg.colorado.gov>.)

Beginning in the 2022-23 budget year, the bill directs the department of education (department) to annually distribute to each eligible school district and each eligible institute charter school an amount of state money as a matching amount to the property tax revenue the eligible district receives from mills levied for additional revenue (override

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
April 26, 2022

mills). To determine the amount, if any, of state matching money, the department must calculate for each district:

- The district's maximum number of override mills; and
- The number of override mills the district may be expected to levy toward the district's maximum number of override mills (override mill capacity), based on the district's median household income.

If a district's override mill capacity is less than the maximum number of override mills, the district is eligible to receive matching state money. The department must calculate each eligible district's mill levy match amount as provided in the bill. An institute charter school that is located within an eligible district is eligible to receive a distribution of state money equal to the eligible district's per pupil mill levy match amount multiplied by the institute charter school's pupil enrollment. The department must calculate and distribute in June of each budget year the mill levy match amounts from the mill levy override match fund created in the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-54-107.9 as
3 follows:

4 **22-54-107.9. Override mill levy match - calculation -**
5 **distribution - fund created - definitions.** (1) AS USED IN THIS SECTION,
6 UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "ADDITIONAL MILL LEVY REVENUE PER PUPIL AMOUNT" MEANS
8 THE AMOUNT OF AN ELIGIBLE DISTRICT'S ADDITIONAL MILL LEVY REVENUE,
9 AS DEFINED IN SECTION 22-32-108.5, FOR A BUDGET YEAR, DIVIDED BY
10 THE ELIGIBLE DISTRICT'S FUNDED PUPIL COUNT FOR THAT BUDGET YEAR.

11 (b) "APPLICABLE BUDGET YEAR" MEANS THE BUDGET YEAR IN
12 WHICH THE DEPARTMENT DISTRIBUTES MONEY PURSUANT TO THIS SECTION
13 TO A DISTRICT.

14 (c) "APPLICABLE PROPERTY TAX YEAR" MEANS THE PROPERTY TAX
15 YEAR THAT ENDS DURING THE APPLICABLE BUDGET YEAR.

16 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION

1 CREATED PURSUANT TO SECTION 24-1-115.

2 (e) "ELIGIBLE DISTRICT" MEANS A DISTRICT FOR WHICH THE
3 OVERRIDE MILL CAPACITY IS LESS THAN THE MAXIMUM NUMBER OF
4 OVERRIDE MILLS CALCULATED FOR THE DISTRICT.

5 (f) "ELIGIBLE INSTITUTE CHARTER SCHOOL" MEANS AN INSTITUTE
6 CHARTER SCHOOL THAT IS LOCATED WITHIN THE GEOGRAPHIC
7 BOUNDARIES OF AN ELIGIBLE DISTRICT.

8 (g) "MAXIMUM NUMBER OF OVERRIDE MILLS" MEANS THE NUMBER
9 OF OVERRIDE MILLS CALCULATED FOR A DISTRICT PURSUANT TO
10 SUBSECTION (3) OF THIS SECTION.

11 (h) "OVERRIDE MILL CAPACITY" MEANS THE NUMBER OF OVERRIDE
12 MILLS CALCULATED PURSUANT TO SUBSECTION (4) OF THIS SECTION THAT
13 A DISTRICT MAY BE EXPECTED TO LEVY TOWARD THE DISTRICT'S MAXIMUM
14 NUMBER OF OVERRIDE MILLS.

15 (i) "OVERRIDE MILL PER PUPIL MATCH AMOUNT" MEANS THE
16 AMOUNT OF THE OVERRIDE MILL MATCH AMOUNT THAT THE DEPARTMENT
17 DISTRIBUTES TO AN ELIGIBLE DISTRICT PURSUANT TO SUBSECTION (5)(a)
18 OF THIS SECTION FOR A BUDGET YEAR, DIVIDED BY THE ELIGIBLE
19 DISTRICT'S FUNDED PUPIL COUNT FOR THAT BUDGET YEAR.

20 (j) "OVERRIDE MILLS" MEANS PROPERTY TAX MILLS THAT A
21 DISTRICT LEVIES PURSUANT TO SECTION 22-54-108.

22 (k) "SMALL RURAL DISTRICT" HAS THE SAME MEANING AS
23 PROVIDED IN SECTION 22-54-108.

24 (l) "TOTAL PROGRAM" MEANS THE AMOUNT OF TOTAL PROGRAM
25 FUNDING FOR A DISTRICT CALCULATED PURSUANT TO SECTION 22-54-104
26 (2) BEFORE APPLICATION OF THE BUDGET STABILIZATION FACTOR.

27 (2) (a) BEGINNING IN THE 2022-23 BUDGET YEAR AND FOR EACH

1 BUDGET YEAR THEREAFTER, THE DEPARTMENT, IN JUNE OF EACH BUDGET
2 YEAR, SHALL CALCULATE AND DISTRIBUTE AS A LUMP SUM TO EACH
3 ELIGIBLE DISTRICT AND EACH ELIGIBLE INSTITUTE CHARTER SCHOOL AN
4 OVERRIDE MILL MATCH AMOUNT AS PROVIDED IN THIS SECTION. THE
5 DEPARTMENT SHALL DISTRIBUTE THE OVERRIDE MILL MATCH AMOUNT
6 FROM MONEY ANNUALLY APPROPRIATED FROM THE MILL LEVY OVERRIDE
7 MATCH FUND CREATED IN SUBSECTION (6) OF THIS SECTION. IN A BUDGET
8 YEAR IN WHICH THE GENERAL ASSEMBLY DOES NOT APPROPRIATE A
9 SUFFICIENT AMOUNT TO FULLY FUND THE DISTRIBUTIONS CALCULATED
10 PURSUANT TO THIS SECTION, THE DEPARTMENT SHALL REDUCE THE
11 AMOUNT OF EACH ELIGIBLE DISTRICT'S AND EACH ELIGIBLE INSTITUTE
12 CHARTER SCHOOL'S DISTRIBUTION BY THE SAME PERCENTAGE THAT THE
13 DEFICIT BEARS TO THE AMOUNT REQUIRED TO FULLY FUND THE
14 DISTRIBUTIONS CALCULATED PURSUANT TO THIS SECTION.

15 (b) THE OVERRIDE MILL MATCH AMOUNT THAT AN ELIGIBLE
16 DISTRICT RECEIVES PURSUANT TO THIS SECTION IS DEEMED TO BE
17 ADDITIONAL MILL LEVY REVENUE THAT IS SUBJECT TO DISTRIBUTION TO
18 THE CHARTER SCHOOLS OF THE DISTRICT IN THE SAME MANNER THAT THE
19 DISTRICT DISTRIBUTES OTHER ADDITIONAL MILL LEVY REVENUE THAT IT
20 COLLECTS TO THE CHARTER SCHOOLS OF THE DISTRICT PURSUANT TO
21 SECTION 22-32-108.5.

22 (3) (a) FOR THE 2022-23 BUDGET YEAR AND FOR EACH BUDGET
23 YEAR THEREAFTER, THE DEPARTMENT SHALL ANNUALLY DETERMINE EACH
24 DISTRICT'S MAXIMUM NUMBER OF OVERRIDE MILLS, WHICH IS EQUAL TO
25 THE NUMBER OF MILLS THAT A DISTRICT MAY LEVY FOR THE APPLICABLE
26 PROPERTY TAX YEAR TO GENERATE PROPERTY TAX REVENUE EQUAL TO
27 TWENTY-FIVE PERCENT, OR THIRTY PERCENT IN THE CASE OF A SMALL

1 RURAL DISTRICT, OF THE DISTRICT'S:

2 (I) TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR, IF TEN
3 PERCENT OR LESS OF THE DISTRICT'S FUNDED PUPIL COUNT FOR THE
4 APPLICABLE BUDGET YEAR IS ATTRIBUTABLE TO THE DISTRICT'S ONLINE
5 PUPIL ENROLLMENT; OR

6 (II) ADJUSTED TOTAL PROGRAM FOR THE APPLICABLE BUDGET
7 YEAR CALCULATED PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION, IF
8 MORE THAN TEN PERCENT OF THE DISTRICT'S FUNDED PUPIL COUNT FOR
9 THE APPLICABLE BUDGET YEAR IS ATTRIBUTABLE TO THE DISTRICT'S
10 ONLINE PUPIL ENROLLMENT.

11 (b) IF MORE THAN TEN PERCENT OF A DISTRICT'S FUNDED PUPIL
12 COUNT FOR THE APPLICABLE BUDGET YEAR IS ATTRIBUTABLE TO THE
13 DISTRICT'S ONLINE PUPIL ENROLLMENT, THE DEPARTMENT SHALL
14 CALCULATE THE DISTRICT'S ADJUSTED TOTAL PROGRAM AS FOLLOWS:

15 (I) THE DEPARTMENT SHALL REDUCE THE DISTRICT'S ONLINE PUPIL
16 ENROLLMENT IN ACCORDANCE WITH THE FOLLOWING FORMULA:

17 DISTRICT ONLINE PUPIL ENROLLMENT - (((DISTRICT FUNDED PUPIL
18 COUNT - DISTRICT ONLINE PUPIL ENROLLMENT) ÷ .9) X .1)

19 (II) THE DEPARTMENT SHALL SUBTRACT FROM THE DISTRICT'S
20 TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR AN AMOUNT EQUAL
21 TO THE DISTRICT'S REDUCED ONLINE PUPIL ENROLLMENT, CALCULATED
22 PURSUANT TO SUBSECTION (3)(b)(I) OF THIS SECTION, MULTIPLIED BY THE
23 PER PUPIL ONLINE FUNDING AMOUNT FOR THE APPLICABLE BUDGET YEAR
24 AS DESCRIBED IN SECTION 22-54-104 (4.5)(c)(II), BEFORE APPLICATION OF
25 THE BUDGET STABILIZATION FACTOR.

26 (4) (a) FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR
27 THEREAFTER, THE DEPARTMENT SHALL IDENTIFY THE FIVE-YEAR AVERAGE

1 MEDIAN HOUSEHOLD INCOME FOR EACH DISTRICT IN THE STATE, REFERRED
2 TO IN THIS SECTION AS THE "AVERAGE MEDIAN INCOME", USING THE
3 INFORMATION REPORTED BY THE UNITED STATES CENSUS BUREAU'S
4 AMERICAN COMMUNITY SURVEY FOR THE APPLICABLE BUDGET YEAR. THE
5 _____ DEPARTMENT SHALL DETERMINE THE AMOUNT OF THE DIFFERENCE
6 BETWEEN THE HIGHEST AVERAGE MEDIAN INCOME AND LOWEST AVERAGE
7 MEDIAN INCOME AMONG ALL DISTRICTS IN THE STATE, REFERRED TO IN
8 THIS SECTION AS THE "MEDIAN INCOME GAP".

9 (b) USING THE AVERAGE MEDIAN INCOME FOR EACH DISTRICT, THE
10 DEPARTMENT SHALL ANNUALLY DETERMINE FOR EACH DISTRICT THE
11 DISTRICT'S OVERRIDE MILL CAPACITY, WHICH IS THE NUMBER OF OVERRIDE
12 MILLS THE DISTRICT MAY BE EXPECTED TO LEVY TOWARD THE DISTRICT'S
13 MAXIMUM NUMBER OF OVERRIDE MILLS, USING THE FOLLOWING FORMULA:

14
$$(((\text{DISTRICT AVERAGE MEDIAN INCOME} - \text{LOWEST DISTRICT}$$

15
$$\text{AVERAGE MEDIAN INCOME}) \div \text{MEDIAN INCOME GAP}) \times 20) + 15$$

16 (5) (a) FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR
17 THEREAFTER, THE DEPARTMENT SHALL CALCULATE THE STATE MATCH
18 PERCENTAGE FOR EACH ELIGIBLE DISTRICT BY SUBTRACTING THE ELIGIBLE
19 DISTRICT'S OVERRIDE MILL CAPACITY FROM THE ELIGIBLE DISTRICT'S
20 MAXIMUM NUMBER OF OVERRIDE MILLS, THEN DIVIDING THE REMAINDER
21 BY THE ELIGIBLE DISTRICT'S OVERRIDE MILL CAPACITY. THE DEPARTMENT
22 SHALL ANNUALLY DISTRIBUTE TO EACH ELIGIBLE DISTRICT AN OVERRIDE
23 MILL MATCH AMOUNT EQUAL TO THE ELIGIBLE DISTRICT'S STATE MATCH
24 PERCENTAGE MULTIPLIED BY THE AMOUNT OF PROPERTY TAX REVENUE
25 GENERATED BY THE NUMBER OF OVERRIDE MILLS THAT THE ELIGIBLE
26 DISTRICT LEVIES FOR THE APPLICABLE PROPERTY TAX YEAR.

27 (b) FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR

1 THEREAFTER, THE DEPARTMENT SHALL DISTRIBUTE TO EACH ELIGIBLE
2 INSTITUTE CHARTER SCHOOL AN OVERRIDE MILL MATCH AMOUNT EQUAL
3 TO THE OVERRIDE MILL PER PUPIL MATCH AMOUNT FOR THE ELIGIBLE
4 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT MULTIPLIED BY THE
5 ELIGIBLE INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE
6 APPLICABLE BUDGET YEAR; EXCEPT THAT THE DEPARTMENT SHALL
7 ENSURE THAT THE TOTAL PER PUPIL AMOUNT DISTRIBUTED TO AN ELIGIBLE
8 INSTITUTE CHARTER SCHOOL PURSUANT TO THIS SECTION AND SECTION
9 22-30.5-513.1 IN A SINGLE BUDGET YEAR DOES NOT EXCEED THE
10 COMBINED TOTAL OF THE ADDITIONAL MILL LEVY REVENUE PER PUPIL
11 AMOUNT AND OVERRIDE MILL PER PUPIL MATCH AMOUNT OF THE ELIGIBLE
12 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT FOR THE APPLICABLE
13 BUDGET YEAR.

14 (6) (a) THE MILL LEVY OVERRIDE MATCH FUND IS CREATED IN THE
15 STATE TREASURY. THE FUND CONSISTS OF MONEY APPROPRIATED OR
16 TRANSFERRED TO THE FUND BY THE GENERAL ASSEMBLY. THE STATE
17 TREASURER SHALL CREDIT TO THE FUND ALL INTEREST AND INCOME
18 DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND.
19 SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, FOR
20 THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE
21 DEPARTMENT SHALL DISTRIBUTE MONEY FROM THE FUND AS DESCRIBED
22 IN THIS SECTION. IN ADDITION, THE DEPARTMENT MAY EXPEND A PORTION
23 OF THE AMOUNT APPROPRIATED FROM THE FUND TO PAY THE DIRECT
24 COSTS THAT THE DEPARTMENT INCURS IN IMPLEMENTING THIS SECTION.

25 (b) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER
26 TWENTY MILLION DOLLARS FROM THE GENERAL FUND TO THE MILL LEVY
27 OVERRIDE MATCH FUND.

1 **SECTION 2. Appropriation.** (1) For the 2022-23 state fiscal
2 year, \$20,041,238 is appropriated to the department of education. This
3 appropriation consists of \$41,238 from the general fund and \$20,000,000
4 from the mill levy override match fund created in section 22-54-107.9 (6),
5 C.R.S. To implement this act, the department may use this appropriation
6 as follows:

7 (a) \$20,000,000 from the mill levy override match fund for mill
8 levy override matching pursuant to section 22-54-107.9, C.R.S.; and

9 (b) \$41,238 from the general fund for administration related to
10 public school finance, which amount is based on an assumption that the
11 department will require an additional 0.5 FTE.

12 **SECTION 3. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, or safety.