

Be it Enacted by the People of the State of Colorado:

SECTION 1. Legislative declaration. The People of the State of Colorado find and declare that:

1. Placement of limitations upon the growth or amount of revenue that may be assessed, collected, retained, or spent on a statewide basis from the levy of taxes upon real and personal property throughout the state creates a disproportionate and inequitable impact upon local governments and taxing authorities, as well as the residents and businesses in those local communities.

2. These impacts affect all local government services – to include schools, fire protection, flood control, transportation, housing, and other services of critical importance to residents and businesses in communities throughout the state.

3. The health, welfare, and sustainability of Colorado’s local communities is of critical importance to the welfare of the state of Colorado as a whole.

SECTION 2. In Colorado Revised Statutes, 39-1-104 **add** subsection (1.9) as follows:

(1.9) (a) NOTWITHSTANDING ANYTHING IN THIS SECTION OR ANY OTHER PROVISION OF LAW, FOR ANY PROPERTY TAX YEARS COMMENCING ON AND AFTER JANUARY 1, 2025, IN WHICH A RESTRICTION OR LIMITATION HAS BEEN PLACED UPON THE AMOUNT OR GROWTH OF STATEWIDE PROPERTY TAX REVENUE, AND, IN WHICH STATEWIDE PROPERTY TAX REVENUE GROWTH IS ESTIMATED TO BE EQUAL TO OR LESS THAN INFLATION SINCE THE LAST ASSESSMENT AS DETERMINED BY THE UNITED STATES BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD AREA, OR ITS SUCCESSOR INDEX, IN WHOLE OR IN PART AS A RESULT OF SUCH RESTRICTION OR LIMITATION, THE ASSESSMENT RATE FOR NONRESIDENTIAL REAL PROPERTY, EXCEPT “SMALL BUSINESS PROPERTY” AS DEFINED IN THIS PARAGRAPH, SHALL BE TWENTY-NINE PERCENT OF THE ACTUAL VALUE THEREOF. ADDITIONAL REVENUE ATTRIBUTABLE TO AN ASSESSMENT RATE INCREASE UNDER THIS PARAGRAPH SHALL NOT BE SUBJECT TO THE STATEWIDE RESTRICTIONS OR LIMITATIONS REFERENCED HEREIN.

(b) FOR PURPOSES OF THIS SUBSECTION, “SMALL BUSINESS PROPERTY” IS A SUBCLASS OF NONRESIDENTIAL REAL PROPERTY AND SHALL MEAN NONRESIDENTIAL REAL PROPERTY WHOLLY OWNED BY ONE OR MORE PERSONS OR ENTITIES (I) ACTIVELY CONDUCTING BUSINESS ON OR BY UTILIZATION OF SUCH PROPERTY; AND (II) NOT EXCEEDING THE APPLICABLE SIZE STANDARD AND AFFILIATION RESTRICTIONS THAT WOULD QUALIFY THE BUSINESS AS A SMALL BUSINESS FOR FEDERAL GOVERNMENT PROGRAMS ADMINISTERED BY THE UNITED STATES SMALL BUSINESS ADMINISTRATION.

SECTION 3. Effective date. This act takes effect upon proclamation of the Governor.