

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0524.01 Rebecca Bayetti x4348

HOUSE BILL 26-1209

HOUSE SPONSORSHIP

Suckla,

SENATE SPONSORSHIP

(None),

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A TEMPORARY DECREASE IN THE STATUTORY LIMITS ON**
102 **THE AMOUNT OF PROPERTY TAX REVENUE THAT A TAXING**
103 **ENTITY IS ALLOWED TO RAISE.**

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>.)

Current law restricts the annual amount of property tax revenue that a local government or a special district may collect to the amount of property tax revenue collected in the previous year plus 5.5%, with certain adjustments. This statutory limit does not apply to school districts or home rule municipalities. The limit may be waived by voter approval

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

of the voters of the taxing entity (waived jurisdictions).

Current law also restricts the annual amount of property tax revenue that a waived jurisdiction may collect to the greatest amount of qualified property tax revenue collected by the taxing entity in a previous property tax year increased by 5.25% multiplied by the number of property tax years in a reassessment cycle. Similarly, the annual amount of property tax revenue that a school district may collect is limited to the greatest amount of the local share of statewide total program property tax revenue collected by a school district in a previous property tax year increased by the greater of 6% multiplied by the number of property tax years in a reassessment cycle or the sum of the percentage by which the general assembly annually increases the statewide base per pupil funding for public education from kindergarten through twelfth grade and the percentage increase in pupil enrollment for both the relevant property tax year and the other property tax year in the same reassessment cycle. Both of these statutory property tax revenue limits may also be waived by voters, except that individual school districts are not able to locally waive their individual property tax limits and, instead, must seek statewide voter approval to waive the school district limit.

The bill temporarily reduces the operative percentage adjustments in these 3 statutory property tax revenue limits to 4% for property tax years beginning on or after January 1, 2027, but before January 1, 2033.

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

2 **SECTION 1.** In Colorado Revised Statutes, 29-1-301, **amend**
3 (1)(a) and (1)(b); and **add** (1)(a.5) and (7) as follows:

4 **29-1-301. Levies reduced - limitation - repeal.**

5 (1) (a) EXCEPT AS PROVIDED IN SUBSECTION (1)(a.5) OF THIS
6 SECTION, all statutory tax levies for collection in 1989 and thereafter
7 when applied to the total valuation for assessment of the state, each of the
8 counties, cities, and towns not chartered as home rule except as provided
9 in this subsection (1), and each of the fire, sanitation, irrigation, drainage,
10 conservancy, and other special districts established by law shall be so
11 reduced as to prohibit the levying of a greater amount of revenue than
12 was levied in the preceding year plus five and one-half percent plus the
13 amount of revenue abated or refunded by the taxing entity by August 1 of

1 the current year less the amount of revenue received by the taxing entity
2 by August 1 of the current year as taxes paid on any taxable property that
3 had previously been omitted from the assessment roll of any year, except
4 to provide for the payment of bonds and interest thereon, for the payment
5 of any contractual obligation that has been approved by a majority of the
6 qualified electors of the taxing entity, for the payment of expenses
7 incurred in the reappraisal of classes or subclasses ordered by or
8 conducted by the state board of equalization, for the payment to the state
9 of excess state equalization payments to school districts which excess is
10 due to the undervaluation of taxable property, or for the payment of
11 capital expenditures as provided in subsection (1.2) of this section. For
12 purposes of this subsection (1), the amount of revenues received as taxes
13 paid on any taxable property that had been previously omitted from the
14 assessment roll shall not include the amount of such revenues received as
15 taxes paid on oil and gas leaseholds and lands that had been previously
16 omitted from the assessment roll due to underreporting of the selling price
17 or the quantity of oil or gas sold therefrom. In computing the limit, the
18 following shall be excluded: The increased valuation for assessment
19 attributable to annexation or inclusion of additional land, the
20 improvements thereon, and personal property connected therewith within
21 the taxing entity for the preceding year; the increased valuation for
22 assessment attributable to new construction and personal property
23 connected therewith, as defined by the property tax administrator in
24 manuals prepared pursuant to section 39-2-109 (1)(e), ~~E.R.S.~~, within the
25 taxing entity for the preceding year; the increased valuation for
26 assessment attributable to increased volume of production for the
27 preceding year by a producing mine if said mine is wholly or partially

1 within the taxing entity and if said increase in volume of production
2 causes an increase in the level of services provided by the taxing entity;
3 and the increased valuation for assessment attributable to previously
4 legally exempt federal property which becomes taxable if such property
5 causes an increase in the level of services provided by the taxing entity.

6 (a.5) (I) AS APPLIED TO STATUTORY TAX LEVIES FOR COLLECTION
7 IN PROPERTY TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 2027, BUT
8 BEFORE JANUARY 1, 2033, THE FIVE AND ONE-HALF PERCENT GROWTH
9 LIMIT ESTABLISHED IN SUBSECTION (1)(a) OF THIS SECTION IS REDUCED TO
10 FOUR PERCENT FOR PURPOSES OF THE CALCULATION REQUIRED BY THIS
11 SECTION.

12 (II) THIS SUBSECTION (1)(a.5) IS REPEALED, EFFECTIVE JULY 1,
13 2037.

14 (b) For property tax years beginning on or after January 1, 1991,
15 any taxing entity may apply to the division of local government in the
16 department of local affairs for authorization to exclude the following
17 from the computation of the ~~limitation set forth in paragraph (a) of this~~
18 ~~subsection (1)~~ LIMITATIONS SET FORTH IN SUBSECTION (1)(a) OR (1)(a.5)
19 OF THIS SECTION: All or any portion of the increased valuation for
20 assessment attributable to new primary oil or gas production for the
21 preceding year from any producing oil and gas leasehold or land if such
22 oil and gas leasehold or land is wholly or partially within the taxing entity
23 and if such new primary oil or gas production has caused or will cause an
24 increase in the level of services provided by the taxing entity.

25 (7) (a) NOTWITHSTANDING ANY PROVISION OF THIS PART 3 TO THE
26 CONTRARY, AN INCREASED LEVY ALLOWED PURSUANT TO SECTION
27 29-1-302 OR AN EXISTING VOTER AUTHORIZATION TO EXCEED OR WAIVE

1 THE LIMITATIONS SET FORTH IN THIS SECTION APPLIES TO THE TEMPORARY
2 LIMITATION SET FORTH IN SUBSECTION (1)(a.5) UNLESS OTHERWISE
3 SPECIFIED IN THE QUESTION APPROVED BY THE VOTERS OR THE DIVISION
4 OF LOCAL GOVERNMENT IN THE DEPARTMENT OF LOCAL AFFAIRS.

5 (b) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2037.

6 **SECTION 2.** In Colorado Revised Statutes, 29-1-1703, **amend**
7 (1.5)(c) and (4)(b)(I) as follows:

8 **29-1-1703. Property tax limit calculation - definitions - repeal.**

9 (1.5) As used in subsection (1) of this section and this subsection
10 (1.5), unless the context otherwise requires:

11 (c) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION
12 (1.5)(c)(II) OF THIS SECTION, "growth rate percentage" means five and
13 twenty-five hundredths percent multiplied by the number of property tax
14 years in the current reassessment cycle.

15 (II) (A) FOR PROPERTY TAX YEARS BEGINNING ON OR AFTER
16 JANUARY 1, 2027, BUT BEFORE JANUARY 1, 2033, "GROWTH RATE
17 PERCENTAGE" MEANS FOUR PERCENT MULTIPLIED BY THE NUMBER OF
18 PROPERTY TAX YEARS IN THE CURRENT REASSESSMENT CYCLE.

19 (B) THIS SUBSECTION (1.5)(c)(II) IS REPEALED, EFFECTIVE JULY 1,
20 2037.

21 (4) As used in subsection (3) of this section and this subsection
22 (4), unless the context otherwise requires:

23 (b) "Growth rate percentage" means the greater of:

24 (I) (A) FOR PROPERTY TAX YEARS OTHER THAN THOSE YEARS
25 BEGINNING ON OR AFTER JANUARY 1, 2027, BUT BEFORE JANUARY 1, 2033,
26 six percent multiplied by the number of property tax years in the current
27 reassessment cycle; or

5 **SECTION 3.** In Colorado Revised Statutes, 29-1-1705, **add** (4)
6 as follows:

7 **29-1-1705. Prior obligations not impaired - voter-approval of**
8 **mill increases - disaster emergency spending - definitions - repeal.**

16 (b) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2037.

19 **SECTION 5. Safety clause.** The general assembly finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety or for appropriations for
22 the support and maintenance of the departments of the state and state
23 institutions.