

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0561.01 Alison Killen x4350

SENATE BILL 26-116

SENATE SPONSORSHIP

Weissman,

HOUSE SPONSORSHIP

Zokaie,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 CONCERNING THE TAXATION OF PROPERTY, AND, IN CONNECTION
102 THEREWITH, AUTHORIZING MUNICIPALITIES TO LEVY A
103 LODGING TAX, CLARIFYING THE VALUATION FOR ASSESSMENT
104 OF LODGING PROPERTY, EXTENDING THE PORTABLE
105 QUALIFIED-SENIOR PRIMARY RESIDENCE BENEFIT, AND
106 MODIFYING THE TAXATION OF BUSINESS PERSONAL PROPERTY.

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>.)

Sections 1, 2, and 3 of the bill give municipalities the authority,

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.

upon voter approval, to levy a lodging tax up to the same rate and for the same purposes allowed to counties to be collected, administered, and enforced by the state. The bill prohibits, commencing on and after January 1, 2027, any municipal tax on lodging or on the business of providing lodging that is not a municipal lodging tax adopted in accordance with the requirements of **section 3**. An existing municipal tax on lodging or on the business of providing lodging adopted on or before December 31, 2026, is allowed to continue under the bill. However, there can be no tax rate increase, expansion of tax base, or material change in uses of the tax revenue absent adoption of a municipal lodging tax that is in accordance with the requirements of **section 3**.

Section 4 clarifies that, notwithstanding any provision of law to the contrary, in any case in which the income approach is used to determine the actual value of any lodging property, the assessor shall include "net rental income" and "resort fee income", each income amount capitalized to value at a rate typical within the relevant market in the actual value of the lodging property. "Net rental income" means the net operating income generated from payments made in connection with the rental of the lodging property, including any unit within or connected to the lodging property, whether or not the unit is individually and separately owned, after the deduction of expenses typical in the relevant market and excluding any rents remitted to a unit owner for use of the owner's unit. "Resort fee income" means the net income generated from the collection of any fee or charge, however denominated, by the property, that is retained by the property but does not include any fee or charge amounts that the property remits to any county, city, city and county, special district, or other local government.

Sections 5 and 6 extend the portable qualified-senior primary residence benefit created for property tax years 2025 and 2026 to future property tax years.

Section 7 changes the state property tax exemption for business personal property, commencing on and after January 1, 2027, by setting the exemption threshold for such property at \$60,000, without an adjustment for inflation, and by eliminating the reimbursement provision for property tax losses due to the exemption.

Sections 8 and 9 subject the municipal lodging tax authorized by **section 3** to the department of revenue's administrative scope and mandatory electronic filing and payment requirements.

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

2 **SECTION 1.** In Colorado Revised Statutes, 29-2-201, **amend**
3 (8)(e) and (8)(f); and **add** (8)(g) as follows:

1 **29-2-201. Definitions.**

2 As used in this part 2, unless the context otherwise requires:

3 (8) "Sales or use tax" includes the:

4 (e) Prepaid telephone disability access charge imposed pursuant
5 to section 40-17-104; ~~and~~

6 (f) Prepaid wireless 988 charge imposed pursuant to section
7 27-64-103 (4)(b); AND

8 (g) MUNICIPAL LODGING TAX IMPOSED PURSUANT TO SECTION
9 31-20-101.9.

10 **SECTION 2.** In Colorado Revised Statutes, 29-2-202, **amend**
11 (1)(b)(V) and (1)(b)(VI); and **add** (1)(b)(VII) as follows:

12 **29-2-202. Applicability.**

13 (1) Except as provided in sections 29-2-209 and 29-2-211, this
14 part 2 applies to:

15 (b) (V) The prepaid telephone disability access charge imposed
16 pursuant to section 40-17-104; ~~and~~

17 (VI) The prepaid wireless 988 charge imposed pursuant to section
18 27-64-103 (4)(b); AND

19 (VII) THE MUNICIPAL LODGING TAX IMPOSED PURSUANT TO
20 SECTION 31-20-101.9.

21 **SECTION 3.** In Colorado Revised Statutes, **add** 31-20-101.9 as
22 follows:

23 **31-20-101.9. Lodging tax.**

24 (1) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE
25 GOVERNING BODY OF A MUNICIPALITY MAY LEVY A MUNICIPAL LODGING
26 TAX OF NOT MORE THAN SIX PERCENT ON THE PURCHASE PRICE PAID OR
27 CHARGED TO PERSONS FOR ROOMS OR ACCOMMODATIONS AS INCLUDED IN

1 THE DEFINITION OF "SALE" IN SECTION 39-26-102 (11).

2 (2) A GOVERNING BOARD OF A MUNICIPALITY MAY ONLY LEVY THE
3 TAX SPECIFIED IN SUBSECTION (1) OF THIS SECTION FOR ONE OR MORE OF
4 THE PURPOSES OF:

5 (a) ADVERTISING AND MARKETING FOR LOCAL TOURISM;

6 (b) HOUSING AND CHILDCARE FOR THE TOURISM-RELATED
7 WORKFORCE, INCLUDING SEASONAL WORKERS, AND OTHER WORKERS IN
8 THE COMMUNITY;

9 (c) FACILITATING AND ENHANCING VISITOR EXPERIENCES;

10 (d) PUBLIC INFRASTRUCTURE MAINTENANCE OR IMPROVEMENTS;

11 OR

12 (e) PUBLIC SAFETY MEASURE IMPROVEMENTS, BY FUNDING LOCAL
13 LAW ENFORCEMENT, FIRE PROTECTION SERVICES, AND EMERGENCY
14 MEDICAL SERVICES.

15 (3) (a) THE DEPARTMENT OF REVENUE SHALL COLLECT,
16 ADMINISTER, AND ENFORCE THE MUNICIPAL LODGING TAX ALLOWED BY
17 THIS SECTION, AS SPECIFIED IN PART 2 OF ARTICLE 2 OF TITLE 29.

18 (b) THE DEPARTMENT OF REVENUE SHALL PERFORM, ON AN
19 ANNUAL BASIS, A COST ANALYSIS TO DETERMINE THE NET INCREMENTAL
20 COST OF COLLECTING, ADMINISTERING, AND ENFORCING THE MUNICIPAL
21 LODGING TAX ALLOWED BY THIS SECTION. THE DEPARTMENT OF REVENUE
22 SHALL RETAIN ONLY THE LESSER OF THE INCREMENTAL COST DETERMINED
23 BY THE COST ANALYSIS OR THREE AND ONE-THIRD PERCENT OF THE
24 AMOUNT COLLECTED. THE DEPARTMENT SHALL TRANSMIT THE AMOUNT
25 IT RETAINS PURSUANT TO THIS SUBSECTION (3)(b) TO THE STATE
26 TREASURER, WHO SHALL CREDIT THAT AMOUNT TO THE GENERAL FUND,
27 AND THAT AMOUNT IS SUBJECT TO APPROPRIATION BY THE GENERAL

1 ASSEMBLY FOR THE NET INCREMENTAL COST OF THE DEPARTMENT'S
2 COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF THE MUNICIPAL
3 LODGING TAX ALLOWED BY THIS SECTION.

4 (c) ANY PERSON PROVIDING ROOMS OR ACCOMMODATIONS AS
5 INCLUDED IN THE DEFINITION OF "SALE" IN SECTION 39-26-102 (11) IS
6 LIABLE AND RESPONSIBLE FOR THE PAYMENT OF AN AMOUNT EQUIVALENT
7 TO A PERCENTAGE RATE OF UP TO SIX PERCENT OF ALL SUCH SALES MADE
8 AND SHALL MAKE A RETURN TO THE EXECUTIVE DIRECTOR OF THE
9 DEPARTMENT OF REVENUE AS SPECIFIED IN PART 2 OF ARTICLE 2 OF TITLE
10 29.

11 (4) (a) THE GOVERNING BOARD OF THE MUNICIPALITY MAY, BY
12 ORDINANCE OR RESOLUTION, APPROVE A PROPOSAL TO LEVY A MUNICIPAL
13 LODGING TAX. THE COUNTY CLERK SHALL REFER THE RESOLUTION TO THE
14 REGISTERED ELECTORS OF THE MUNICIPALITY AT A REGULAR OR SPECIAL
15 ELECTION IN ACCORDANCE WITH ARTICLE 10 OF THIS TITLE 31 AND
16 SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

17 (b) A PROPOSAL FOR A MUNICIPAL LODGING TAX MUST CONTAIN A
18 DESCRIPTION OF THE PROPOSED TAX, INCLUDING THE TAX RATE AND THE
19 PURPOSE OR PURPOSES FOR WHICH THE TAX REVENUE WILL BE USED IN
20 ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION.

21 (c) (I) IF A MAJORITY OF THE REGISTERED ELECTORS VOTING ON
22 THE PROPOSAL APPROVE THE MUNICIPAL LODGING TAX, THE MUNICIPAL
23 LODGING TAX BECOMES EFFECTIVE AS PROVIDED IN PART 2 OF ARTICLE 2
24 OF TITLE 29 AND ALL OTHER APPLICABLE LAWS.

25 (II) IF A MAJORITY OF THE REGISTERED ELECTORS VOTING ON THE
26 PROPOSAL FAIL TO APPROVE THE MUNICIPAL LODGING TAX, THE COUNTY
27 CLERK MUST NOT SUBMIT THE BALLOT QUESTION TO THE SAME ELECTORS

1 AGAIN FOR A PERIOD OF ONE YEAR FROM THE DATE OF THE ELECTION.

2 (5)(a) ALL REVENUE COLLECTED FROM A MUNICIPAL LODGING TAX
3 THAT IS APPROVED PURSUANT TO THIS SECTION, EXCEPT THE AMOUNT
4 RETAINED PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION, MUST BE
5 CREDITED TO A SPECIAL FUND DESIGNATED AS THE MUNICIPAL LODGING
6 TAX FUND, WHICH IS CREATED IN THE GENERAL FUND OF THE
7 MUNICIPALITY. THE MONEY IN THE FUND MUST BE USED ONLY FOR THE
8 PURPOSES APPROVED BY VOTERS AS SET FORTH IN THE PROPOSAL
9 DESCRIBED IN SUBSECTION (4)(b) OF THIS SECTION.

10 (b) UPON THE APPROVAL BY THE ELECTORS OF A MUNICIPAL
11 LODGING TAX PURSUANT TO THIS SECTION FOR THE PURPOSE OF
12 ADVERTISING AND MARKETING LOCAL TOURISM, THE GOVERNING BODY OF
13 THE MUNICIPALITY SHALL SELECT A PANEL OF NO LESS THAN THREE
14 MEMBERS TO ADMINISTER THE MUNICIPAL LODGING TAX FUND; EXCEPT
15 THAT, IF THE MONEY IN THE FUND MAY ALSO BE USED FOR ANY OTHER
16 PURPOSE, THE PANEL SHALL ONLY ADMINISTER THE PORTION OF THE FUND
17 THAT THE GOVERNING BODY OF THE MUNICIPALITY IDENTIFIES AS BEING
18 AVAILABLE FOR ADVERTISING AND MARKETING LOCAL TOURISM. THE
19 GOVERNING BODY OF THE MUNICIPALITY SHALL APPOINT PANEL MEMBERS
20 FROM THE TOURISM INDUSTRY WITHIN THE MUNICIPALITY. WHERE THERE
21 IS AN ESTABLISHED AND PROVEN MARKETING ENTITY WITHIN THE
22 MUNICIPALITY FORMED FOR THE PURPOSE OF ADVERTISING AND
23 MARKETING TOURISM, THE PANEL IS ENCOURAGED TO USE THAT
24 MARKETING ENTITY FOR ADVERTISING AND MARKETING TOURISM, AND, IF
25 THE PANEL USES THAT MARKETING ENTITY, THAT MARKETING ENTITY
26 SHALL PROVIDE AN ACCOUNTING TO THE PANEL AND TO THE GOVERNING
27 BODY OF THE MUNICIPALITY.

1 (6) ON AND AFTER JANUARY 1, 2027, A MUNICIPALITY SHALL NOT
2 LEVY, COLLECT, OR ENFORCE ANY TAX ON LODGING OR THE BUSINESS OF
3 PROVIDING LODGING UNLESS THE TAX IS EXPRESSLY AUTHORIZED AND
4 ADOPTED PURSUANT TO THIS SECTION.

5 (7) (a) NOTWITHSTANDING SUBSECTION (6) OF THIS SECTION, A
6 TAX ON LODGING OR THE BUSINESS OF PROVIDING LODGING IMPOSED BY
7 THE MUNICIPALITY ON OR BEFORE DECEMBER 31, 2026, INCLUDING AN
8 OCCUPATION TAX LEVIED PURSUANT TO SECTION 31-15-501, MAY
9 CONTINUE IN EFFECT ACCORDING TO ITS ORIGINAL TERMS.

10 (b) A MUNICIPALITY THAT CONTINUES TO IMPOSE A TAX ALLOWED
11 PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION MAY NOT INCREASE THE
12 TAX RATE, EXPAND THE TAX BASE, OR MATERIALLY ALTER THE PERMITTED
13 USES OF THE TAX REVENUE, EXCEPT BY ADOPTION OF A MUNICIPAL
14 LODGING TAX IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION.

15 **SECTION 4.** In Colorado Revised Statutes, 39-1-103, **add** (12.5)
16 as follows:

17 **39-1-103. Actual value determined - when - legislative**
18 **declaration - definition.**

19 (12.5) (a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
20 CONTRARY, IN ANY CASE IN WHICH AN ASSESSOR USES THE INCOME
21 APPROACH TO DETERMINE THE ACTUAL VALUE OF ANY LODGING
22 PROPERTY, THE ASSESSOR SHALL INCLUDE, IN ADDITION TO ANY OTHER
23 INCOME GENERATED BY THE PROPERTY, THE FOLLOWING IN DETERMINING
24 THE ACTUAL VALUE OF THE LODGING PROPERTY:

25 (I) "NET RENTAL INCOME" CAPITALIZED TO VALUE AT A RATE
26 TYPICAL WITHIN THE RELEVANT MARKET; AND

27 (II) "RESORT FEE INCOME" CAPITALIZED TO VALUE AT A RATE

1 TYPICAL WITHIN THE RELEVANT MARKET.

2 (b) AS USED IN THIS SUBSECTION (12.5), UNLESS THE CONTEXT
3 OTHERWISE REQUIRES:

4 (I) "NET RENTAL INCOME" MEANS THE NET OPERATING INCOME
5 GENERATED FROM PAYMENTS MADE IN CONNECTION WITH THE RENTAL OF
6 THE LODGING PROPERTY, INCLUDING ANY UNIT WITHIN OR CONNECTED TO
7 THE LODGING PROPERTY WHETHER OR NOT THE UNIT IS INDIVIDUALLY AND
8 SEPARATELY OWNED, AFTER DEDUCTION OF EXPENSES TYPICAL IN THE
9 RELEVANT MARKET AND EXCLUDE ANY RENTAL PAYMENTS REMITTED TO
10 A UNIT OWNER FOR USE OF THE OWNER'S UNIT.

11 (II) "RESORT FEE INCOME" MEANS THE NET INCOME GENERATED
12 FROM THE COLLECTION OF ANY FEE OR CHARGE, HOWEVER DENOMINATED,
13 BY THE PROPERTY, THAT IS RETAINED BY THE PROPERTY BUT DOES NOT
14 INCLUDE ANY FEE OR CHARGE AMOUNTS THAT THE PROPERTY OWNER
15 REMITS TO ANY COUNTY, CITY, CITY AND COUNTY, SPECIAL DISTRICT, OR
16 OTHER LOCAL GOVERNMENT.

17 **SECTION 5.** In Colorado Revised Statutes, 39-1-104.2, **amend**
18 (3)(s)(I) introductory portion, (3)(s)(I)(B), (3)(s)(I)(B.5), (3)(s)(I)(C), and
19 (3)(s)(I)(D) as follows:

20 **39-1-104.2. Residential real property - valuation for**
21 **assessment - legislative declaration - definitions.**

22 (3) (s) (I) For property tax years commencing on or after January
23 1, 2025, ~~but before January 1, 2027~~, the valuation for assessment for
24 qualified-senior primary residence real property, including multifamily
25 qualified-senior primary residence real property, is:

26 (B) For the property tax year commencing on January 1, 2026,
27 AND EACH PROPERTY TAX YEAR THEREAFTER, if the state board of

1 equalization determines that the statewide actual value growth is less than
2 or equal to five percent, for the purpose of a levy imposed by a local
3 governmental entity, 6.8 percent of the amount equal to the actual value
4 of the property minus either fifty percent of the first two hundred
5 thousand dollars of that actual value plus the lesser of ten percent of the
6 actual value of the property or seventy thousand dollars as increased for
7 inflation in the first year of each subsequent reassessment cycle or the
8 amount that causes the valuation for assessment of the property to be one
9 thousand dollars;

10 (B.5) For the property tax year commencing on January 1, 2026,
11 AND EACH PROPERTY TAX YEAR THEREAFTER, if the state board of
12 equalization determines that the statewide actual value growth is greater
13 than five percent, for the purpose of a levy imposed by a local
14 governmental entity, 6.7 percent of the amount equal to the actual value
15 of the property minus either fifty percent of the first two hundred
16 thousand dollars of that actual value plus the lesser of ten percent of the
17 actual value of the property or seventy thousand dollars as increased for
18 inflation in the first year of each subsequent reassessment cycle or the
19 amount that causes the valuation for assessment of the property to be one
20 thousand dollars;

21 (C) For the property tax years commencing on January 1, 2025,
22 and January 1, 2026, AND EACH PROPERTY TAX YEAR THEREAFTER, if the
23 state board of equalization determines that the statewide actual value
24 growth is less than or equal to five percent, for the purpose of a levy
25 imposed by a school district, 7.05 percent of the amount equal to the
26 actual value of the property minus the lesser of fifty percent of the first
27 two hundred thousand dollars of that actual value or the amount that

1 causes the valuation for assessment of the property to be one thousand
2 dollars; except that the valuation for assessment for the purpose of a levy
3 imposed by a school district may be temporarily reduced for a property
4 tax year as set forth in section 29-1-1702.5; and

5 (D) For the property tax years commencing on January 1, 2025,
6 and January 1, 2026, AND EACH PROPERTY TAX YEAR THEREAFTER, if the
7 state board of equalization determines that the statewide actual value
8 growth is greater than five percent, for the purpose of a levy imposed by
9 a school district, 6.95 percent of the amount equal to the actual value of
10 the property minus the lesser of fifty percent of the first two hundred
11 thousand dollars of that actual value or the amount that causes the
12 valuation for assessment of the property to be one thousand dollars;
13 except that the valuation for assessment for the purpose of a levy imposed
14 by a school district may be temporarily reduced for a property tax year as
15 set forth in section 29-1-1702.5.

16 **SECTION 6.** In Colorado Revised Statutes, 39-1-104.6, **amend**
17 (9)(a) introductory portion, (9)(c)(I)(A), and (9)(d) as follows:

18 **39-1-104.6. Qualified-senior primary residence real property**
19 **- valuation for assessment - reimbursement to local governments for**
20 **reduced valuation - temporary mechanism for refunding excess state**
21 **revenues - legislative declaration - definitions.**

22 (9) **Reporting and reimbursement of property tax revenue**
23 **reductions.**

24 (a) No later than March 1, 2026, and no later than March 1 ~~2027~~,
25 OF EACH YEAR THEREAFTER, each treasurer shall forward to the
26 administrator a report on the properties in the assessor's county that were
27 classified as qualified-senior primary residence real property for the

1 previous property tax year. The administrator shall cross-check the report
2 as specified in subsection (9)(b) of this section before correcting it, if
3 necessary, and forwarding it to the state treasurer to enable the state
4 treasurer to issue a reimbursement warrant to each treasurer in accordance
5 with subsection (9)(c) of this section. The report must include:

6 (c) (I) (A) No later than April 15, 2026, and no later than April 15
7 ~~2027~~, OF EACH YEAR THEREAFTER, the state treasurer shall issue a warrant
8 to each treasurer for the amount needed to fully reimburse all local
9 governmental entities within the treasurer's county for the total property
10 tax revenue lost for the prior property tax year that are payable during the
11 year in which the state treasurer issues the warrant. The reimbursement
12 must be paid from the state general fund and is not subject to the statutory
13 limitation on state general fund appropriations set forth in section
14 24-75-201.1.

15 (d) In accordance with subsection (9)(b) of this section, for any
16 property tax year commencing on or after January 1, 2025, ~~but before~~
17 ~~January 1, 2027~~, the state treasurer shall not reimburse a treasurer for total
18 property tax revenue lost as a result of a classification of real property as
19 qualified-senior primary residence real property that was erroneously
20 granted in the treasurer's county. If, pursuant to subsection (9)(b) of this
21 section, the administrator advises the state treasurer that the state treasurer
22 has provided either too much or too little reimbursement to a treasurer for
23 classifications of real property as qualified-senior primary residence real
24 property granted in the treasurer's county for any prior property tax year
25 commencing on or after January 1, 2025, ~~but before January 1, 2027~~, the
26 state treasurer shall adjust the reimbursement for the current property tax
27 year as directed by the administrator in order to correct the error.

1 **SECTION 7.** In Colorado Revised Statutes, 39-3-119.5, **amend**
2 (2)(a)(VII), (2)(a)(VIII), (2)(b)(I)(A), (3)(a)(I), (3)(a)(II), (3)(b), (3)(c)(I),
3 (3)(c)(II), (3)(d), (3)(e), and (3)(f); and **add** (2)(a)(IX) as follows:

4 **39-3-119.5. Personal property - exemption - reimbursement to**
5 **local governments - legislative declaration - definitions.**

6 (2) (a) The exemption created in subsection (1) of this section
7 shall be up to and including the following amounts:

8 (VII) Seven thousand seven hundred dollars for property tax years
9 commencing on January 1, 2019, and January 1, 2020; ~~and~~

10 (VIII) Fifty thousand dollars for property tax years commencing
11 on January 1, 2021, and January 1, 2022; AND

12 (IX) SIXTY THOUSAND DOLLARS FOR PROPERTY TAX YEARS
13 COMMENCING ON OR AFTER JANUARY 1, 2027.

14 (b) (I) (A) Beginning with the property tax year commencing on
15 January 1, 2023, BUT BEFORE JANUARY 1, 2027, the amount of the
16 exemption created in subsection (1) of this section shall be adjusted
17 biennially to account for inflation since the amount of the exemption last
18 changed pursuant to this subsection (2). On or before November 1, 2022,
19 and each even-numbered year thereafter BUT BEFORE 2027, the
20 administrator shall calculate the amount of the exemption for the next
21 two-year cycle using inflation for the prior two calendar years as of the
22 date of the calculation. The adjusted exemption shall be rounded upward
23 to the nearest one hundred dollar increment. The administrator shall
24 certify the amount of the exemption for the next two-year cycle and
25 publish the amount on the website maintained by the division of property
26 taxation in the department of local affairs.

27 (3) (a) (I) For ~~the~~ EACH property tax year commencing on OR

1 AFTER January 1, 2021, BUT BEFORE JANUARY 1, 2027, each assessor shall
2 calculate the aggregate value of exempt business personal property within
3 the county based on the property that is listed on schedules for the
4 property tax year with a total value that is more than seven thousand nine
5 hundred dollars and less than or equal to fifty thousand dollars.

6 (II) For ~~the~~ EACH property tax year commencing on OR AFTER
7 January 1, 2021, BUT BEFORE JANUARY 1, 2027, each treasurer shall
8 calculate the total property tax revenues lost by all local governmental
9 entities within the treasurer's county based on the exempt business
10 personal property amount calculated in accordance with subsection
11 (3)(a)(I) of this section.

12 (b) No later than February 1, 2022, and each February 1 thereafter
13 THROUGH FEBRUARY 1, 2026, the administrator shall calculate the
14 percentage increase or decrease in total valuation of business personal
15 property in the state over the prior two property tax years. The
16 administrator shall publish the percentage increase or decrease on the
17 website maintained by the division of property taxation in the department
18 of local affairs.

19 (c) (I) For the property tax years commencing on January 1, 2022,
20 and each year thereafter BUT BEFORE JANUARY 1, 2027, each assessor
21 shall calculate an estimate of the aggregate value of exempt business
22 personal property for the county and each local governmental entity
23 located within the county that is equal to the applicable baseline
24 exemption total adjusted by the growth factor for each property tax year
25 commencing on and after January 1, 2022.

26 (II) For the property tax years commencing on January 1, 2022,
27 and each year thereafter BUT BEFORE JANUARY 1, 2027, each treasurer

1 shall calculate the total property tax revenues lost by all local
2 governmental entities within the treasurer's county based on the estimate
3 of exempt business personal property amount calculated in accordance
4 with subsection (3)(c)(I) of this section.

5 (d) No later than March 1, 2022, and each March 1 thereafter
6 THROUGH MARCH 1, 2026, each treasurer shall report the amount
7 specified in subsection (3)(a)(II) or (3)(c)(II) of this section, as
8 applicable, and the basis for the amount to the administrator, and the
9 administrator may require a treasurer to provide additional information as
10 necessary to evaluate the amount reported. The administrator shall
11 confirm that the reported amount is correct or rectify the amount, if
12 necessary. The administrator shall then forward the correct amount for
13 each county to the state treasurer to enable the state treasurer to issue a
14 reimbursement warrant to each treasurer in accordance with subsection
15 (3)(e) of this section.

16 (e) No later than April 15, 2022, and April 15 of each year
17 thereafter THROUGH APRIL 15, 2026, the state treasurer shall issue a
18 warrant to be paid upon demand from the general fund to each treasurer
19 that is equal to the amount specified by the administrator for the county
20 under subsection (3)(d) of this section. Each treasurer shall distribute the
21 total amount received from the state treasurer to the local governmental
22 entities within the treasurer's county as if the revenues had been regularly
23 paid as property tax. When distributing the money, the treasurer shall
24 provide each local governmental entity with a statement of the amount
25 distributed to the local governmental entity that represents the
26 reimbursement received under this subsection (3)(e).

27 (f) No later than May 1, 2022, and May 1 of each year thereafter

1 THROUGH MAY 1, 2026, the state treasurer shall notify the administrator
2 whether all counties have received a reimbursement warrant for lost
3 property tax revenue for the amounts specified in subsection (3)(d) of this
4 section.

5 **SECTION 8.** In Colorado Revised Statutes, 39-21-102, **add** (10)
6 as follows:

7 **39-21-102. Scope.**

8 (10) THE PROVISIONS OF THIS ARTICLE 21 APPLY TO THE TAXES
9 IMPOSED PURSUANT TO SECTION 31-20-101.9, BUT ONLY TO THE EXTENT
10 THAT THE PROVISIONS OF THIS ARTICLE 21 ARE NOT INCONSISTENT WITH
11 THE PROVISIONS OF SECTION 31-20-101.9.

12 **SECTION 9.** In Colorado Revised Statutes, 39-21-119.5, **add**
13 (2)(q.5) as follows:

14 **39-21-119.5. Mandatory electronic filing of returns -**
15 **mandatory electronic payment - penalty - waiver - definitions.**

16 (2) Except as provided in subsection (6) of this section, the
17 executive director may, as specified in subsection (3) of this section,
18 require the electronic filing of returns and require the payment of any tax
19 or fee due by electronic funds transfer for the following:

20 (q.5) ANY MUNICIPAL LODGING TAX RETURN REQUIRED TO BE
21 FILED AND PAYMENT REQUIRED TO BE MADE PURSUANT TO SECTION
22 31-20-101.9;

23 **SECTION 10. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly (August
26 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
27 referendum petition is filed pursuant to section 1 (3) of article V of the

1 state constitution against this act or an item, section, or part of this act
2 within such period, then the act, item, section, or part will not take effect
3 unless approved by the people at the general election to be held in
4 November 2026 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.