



Legislative Council Staff Research Note

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Bill Number

Senate Bill 16-177

Sponsors

*Senators Martinez Humenik & Heath
Representatives Hullinghorst, & Lawrence*

Short Title

Modify 2015 Urban Renewal Legislation

Research Analyst

David Beaujon (x4781)

Status

This research note reflects the final version of the bill. The bill took effect on June 10, 2016, when it was signed by the Governor.

Summary

This bill makes technical adjustments and clarifies recent legislation concerning urban renewal, urban renewal plans, and provisions for sharing tax increment financing (TIF) among affected taxing entities. This bill replaces existing language with some common terms for describing municipal urban renewal boards and the various taxing entities affected by TIF. It specifies conditions for using mediation to address disputes between municipal urban renewal boards and other taxing entities. It also clarifies that recent legislation is not intended to jeopardize the existing financial obligations of an urban renewal board that remain outstanding as of December 2015.

Background

TIF increments. TIF is used to generate capital for urban renewal projects, setting aside growth over and above an existing property tax and municipal sales tax revenue stream for the repayment of bonds or for other specific purposes. The tax increment is identified as the difference between the TIF district's initial revenue base (as adjusted in every two-year assessment cycle) and the amount of additional tax collections after the TIF is established.

Urban renewal projects. Urban renewal, including TIF, is a tool used by municipalities to address blighted conditions with planning and public improvements, encouraging the development

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of housing, mixed use, office parks, industrial, or retail land use. In practice, regardless of land use, all successful urban renewal projects increase assessed values within an urban renewal area and generate a potential property tax increment. Projects with a retail component generate a potential municipal sales tax increment, as well as new county sales taxes. The Colorado Urban Renewal statute (Section 31-25-101, C.R.S., et seq.) governs the state's urban renewal authorities. This law identifies the criteria under which an area can be found to be blighted and thus eligible for redevelopment using TIF. Under the law, urban renewal authorities can use TIF only when the blight criteria contained in the law are met.

Senate Action

Senate Local Government Committee (April 12, 2016). At the hearing, the Chair of the Tax Increment Finance (TIF) Working Group spoke in support of the bill. He also discussed the charge and activities of the working group that was appointed by the Governor in 2015. Representatives of the Colorado Municipal League, Colorado Counties, Inc., and the Special District Association of Colorado spoke in support of the bill. The committee referred the bill with no amendments to the Senate Committee of the Whole and with a recommendation that it be placed on the consent calendar.

Senate second reading (April 14, 2016). The Senate passed the bill on second reading with no amendments.

Senate third reading (April 15, 2016). The Senate passed the bill on third reading with no amendments.

Senate concurrence (May 2, 2016). The Senate concurred with House amendments.

House Action

House State, Veterans, and Military Affairs Committee (April 27, 2016). At the hearing, the Chair of the Tax Increment Finance (TIF) Working Group spoke in support of the bill. Representatives of Boulder County, the Colorado Municipal League, Colorado Counties, Inc., and the Special District Association of Colorado spoke in support of the bill. The committee adopted Amendment L.001, which added an internal reference to the bill. The committee referred the bill, as amended, to the House Committee of the Whole.

House second reading (April 28, 2016). The House adopted the House State, Veterans, and Military Affairs Committee report and passed the bill on second reading.

House third reading (April 29, 2016). This House passed the bill on third reading with no amendments.