

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0155.02 Alison Killen x4350

SENATE BILL 24-002

SENATE SPONSORSHIP

Roberts,

HOUSE SPONSORSHIP

McCluskie and Frizell,

Senate Committees

Local Government & Housing

House Committees

A BILL FOR AN ACT

101 CONCERNING THE AUTHORITY OF A LOCAL GOVERNMENT TO
102 ESTABLISH A PROPERTY TAX INCENTIVE PROGRAM TO ADDRESS
103 AN AREA OF SPECIFIC LOCAL CONCERN RELATED TO THE USE OF
104 REAL PROPERTY IN THE GOVERNMENT'S JURISDICTION, AND, IN
105 CONNECTION THEREWITH, AUTHORIZING COUNTIES AND
106 MUNICIPALITIES TO OFFER LIMITED PROPERTY TAX CREDITS OR
107 REBATES TO INCENTIVE PROGRAM PARTICIPANTS.

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>.)

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.

Under current law, counties and municipalities are authorized to issue tax incentives, including property and sales tax credits or rebates, to promote certain uses of real property, such as the installation of renewable energy fixtures. **Section 2** of the bill authorizes boards of county commissioners to establish a similar incentive program to offer limited county property tax credits or rebates to participants in a program designed to directly improve an area of specific local concern related to the use of real property in the county.

Section 3 sets forth applicable definitions and requirements to establish an incentive program to address an "area of specific local concern", which is defined as "a use of real property in the county that is determined by the board of county commissioners to be diminishing or unavailable based on verifiable data and which use the board of county commissioners finds and declares necessary for the preservation of the health, safety, or welfare of the residents of the county".

An incentive program must be established by resolution or ordinance adopted by a board of county commissioners at a public meeting and must include the board's findings and determinations regarding the specific area of local concern and specific criteria for the qualification of program participants. Incentive programs must be evaluated on an annual basis and may be renewed only if determined to be effective. An incentive program must be uniformly applied among all owners of the same class of real or commercial property.

Sections 4 and 5 authorize municipalities to establish an identical incentive program offering limited municipal property tax credits or rebates to participants in a program designed to directly improve an area of specific local concern related to the use of real property in the municipality.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Colorado's local governments are deeply committed to the
5 well-being of their residents, to fostering sustainable and vibrant
6 communities throughout the state, and to addressing issues of affordable
7 housing, childcare shortages, economic development, and more;

8 (b) The state is composed of unique and diverse local

1 communities, each with varying characteristics and challenges, including
2 but not limited to the availability of affordable and attainable housing,
3 childcare, mental health services, and economic development;

4 (c) This inherent variation in local characteristics and needs poses
5 a challenge in addressing critical statewide issues, such as the
6 affordability and availability of housing, given the nuanced and localized
7 causes, obstacles, and manifestations of those issues;

8 (d) It is imperative that the state empower local governments to
9 address specific local needs and concerns efficiently and effectively,
10 acknowledging that local governments are best equipped to understand
11 and respond to the distinctive localized challenges within their
12 communities;

13 (e) Where there are local solutions to community problems that
14 directly impact a specific jurisdiction, it is valuable to empower that
15 jurisdiction to implement those solutions;

16 (f) Property tax incentive programs, including credits and rebates,
17 have proven to be an effective way of incentivizing certain behavior and
18 they are likely to be valuable in various additional areas, in particular
19 those of local concern:

20 (g) Property tax credits and rebates can be a key strategy to
21 incentivize property owners to convert short-term rentals to long-term
22 rentals and workforce housing, or to incentivize the creation of needed
23 social infrastructure such as senior housing;

24 (h) Property tax credits and rebates can incentivize revitalization
25 of depressed economic or residential areas;

26 (i) Property tax credits and rebates can incentivize the provision
27 of key services necessary for a thriving community, such as childcare

1 centers and in-home daycares.

2 (j) Local governments already have authority to enact other types
3 of tax credits and rebates for important local issues, including
4 incentivizing property owners to add renewable energy systems to their
5 homes, attracting private enterprise, and incentivizing funding by property
6 owners to provide financial assistance for post-secondary education or
7 training of residents;

8 (k) Local governments already make strategic decisions about
9 how to use and spend property tax revenue for the benefit of the
10 community;

11 (l) Because local government property tax credits and rebates to
12 address areas of specific local concern must be equally available to all
13 owners of the same class of real property located in the jurisdiction, they
14 do not violate the provision of the state constitution requiring uniform
15 assessment and collection of property taxes;

16 (m) Therefore, it is appropriate to allow local governments to be
17 even more adaptable and strategic in addressing community needs by
18 granting them the authority to utilize property tax credits and rebates to
19 address areas of specific local concern.

20 **SECTION 2.** In Colorado Revised Statutes, 30-11-107, **amend**
21 (1)(ll); and **add** (1)(mm) as follows:

22 **30-11-107. Powers of the board.** (1) The board of county
23 commissioners of each county has power at any meeting:

24 (ll) To enter into loan agreements with any governmental entity
25 that is created by or located within the county in accordance with section
26 30-25-106.5; AND

27 (mm) TO ESTABLISH AND ADMINISTER AN INCENTIVE PROGRAM TO

1 DIRECTLY INCENTIVIZE IMPROVEMENT IN AN AREA OF SPECIFIC LOCAL
2 CONCERN RELATED TO THE USE OF REAL PROPERTY IN THE COUNTY IN
3 ACCORDANCE WITH SECTION 30-11-132.

4 **SECTION 3.** In Colorado Revised Statutes, **add** 30-11-132 as
5 follows:

6 **30-11-132. Property tax incentive programs for areas of**
7 **specific local concern - definitions.** (1) AS USED IN THIS SECTION,
8 UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 (a) "AREA OF SPECIFIC LOCAL CONCERN" MEANS A USE OF REAL
10 PROPERTY IN A COUNTY THAT IS DETERMINED BY A BOARD OF COUNTY
11 COMMISSIONERS TO BE DIMINISHING OR UNAVAILABLE BASED ON
12 VERIFIABLE DATA AND WHICH USE THE BOARD OF COUNTY
13 COMMISSIONERS FINDS AND DECLARES NECESSARY FOR THE
14 PRESERVATION OF THE HEALTH, SAFETY, OR WELFARE OF THE RESIDENTS
15 OF THE COUNTY.

16 (b) "COUNTY" MEANS ANY COUNTY OR CITY AND COUNTY IN THE
17 STATE.

18 (c) "COUNTY PROPERTY TAX CREDIT OR REBATE" MEANS A
19 PARTIAL OR FULL CREDIT OR REFUND OF COUNTY PROPERTY TAXES OWED
20 OR PAID BY A PROGRAM PARTICIPANT IN ACCORDANCE WITH A COUNTY
21 PROPERTY TAX LEVY.

22 (d) "INCENTIVE PROGRAM" MEANS A PROPERTY TAX CREDIT OR
23 REBATE PROGRAM INTENDED AND DESIGNED TO DIRECTLY INCENTIVIZE
24 IMPROVEMENT IN AN AREA OF SPECIFIC LOCAL CONCERN AS SPECIFIED IN
25 A RESOLUTION OR AN ORDINANCE ADOPTED BY A BOARD OF COUNTY
26 COMMISSIONERS.

27 (e) "MUNICIPALITY" HAS THE SAME MEANING AS SET FORTH IN

1 SECTION 31-1-101 (6).

2 (f) "PROGRAM PARTICIPANT" MEANS AN OWNER OF REAL PROPERTY
3 IN THE COUNTY THAT HAS APPLIED AND MEETS THE CRITERIA SET FORTH
4 BY RESOLUTION OR ORDINANCE ADOPTED BY THE BOARD OF COUNTY
5 COMMISSIONERS TO PARTICIPATE IN AN INCENTIVE PROGRAM AND THAT IN
6 FACT PARTICIPATES IN THE INCENTIVE PROGRAM.

7 (2) NOTWITHSTANDING ANY LAW TO THE CONTRARY, A COUNTY
8 MAY OFFER AN INCENTIVE, IN THE FORM OF A COUNTY PROPERTY TAX
9 CREDIT OR REBATE, TO A PROPERTY OWNER THAT IS A PROGRAM
10 PARTICIPANT IN AN INCENTIVE PROGRAM ESTABLISHED IN ACCORDANCE
11 WITH THIS SECTION.

12 (3) (a) AN INCENTIVE PROGRAM MUST BE ESTABLISHED BY
13 RESOLUTION OR ORDINANCE ADOPTED BY A BOARD OF COUNTY
14 COMMISSIONERS AT A HEARING THAT IS OPEN TO THE PUBLIC AND THAT
15 INCLUDES AN OPPORTUNITY FOR PUBLIC TESTIMONY. A MUNICIPALITY
16 THAT IS WHOLLY OR PARTLY LOCATED IN THE COUNTY AND THAT MAY BE
17 IMPACTED BY THE INCENTIVE PROGRAM MUST RECEIVE NOTICE OF THE
18 HEARING AND AN OPPORTUNITY TO TESTIFY.

19 (b) AN ORDINANCE OR A RESOLUTION ADOPTED BY A BOARD OF
20 COUNTY COMMISSIONERS MUST INCLUDE:

21 (I) THE BOARD OF COUNTY COMMISSIONERS' FINDINGS AND
22 DETERMINATIONS REGARDING THE DIMINISHMENT OR UNAVAILABILITY OF
23 A USE OF REAL PROPERTY IN THE COUNTY THAT GIVES RISE TO AN AREA OF
24 SPECIFIC LOCAL CONCERN THAT IS THE BASIS FOR THE INCENTIVE
25 PROGRAM; AND

26 (II) SPECIFIC CRITERIA FOR THE QUALIFICATION OF PROGRAM
27 PARTICIPANTS.

1 (4) THE OPPORTUNITY TO BE A PROGRAM PARTICIPANT MUST BE
2 EQUALLY AVAILABLE TO ALL OWNERS OF THE SAME CLASS OF REAL
3 PROPERTY LOCATED IN THE COUNTY WHOSE USE OF THEIR PROPERTY IS AN
4 AREA OF SPECIFIC LOCAL CONCERN.

5 (5) (a) THE BOARD OF COUNTY COMMISSIONERS SHALL, ON AN
6 ANNUAL BASIS, EVALUATE EACH INCENTIVE PROGRAM ESTABLISHED
7 PURSUANT TO THIS SECTION TO DETERMINE ITS EFFECTIVENESS IN
8 IMPROVING EACH AREA OF SPECIFIC LOCAL CONCERN IDENTIFIED IN THE
9 ORDINANCE OR RESOLUTION CREATING THE INCENTIVE PROGRAM.

10 (b) THE BOARD OF COUNTY COMMISSIONERS MAY RENEW AN
11 INCENTIVE PROGRAM FOR NOT MORE THAN ONE YEAR IF THE BOARD OF
12 COUNTY COMMISSIONERS DETERMINES THAT THE INCENTIVE PROGRAM
13 HAS BEEN AND IS LIKELY TO CONTINUE TO BE EFFECTIVE IN ADDRESSING
14 EACH AREA OF SPECIFIC LOCAL CONCERN IDENTIFIED IN THE ORDINANCE
15 OR RESOLUTION CREATING THE INCENTIVE PROGRAM.

16 **SECTION 4.** In Colorado Revised Statutes, 31-15-302, **add** (1)(j)
17 as follows:

18 **31-15-302. Financial powers - legislative declaration.** (1) The
19 governing bodies in municipalities shall have the following general
20 powers in relation to the finances of the municipality:

21 (j) TO ESTABLISH AND ADMINISTER AN INCENTIVE PROGRAM TO
22 DIRECTLY INCENTIVIZE IMPROVEMENT IN AN AREA OF SPECIFIC LOCAL
23 CONCERN RELATED TO THE USE OF REAL PROPERTY IN THE MUNICIPALITY
24 IN ACCORDANCE WITH SECTION 31-20-101.7.

25 **SECTION 5.** In Colorado Revised Statutes, **add** 31-20-101.7 as
26 follows:

27 **31-20-101.7. Property tax incentive programs for areas of**

1 **specific local concern - definitions.** (1) AS USED IN THIS SECTION,
2 UNLESS THE CONTEXT OTHERWISE REQUIRES:

3 (a) "AREA OF SPECIFIC LOCAL CONCERN" MEANS A USE OF REAL
4 PROPERTY IN A MUNICIPALITY THAT IS DETERMINED BY THE GOVERNING
5 BODY OF THE MUNICIPALITY TO BE DIMINISHING OR UNAVAILABLE BASED
6 ON VERIFIABLE DATA AND WHICH USE THE GOVERNING BODY OF THE
7 MUNICIPALITY FINDS AND DECLARES NECESSARY FOR THE PRESERVATION
8 OF THE HEALTH, SAFETY, OR WELFARE OF THE RESIDENTS OF THE
9 MUNICIPALITY.

10 (b) "GOVERNING BODY" HAS THE SAME MEANING AS SET FORTH IN
11 SECTION 31-1-101 (4).

12 (c) "INCENTIVE PROGRAM" MEANS A PROPERTY TAX CREDIT OR
13 REBATE PROGRAM INTENDED AND DESIGNED TO DIRECTLY INCENTIVIZE
14 IMPROVEMENT IN AN AREA OF SPECIFIC LOCAL CONCERN AS SPECIFIED IN
15 AN ORDINANCE ADOPTED BY A GOVERNING BODY OF A MUNICIPALITY.

16 (d) "MUNICIPAL PROPERTY TAX CREDIT OR REBATE" MEANS A
17 PARTIAL OR FULL CREDIT OR REFUND OF MUNICIPAL PROPERTY TAXES
18 OWED OR PAID BY A PROGRAM PARTICIPANT IN ACCORDANCE WITH A
19 MUNICIPAL PROPERTY TAX LEVY.

20 (e) "MUNICIPALITY" HAS THE SAME MEANING AS SET FORTH IN
21 SECTION 31-1-101 (6).

22 (f) "PROGRAM PARTICIPANT" MEANS AN OWNER OF REAL PROPERTY
23 IN THE MUNICIPALITY THAT HAS APPLIED AND MEETS THE CRITERIA SET
24 FORTH BY ORDINANCE ADOPTED BY THE GOVERNING BODY OF A
25 MUNICIPALITY TO PARTICIPATE IN AN INCENTIVE PROGRAM AND THAT IN
26 FACT PARTICIPATES IN THE INCENTIVE PROGRAM.

27 (2) NOTWITHSTANDING ANY LAW TO THE CONTRARY, A

1 MUNICIPALITY MAY OFFER AN INCENTIVE, IN THE FORM OF A MUNICIPAL
2 PROPERTY TAX CREDIT OR REBATE, TO A PROPERTY OWNER THAT IS A
3 PROGRAM PARTICIPANT IN AN INCENTIVE PROGRAM ESTABLISHED IN
4 ACCORDANCE WITH THIS SECTION.

5 (3) (a) AN INCENTIVE PROGRAM MUST BE ESTABLISHED BY
6 ORDINANCE ADOPTED BY A GOVERNING BODY OF A MUNICIPALITY AT A
7 HEARING THAT IS OPEN TO THE PUBLIC AND THAT INCLUDES AN
8 OPPORTUNITY FOR PUBLIC TESTIMONY. A COUNTY THAT INCLUDES ALL OR
9 ANY PORTION OF THE MUNICIPALITY AND THAT MAY BE IMPACTED BY THE
10 INCENTIVE PROGRAM MUST RECEIVE NOTICE OF THE HEARING AND AN
11 OPPORTUNITY TO TESTIFY.

12 (b) AN ORDINANCE ADOPTED BY A GOVERNING BODY OF A
13 MUNICIPALITY MUST INCLUDE:

14 (I) THE GOVERNING BODY'S FINDINGS AND DETERMINATIONS
15 REGARDING THE DIMINISHMENT OR UNAVAILABILITY OF A USE OF REAL
16 PROPERTY IN THE MUNICIPALITY THAT GIVES RISE TO AN AREA OF SPECIFIC
17 LOCAL CONCERN THAT IS THE BASIS FOR THE INCENTIVE PROGRAM; AND

18 (II) SPECIFIC CRITERIA FOR THE QUALIFICATION OF PROGRAM
19 PARTICIPANTS.

20 (4) THE OPPORTUNITY TO BE A PROGRAM PARTICIPANT MUST BE
21 EQUALLY AVAILABLE TO ALL OWNERS OF THE SAME CLASS OF REAL
22 PROPERTY LOCATED IN THE MUNICIPALITY WHOSE USE OF THEIR PROPERTY
23 IS AN AREA OF SPECIFIC LOCAL CONCERN.

24 (5) (a) THE GOVERNING BODY OF A MUNICIPALITY SHALL, ON AN
25 ANNUAL BASIS, EVALUATE EACH INCENTIVE PROGRAM ESTABLISHED
26 PURSUANT TO THIS SECTION TO DETERMINE ITS EFFECTIVENESS IN
27 IMPROVING EACH AREA OF SPECIFIC LOCAL CONCERN IDENTIFIED IN THE

1 ORDINANCE CREATING THE INCENTIVE PROGRAM.

2 (b) THE GOVERNING BODY OF A MUNICIPALITY MAY RENEW AN
3 INCENTIVE PROGRAM FOR NOT MORE THAN ONE YEAR IF THE GOVERNING
4 BODY OF THE MUNICIPALITY DETERMINES THAT THE INCENTIVE PROGRAM
5 HAS BEEN AND IS LIKELY TO CONTINUE TO BE EFFECTIVE IN ADDRESSING
6 EACH AREA OF SPECIFIC LOCAL CONCERN IDENTIFIED IN THE ORDINANCE
7 CREATING THE INCENTIVE PROGRAM.

8 **SECTION 6. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly; except
11 that, if a referendum petition is filed pursuant to section 1 (3) of article V
12 of the state constitution against this act or an item, section, or part of this
13 act within such period, then the act, item, section, or part will not take
14 effect unless approved by the people at the general election to be held in
15 November 2024 and, in such case, will take effect on the date of the
16 official declaration of the vote thereon by the governor.