

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0883.01 Caroline Martin x5902

HOUSE BILL 25-1289

HOUSE SPONSORSHIP

Zokaie and Richardson,

SENATE SPONSORSHIP

Weissman and Frizell,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PROPERTY TAX EXEMPTIONS FOR REAL PROPERTY**
102 **LEASED TO PUBLIC ENTITIES.**

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 grants a property tax exemption to a part of real property that is used by the state, a political subdivision, or a state-supported institution of higher education (public entity) for purposes of the public entity pursuant to a lease or rental agreement. Current law requires a public entity claiming a property tax exemption to file a copy of the lease or rental agreement with the county assessor's office.

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.*

The bill requires a metropolitan district to also file with the county assessor's office a statement (statement) describing:

- The metropolitan district's use of the leased property;
- The metropolitan district's authority to use the leased property for the metropolitan district's purposes;
- Any use of the leased property by a private person for private purposes; and
- Any disclosure filed by a member of the board of directors of the metropolitan district in accordance with certain laws that govern disclosures of conflicts of interest.

If the statement includes a disclosure that relates to the leased property and is filed by a member of the board of directors of the metropolitan district in accordance with certain laws that govern disclosures of conflicts of interest, the county assessor shall, within 30 days of receipt of the statement, submit the statement to the metropolitan district's governing body. Within 180 days of receipt of the statement, the governing body shall issue a written decision including findings of fact and a conclusion as to whether the leased property is used for a public purpose. If the governing body concludes that the leased property is not used for a public purpose, the leased property is not exempt from taxation. The decision of the governing body is not subject to appeal and does not give rise to any private right of action.

A leasehold interest in real or personal property that is owned by a private person and that has been leased to the state or a political subdivision of the state, the use and possession of which has been leased back to a private person for private purposes, is taxable to the owner.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-3-124, **amend**
3 (1)(b)(I)(A) and (1)(b)(II); and **add** (1)(b)(I)(F), (1)(b)(I)(G), and (4) as
4 follows:

5 **39-3-124. Property used by state entity - installment sales or**
6 **lease agreement - financed purchase of an asset, certificate of**
7 **participation, or leveraged lease agreement - exemption - definitions.**

8 (1) (b) (I) (A) Subject to ~~the provisions of sub-subparagraph (B) of this~~
9 ~~subparagraph (F)~~ SUBSECTION (1)(b)(I)(B) OF THIS SECTION AND EXCEPT
10 AS PROVIDED IN SUBSECTION (1)(b)(I)(G) OF THIS SECTION, on and after

1 January 1, 2009, the part of real property that is used by the state, a
2 political subdivision, or a state-supported institution of higher education
3 pursuant to the provisions of any lease or rental agreement for at least a
4 one-year term, with or without an option to purchase, and pursuant to
5 which the subject real property is used for purposes of the state, political
6 subdivision, or institution of higher education, as applicable, shall be
7 exempt from the levy and collection of property tax. If the state or any
8 political subdivision or state-supported institution of higher education
9 enters into a lease or rental agreement or is already in a lease or rental
10 agreement on or after January 1, 2009, and is exempt from the levy and
11 collection of property tax pursuant to this section, the state, political
12 subdivision, or state-supported institution of higher education, as
13 applicable, shall file a copy of the lease or rental agreement with the
14 county assessor's office. The state or a political subdivision or institution
15 of higher education shall notify the county assessor's office in the event
16 that the lease or rental agreement is terminated prior to the term stated in
17 such lease or rental agreement. Nothing in this ~~paragraph (b)~~ shall affect
18 SUBSECTION (1)(b) AFFECTS property tax exemptions allowed pursuant to
19 section 8-82-104, 22-32-127, 29-4-227, 30-11-104.2, 31-15-802, or
20 43-1-214. ~~C.R.S.~~

21 (F) IN ADDITION TO THE REQUIREMENTS LISTED IN SUBSECTION
22 (1)(b)(I)(A) OF THIS SECTION, A METROPOLITAN DISTRICT THAT FILES, OR
23 FILED ON OR AFTER JANUARY 1, 2020, A LEASE OR RENTAL AGREEMENT
24 WITH THE COUNTY ASSESSOR'S OFFICE IN SUPPORT OF A CLAIM FOR A
25 PROPERTY TAX EXEMPTION IN ACCORDANCE WITH SUBSECTION
26 (1)(b)(I)(A) OF THIS SECTION SHALL ALSO FILE WITH THE COUNTY
27 ASSESSOR'S OFFICE A STATEMENT DESCRIBING: THE METROPOLITAN

1 DISTRICT'S USE OF THE LEASED PROPERTY; THE METROPOLITAN DISTRICT'S
2 AUTHORITY TO USE THE LEASED PROPERTY FOR THE METROPOLITAN
3 DISTRICT'S PURPOSES; ANY USE OF THE LEASED PROPERTY BY A PRIVATE
4 PERSON FOR PRIVATE PURPOSES; AND ANY DISCLOSURE FILED BY A
5 MEMBER OF THE BOARD OF DIRECTORS OF THE METROPOLITAN DISTRICT IN
6 ACCORDANCE WITH SECTION 24-18-109 (3)(b), 24-18-110, 32-1-902, OR
7 18-8-308.

8 (G) IF THE STATEMENT DESCRIBED IN SUBSECTION (1)(b)(I)(F) OF
9 THIS SECTION INCLUDES A DISCLOSURE THAT RELATES TO THE LEASED
10 PROPERTY AND IS FILED BY A MEMBER OF THE BOARD OF DIRECTORS OF
11 THE METROPOLITAN DISTRICT IN ACCORDANCE WITH SECTION 24-18-109
12 (3)(b), 24-18-110, 32-1-902, OR 18-8-308, THE COUNTY ASSESSOR SHALL,
13 WITHIN THIRTY DAYS OF RECEIPT OF THE STATEMENT, SUBMIT THE
14 STATEMENT TO THE GOVERNING BODY THAT APPROVED THE
15 METROPOLITAN DISTRICT'S SERVICE PLAN. WITHIN ONE HUNDRED EIGHTY
16 DAYS OF RECEIPT OF THE STATEMENT, THE GOVERNING BODY SHALL ISSUE
17 A WRITTEN DECISION INCLUDING FINDINGS OF FACT AND A CONCLUSION AS
18 TO WHETHER THE LEASED PROPERTY IS USED FOR A PUBLIC PURPOSE AS
19 REQUIRED BY SUBSECTION (1)(b)(I)(A) OF THIS SECTION. IF THE
20 GOVERNING BODY CONCLUDES THAT THE LEASED PROPERTY IS NOT USED
21 FOR A PUBLIC PURPOSE AS REQUIRED BY SUBSECTION (1)(b)(I)(A) OF THIS
22 SECTION, THE LEASED PROPERTY IS NOT EXEMPT FROM TAXATION IN
23 ACCORDANCE WITH SUBSECTION (1)(b)(I)(A) OF THIS SECTION. A DECISION
24 OF A GOVERNING BODY MADE PURSUANT TO THIS SECTION IS NOT SUBJECT
25 TO APPEAL AND DOES NOT GIVE RISE TO ANY PRIVATE RIGHT OF ACTION.

26 (II) ~~For purposes of this paragraph (b)~~ AS USED IN THIS
27 SUBSECTION (1)(b), UNLESS THE CONTEXT OTHERWISE REQUIRES:

1 (A) "GOVERNING BODY" MEANS THE BOARD OF COUNTY
2 COMMISSIONERS OR OTHER ENTITY THAT APPROVED THE METROPOLITAN
3 DISTRICT'S SERVICE PLAN, OR ITS DESIGNEES.

4 (B) "LEASED PROPERTY" MEANS A PART OF REAL PROPERTY THAT
5 IS USED BY THE STATE, A POLITICAL SUBDIVISION, OR A STATE-SUPPORTED
6 INSTITUTION OF HIGHER EDUCATION PURSUANT TO THE PROVISIONS OF ANY
7 LEASE OR RENTAL AGREEMENT FOR AT LEAST A ONE-YEAR TERM, WITH OR
8 WITHOUT AN OPTION TO PURCHASE.

9 (C) "METROPOLITAN DISTRICT" MEANS A METROPOLITAN DISTRICT
10 CREATED PURSUANT TO ARTICLE 1 OF TITLE 32.

11 (D) "State-supported institution of higher education" includes, but
12 need not be limited to, all postsecondary institutions in the state supported
13 in whole or in part by state funds, including community colleges,
14 extension programs of the state-supported universities and colleges, local
15 district colleges, area technical colleges, and the institutions governed by
16 the regents of the university of Colorado.

17 (4) A LEASEHOLD INTEREST IN REAL OR PERSONAL PROPERTY THAT
18 IS OWNED BY A PRIVATE PERSON AND THAT HAS BEEN LEASED TO THE
19 STATE OR A POLITICAL SUBDIVISION OF THE STATE, THE USE AND
20 POSSESSION OF WHICH HAS BEEN LEASED BACK TO A PRIVATE PERSON FOR
21 PRIVATE PURPOSES, IS TAXABLE TO THE OWNER.

22 **SECTION 2. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly; except
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V
26 of the state constitution against this act or an item, section, or part of this
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in
2 November 2026 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.