

CHAPTER 37

TAXATION

HOUSE BILL 96-1283

BY REPRESENTATIVES Chlouber, George, Lyle, Martin, McPherson, Schwarz, Swenson, Tucker, and Young;
also SENATORS Bishop, Norton, L. Powers, and Tebedo.

AN ACT**CONCERNING THE VALUATION OF SUPERFUND WATER TREATMENT FACILITIES FOR PROPERTY TAX PURPOSES.**

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

SECTION 1. 39-1-103, Colorado Revised Statutes, 1994 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

39-1-103. Actual value determined - when. (16) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT IN THE CONSIDERATION OF THE COST APPROACH, MARKET APPROACH, AND INCOME APPROACH TO APPRAISAL FOR THE VALUATION OF SUPERFUND WATER TREATMENT FACILITIES, THE COST APPROACH TO APPRAISAL DOES NOT ADEQUATELY REFLECT CHARACTERISTICS SPECIFIC TO SUPERFUND WATER TREATMENT FACILITIES THAT NEGATIVELY IMPACT THE VALUE OF SUCH FACILITIES, INCLUDING, BUT NOT LIMITED TO, THE LACK OF INCOME PRODUCING ABILITY AND THE ABSENCE OF ANY MARKET FOR SALE OF SUPERFUND WATER TREATMENT FACILITIES. THEREFORE, IN THE ASSESSMENT OF SUPERFUND WATER TREATMENT FACILITIES, THE INCOME APPROACH TO APPRAISAL SHALL BE CONSIDERED THE PRIMARY INDICATOR OF VALUE AND THE COST APPROACH OR MARKET APPROACH TO APPRAISAL SHALL BE USED ONLY IF THE VALUE DETERMINED UNDER THE COST APPROACH OR MARKET APPROACH IS LESS THAN THE VALUE DETERMINED UNDER THE INCOME APPROACH TO APPRAISAL. FOR THE PURPOSES OF DETERMINING THE ACTUAL VALUE OF SUPERFUND WATER TREATMENT FACILITIES AS OF THE ASSESSMENT DATE USING THE INCOME APPROACH TO APPRAISAL, THE ASSESSING OFFICER SHALL CAPITALIZE THE ACTUAL INCOME GENERATED BY THE FACILITY DURING THE CALENDAR YEAR PRECEDING THE ASSESSMENT DATE AT THE RATE OF TEN PERCENT PER ANNUM.

(b) FOR PURPOSES OF THIS SUBSECTION (16), "SUPERFUND WATER TREATMENT

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

FACILITIES" MEANS REAL AND PERSONAL PROPERTY THAT IS:

(I) INSTALLED AND CONSTRUCTED PURSUANT TO AN AGREEMENT WITH OR AN ORDER OF THE FEDERAL GOVERNMENT OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS AND TO SATISFY THE FEDERAL "COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980", 42 U.S.C. SEC. 9601, ET SEQ., AS AMENDED; AND

(II) OPERATED FOR THE PURPOSE OF ELIMINATING, REDUCING, CONTROLLING, OR DISPOSING OF POLLUTANTS, AS DEFINED IN SECTION 25-8-103 (15), C.R.S., THAT COULD ALTER THE PHYSICAL, CHEMICAL, BIOLOGICAL, OR RADIOLOGICAL INTEGRITY OF STATE WATERS IF RELEASED INTO STATE WATERS.

SECTION 2. Applicability. This act shall apply to property tax years commencing on and after January 1, 1996.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 25, 1996