

CHAPTER 320

TAXATION

HOUSE BILL 09-1365

BY REPRESENTATIVE(S) Marostica, Ferrandino, Pommer, Gardner B., Gerou, McNulty, Stephens;
also SENATOR(S) White, Keller, Tapia.

AN ACT

**CONCERNING MODIFICATIONS TO THE PROPERTY TAX EXEMPTION FOR CERTAIN PROPERTY LEASED
BY GOVERNMENTAL ENTITIES THAT USE THE PROPERTY FOR GOVERNMENTAL PURPOSES.**

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

SECTION 1. 39-3-124 (1) (b) (I), Colorado Revised Statutes, is amended to read:

39-3-124. Property used by state entity - installment sales or lease agreement - lease-purchase or leveraged lease agreement - exemption.

(1) (b) (I) (A) SUBJECT TO THE PROVISIONS OF SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (I), on and after January 1, 2009, the part of real property that is used by the state, a political subdivision, or a state-supported institution of higher education pursuant to the provisions of any lease or rental agreement for at least a one-year term, with or without an option to purchase, and pursuant to which the subject real property is used for purposes of the state, political subdivision, or institution of higher education, as applicable, shall be exempt from the levy and collection of property tax. If the state or any political subdivision or state-supported institution of higher education enters into a lease or rental agreement or is already in a lease or rental agreement on or after January 1, 2009, and is exempt from the levy and collection of property tax pursuant to this section, the state, political subdivision, or state-supported institution of higher education, as applicable, shall file a copy of the lease or rental agreement with the county assessor's office. The state or a political subdivision or institution of higher education shall notify the county assessor's office in the event that the lease or rental agreement is terminated prior to the term stated in such lease or rental agreement. Nothing in this paragraph (b) shall affect property tax exemptions allowed pursuant to section 8-82-104, 22-32-127, 29-4-227, 30-11-104.2, 31-15-802, or 43-1-214, C.R.S.

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

(B) THE STATE, A POLITICAL SUBDIVISION, OR A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION SHALL REDUCE, DEDUCT, OR OFFSET PROPERTY TAXES FROM RENT DUE UNDER ANY LEASE OR RENTAL AGREEMENT PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I). UPON RECEIPT OF A LEASE OR RENTAL AGREEMENT FOR THE STATE, A POLITICAL SUBDIVISION, OR A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION, THE COUNTY ASSESSOR SHALL SEND A NOTICE TO THE LANDLORD ACKNOWLEDGING RECEIPT OF THE LEASE OR RENTAL AGREEMENT. THE NOTICE SHALL IDENTIFY THE PROPERTY, THE PROPERTY ADDRESS, AND THE PARTIES TO THE LEASE OR RENTAL AGREEMENT.

(C) TO THE EXTENT THAT REAL PROPERTY TAXES ARE SHARED AND PAYABLE BY ONE OR MORE TENANTS UNDER THE LEASE OF PROPERTY THAT ARE NOT THE STATE, A POLITICAL SUBDIVISION, OR A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION, REAL PROPERTY TAXES OTHERWISE DUE BUT FOR THE APPLICATION OF THIS PARAGRAPH (b) SHALL BE DEEMED TAXES PAID BY THE PROPERTY OWNER OR THE LANDLORD OF A PROPERTY LEASED IN PART TO THE STATE, A POLITICAL SUBDIVISION, OR A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION.

(D) ONLY A TENANT THAT IS THE STATE, A POLITICAL SUBDIVISION, OR A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION SHALL RECEIVE ANY BENEFIT RELATED TO THE TENANT'S PROPERTY TAX-EXEMPT STATUS PURSUANT TO THIS PARAGRAPH (b).

(E) IT IS THE GENERAL ASSEMBLY'S INTENT THAT THE APPLICATION OF THIS PARAGRAPH (b) BE COST-NEUTRAL IN THAT THE TAX REDUCTION AND THE RENT REDUCTION PURSUANT TO THIS PARAGRAPH (b) ARE EQUAL.

SECTION 2. 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: June 1, 2009