

CHAPTER 372

TAXATION

HOUSE BILL 10-1431

BY REPRESENTATIVE(S) McKinley, Frangas, Labuda, McFadyen, Middleton;
also SENATOR(S) Penry.

AN ACT**CONCERNING THE METHODOLOGY USED TO VALUE RENEWABLE ENERGY FACILITIES FOR PURPOSES
OF PROPERTY TAXATION.**

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

SECTION 1. 39-4-102 (1) (e) (I) (A) and (1.5) (b) (IV), Colorado Revised Statutes, are amended to read:

39-4-102. Valuation of public utilities. (1) The administrator shall determine the actual value of the operating property and plant of each public utility as a unit, giving consideration to the following factors and assigning such weight to each of such factors as in the administrator's judgment will secure a just value of such public utility as a unit:

(e) (I) When determining the actual value of a renewable energy facility that primarily produces more than two megawatts of alternating current electricity, the administrator shall:

(A) Consider the additional incremental cost per kilowatt of the construction of the renewable energy facility over that of the construction cost of a comparable nonrenewable energy facility, **INCLUSIVE OF THE COST OF ALL PROPERTY REQUIRED TO GENERATE AND DELIVER ENERGY TO THE INTERCONNECTION METER**, that primarily produces alternating current electricity to be an investment cost and shall not include such additional incremental cost in the valuation of the facility; and

(1.5) The administrator shall determine the actual value of a wind energy facility or a solar energy facility as follows:

(b) (IV) As used in this paragraph (b), "tax factor" means a factor annually

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

established by the administrator. The tax factor shall be a number that when applied to the selling price at the interconnection meter results in approximately the same tax revenue over a twenty-year period on a nominal dollar basis that would have been collected using the cost basis method of taxation as determined by the administrator for a renewable energy facility pursuant to paragraph (e) of subsection (1) of this section. FOR A RENEWABLE ENERGY FACILITY THAT BEGINS GENERATING ENERGY BEFORE JANUARY 1, 2012, THE ADMINISTRATOR SHALL INCLUDE ONLY THE COST OF ALL PROPERTY REQUIRED TO GENERATE AND DELIVER RENEWABLE ENERGY TO THE INTERCONNECTION METER THAT DOES NOT EXCEED THE COST OF PROPERTY REQUIRED TO GENERATE NONRENEWABLE ENERGY. FOR A RENEWABLE ENERGY FACILITY THAT BEGINS GENERATING ENERGY ON OR AFTER JANUARY 1, 2012, THE ADMINISTRATOR SHALL INCLUDE ONLY THE COST OF ALL PROPERTY REQUIRED TO GENERATE AND DELIVER RENEWABLE ENERGY TO THE INTERCONNECTION METER THAT DOES NOT EXCEED THE COST OF PROPERTY REQUIRED TO GENERATE AND DELIVER NONRENEWABLE ENERGY TO THE INTERCONNECTION METER.

SECTION 2. Act subject to petition - effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part shall not take effect unless approved by the people at the general election to be held in November 2010 and shall take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 7, 2010