

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 14-0729.01 Nicole Myers x4326

HOUSE BILL 14-1001

HOUSE SPONSORSHIP

Singer, Young

SENATE SPONSORSHIP

Nicholson, Jones, Kefalas

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A PROPERTY TAX REIMBURSEMENT**
102 **FOR A TAXPAYER THAT OWES PROPERTY TAX ON PROPERTY**
103 **THAT HAS BEEN DESTROYED BY A NATURAL CAUSE, AND, IN**
104 **CONNECTION THEREWITH, MAKING AND REDUCING**
105 **APPROPRIATIONS.**

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://www.leg.state.co.us/billsummaries>.)

Beginning in the 2013 income tax year, the bill establishes an

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
3rd Reading Unamended
April 4, 2014

HOUSE
Amended 2nd Reading
April 3, 2014

income tax credit for a taxpayer that owns real or business personal property that was destroyed by a natural cause as determined by the county assessor of the county in which the property is located. The amount of the credit is an amount equal to the taxpayer's property tax liability for the destroyed property in the property tax year in which the natural cause occurred. A taxpayer is allowed to claim the credit only for the income tax year during which the property was destroyed.

The bill requires the executive director of the department of revenue (department) to create a certification form to be used by a county assessor to certify to the department, at the request of a taxpayer, that the taxpayer's property was destroyed by a natural cause and that the taxpayer is entitled to an income tax credit. The bill specifies the information that shall be included on the certification form for real or business personal property that was destroyed by a natural cause. The department is required to make the certification form available to taxpayers and county assessors on the department's web site and by any other means deemed necessary by the department.

Before claiming an income tax credit, the bill requires a taxpayer to request that the county assessor in the county in which the destroyed property is located complete and sign a certification form for the destroyed property that is the basis of the income tax credit. The county assessor is required to complete and sign the certification form upon such request and the taxpayer is required to submit the completed and signed certification form to the department with the taxpayer's income tax return.

The amount of the credit allowed that exceeds the taxpayer's income taxes due is refunded to the taxpayer.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-1-123 as
3 follows:

4 **39-1-123. Property tax reimbursement - property destroyed by**
5 **natural cause. (1) Eligibility.** FOR PROPERTY TAX YEARS COMMENCING
6 ON OR AFTER JANUARY 1, 2013, REAL OR BUSINESS PERSONAL PROPERTY
7 LISTED ON A SINGLE SCHEDULE THAT WAS DESTROYED BY A NATURAL
8 CAUSE AS DEFINED IN SECTION 39-1-102 (8.4), AS DETERMINED BY THE
9 COUNTY ASSESSOR IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED,
10 SHALL BE SUBJECT TO A REIMBURSEMENT FROM THE STATE IN AN AMOUNT

1 EQUAL TO THE PROPERTY TAX LIABILITY APPLICABLE TO THE DESTROYED
2 PROPERTY IN THE PROPERTY TAX YEAR IN WHICH THE NATURAL CAUSE
3 OCCURRED.

4 (2) **Report of destroyed properties.** (a) (I) FOR THE PROPERTY
5 TAX YEAR COMMENCING JANUARY 1, 2013, ON OR BEFORE JULY 1, 2014,
6 OR ON OR BEFORE OCTOBER 1, 2014, FOR PUBLIC UTILITIES IDENTIFIED IN
7 ARTICLE 4 OF THIS TITLE, THE ASSESSOR OF EACH COUNTY WITH PROPERTY
8 DESTROYED BY A NATURAL CAUSE DURING THE YEAR SHALL FORWARD TO
9 THE APPLICABLE COUNTY TREASURER A REPORT OF THE TAXABLE REAL OR
10 BUSINESS PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED BY
11 A NATURAL CAUSE. THE REPORT MUST INCLUDE THE INFORMATION
12 SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (2).

13 (II) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
14 JANUARY 1, 2014, ON OR BEFORE DECEMBER 15 OF THE APPLICABLE
15 PROPERTY TAX YEAR, THE ASSESSOR OF EACH COUNTY WITH PROPERTY
16 DESTROYED BY A NATURAL CAUSE SHALL FORWARD TO THE APPLICABLE
17 COUNTY TREASURER A REPORT OF THE TAXABLE REAL OR BUSINESS
18 PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED BY A
19 NATURAL CAUSE THROUGH NOVEMBER OF THE YEAR. THE REPORT MUST
20 INCLUDE THE INFORMATION SPECIFIED IN PARAGRAPH (b) OF THIS
21 SUBSECTION (2).

22 (III) IF AFTER SUBMITTING A REPORT TO THE COUNTY TREASURER
23 PURSUANT TO SUBPARAGRAPH (I) OR (II) OF THIS PARAGRAPH (a), THE
24 COUNTY ASSESSOR DISCOVERS ANY TAXABLE REAL OR BUSINESS
25 PERSONAL PROPERTY THAT WAS DESTROYED BY A NATURAL CAUSE
26 DURING THE APPLICABLE PROPERTY TAX YEAR THAT WAS NOT INCLUDED
27 IN THE REPORT, THE COUNTY ASSESSOR SHALL FORWARD TO THE COUNTY

1 TREASURER A SUPPLEMENTAL REPORT OF THE ADDITIONAL TAXABLE REAL
2 OR BUSINESS PERSONAL PROPERTY IN THE COUNTY THAT WAS DESTROYED
3 BY A NATURAL CAUSE. THE REPORT MUST INCLUDE THE INFORMATION
4 SPECIFIED IN PARAGRAPH (b) OF THIS SUBSECTION (2). IF APPLICABLE, THE
5 COUNTY ASSESSOR SHALL FORWARD THE SUPPLEMENTAL REPORT TO THE
6 COUNTY TREASURER ON OR BEFORE JULY 1, OR FOR PUBLIC UTILITIES
7 IDENTIFIED IN ARTICLE 4 OF THIS TITLE, ON OR BEFORE OCTOBER 1 OF THE
8 YEAR FOLLOWING THE PROPERTY TAX YEAR IN WHICH THE PROPERTY WAS
9 DESTROYED BY A NATURAL CAUSE.

10 (b) (I) IN THE CASE OF TAXABLE REAL PROPERTY, THE REPORTS
11 REQUIRED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL
12 INCLUDE THE FOLLOWING:

13 (A) THE LEGAL DESCRIPTION OF EACH PARCEL OF REAL PROPERTY
14 IN THE COUNTY CONTAINING THE REAL PROPERTY DESTROYED BY A
15 NATURAL CAUSE IN THE APPLICABLE PROPERTY TAX YEAR;

16 (B) THE SCHEDULE OR PARCEL NUMBER FOR EACH PARCEL OF REAL
17 PROPERTY CONTAINING THE REAL PROPERTY DESTROYED BY A NATURAL
18 CAUSE IN THE APPLICABLE PROPERTY TAX YEAR;

19 (C) THE NAME OF THE REAL PROPERTY OWNER ON RECORD;

20 (D) A DESCRIPTION OF THE REAL PROPERTY AND THE DATE OF THE
21 DESTRUCTION; AND

22 (E) THE PRORATED PROPERTY TAXES DUE ON THE DESTROYED
23 REAL PROPERTY FOR THE APPLICABLE PROPERTY TAX YEAR ACCORDING TO
24 THE RECORDS OF THE COUNTY ASSESSOR.

25 (II) IN THE CASE OF TAXABLE BUSINESS PERSONAL PROPERTY, THE
26 REPORTS REQUIRED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2)
27 SHALL INCLUDE THE FOLLOWING:

1 (A) THE SCHEDULE OR IDENTIFYING NUMBER FOR THE BUSINESS
2 PERSONAL PROPERTY DESTROYED BY A NATURAL CAUSE;

3 (B) THE NAME OF THE TAXPAYER WHO OWNS OR LEASES THE
4 BUSINESS PERSONAL PROPERTY THAT WAS DESTROYED BY A NATURAL
5 CAUSE AND THE NAME OF THE ENTITY UNDER WHICH THE TAXPAYER DOES
6 BUSINESS, IF APPLICABLE; AND

7 (C) THE PROPERTY TAXES DUE ON THE DESTROYED BUSINESS
8 PERSONAL PROPERTY FOR THE APPLICABLE PROPERTY TAX YEAR
9 ACCORDING TO THE RECORDS OF THE COUNTY ASSESSOR.

10 (3) **Verification of property taxes owed.** (a) WITHIN THIRTY
11 CALENDAR DAYS OF RECEIVING A REPORT FROM THE COUNTY ASSESSOR
12 PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE COUNTY TREASURER
13 OF THE SAME COUNTY SHALL VERIFY THE TOTAL AMOUNT OF THE
14 PROPERTY TAX IN THE COUNTY THAT IS ELIGIBLE FOR REIMBURSEMENT
15 PURSUANT TO SUBSECTION (1) OF THIS SECTION. THE COUNTY TREASURER
16 SHALL CALCULATE SUCH AMOUNT BASED ON THE CERTIFIED TAX ROLL
17 THAT THE COUNTY TREASURER RECEIVES FROM THE COUNTY ASSESSOR, AS
18 ADJUSTED BY ANY PRORATION OF THE AMOUNT OF PROPERTY TAXES OWED
19 DUE TO THE DESTRUCTION OF THE PROPERTY.

20 (b) AS SOON AS PRACTICABLE AFTER VERIFYING THE TOTAL
21 AMOUNT OF PROPERTY TAX IN THE COUNTY THAT IS ELIGIBLE TO BE
22 REIMBURSED, THE COUNTY TREASURER SHALL TRANSMIT A REPORT TO THE
23 STATE TREASURER THAT INCLUDES THE COUNTY TREASURER'S
24 VERIFICATION AND THE REPORT OF THE DESTROYED PROPERTIES FROM THE
25 COUNTY ASSESSOR.

26 (4) **State treasurer to pay county treasurer.** AFTER RECEIVING
27 A REPORT FROM A COUNTY TREASURER PURSUANT TO SUBSECTION (3) OF

1 THIS SECTION, AND SUBJECT TO APPROPRIATION, THE STATE TREASURER
2 SHALL ISSUE A REIMBURSEMENT WARRANT TO THE APPLICABLE COUNTY
3 TREASURER IN AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF PROPERTY
4 TAX DUE IN THE COUNTY THAT IS ELIGIBLE TO BE REIMBURSED PURSUANT
5 TO SUBSECTION (1) OF THIS SECTION FOR THE APPLICABLE PROPERTY TAX
6 YEAR. THE REIMBURSEMENT SHALL BE PAID FROM THE STATE GENERAL
7 FUND.

8 (5) **Reimbursement.** (a) IF THE COUNTY TREASURER RECEIVES A
9 REPORT FROM THE ASSESSOR IN ACCORDANCE WITH SUBSECTION (2) OF
10 THIS SECTION ON OR BEFORE DECEMBER 15 OF A PROPERTY TAX YEAR, THE
11 COUNTY TREASURER SHALL APPLY A CREDIT TO THE TAX BILL OF THE
12 DESTROYED PROPERTY FOR THAT YEAR IN THE AMOUNT OF THE EXPECTED
13 REIMBURSEMENT AND APPLY THE REIMBURSEMENT RECEIVED FROM THE
14 TREASURER TO SUCH CREDIT.

15 (b) FOR DESTROYED PROPERTY THAT IS REPORTED BY THE
16 ASSESSOR AFTER DECEMBER 15 OF A PROPERTY TAX YEAR, WITHIN THIRTY
17 CALENDAR DAYS OF THE RECEIPT OF MONEYS FROM THE STATE TREASURER
18 PURSUANT TO SUBSECTION (4) OF THIS SECTION, THE COUNTY TREASURER
19 SHALL PAY THE PROPERTY TAX OWED FOR EACH DESTROYED PROPERTY. IF
20 THE PROPERTY TAX DUE FOR THE DESTROYED PROPERTY HAS ALREADY
21 BEEN PAID, THE COUNTY TREASURER SHALL ISSUE A REIMBURSEMENT TO
22 THE TAXPAYER'S LAST RECORDED MAILING ADDRESS. THE COUNTY
23 TREASURER SHALL WAIVE ANY INTEREST ON UNPAID PROPERTY TAXES
24 THAT ARE PAID PURSUANT TO THIS SUBSECTION (5).

25 (c) IF ANY REIMBURSEMENTS ARE RETURNED TO THE COUNTY
26 TREASURER AS UNDELIVERABLE, THE COUNTY TREASURER SHALL HOLD
27 THE REIMBURSEMENT FOR SIX MONTHS FROM THE DATE THAT THE

1 REIMBURSEMENT WAS RETURNED TO THE COUNTY TREASURER, AND THE
2 TAXPAYER MAY CLAIM THE REIMBURSEMENT FROM THE COUNTY
3 TREASURER. THE COUNTY TREASURER SHALL RETURN TO THE STATE
4 TREASURER ANY REIMBURSEMENTS THAT HAVE NOT BEEN CLAIMED BY
5 THE TAXPAYER WITHIN SUCH TIME.

6 (d) THE STATE TREASURER SHALL TRANSFER TO THE GENERAL
7 FUND ANY MONEYS THAT HE OR SHE RECEIVES FROM A COUNTY
8 TREASURER PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (5).

9 (6) **Review.** DURING THE FIRST REGULAR SESSION OF THE
10 SEVENTY-FIRST GENERAL ASSEMBLY, THE FINANCE COMMITTEES OF THE
11 HOUSE OF REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR
12 COMMITTEES, SHALL REVIEW THE PROVISIONS OF THIS SECTION AND MAKE
13 RECOMMENDATIONS REGARDING WHETHER THE PROVISIONS SHOULD BE
14 CONTINUED, REPEALED, OR CONTINUED WITH MODIFICATIONS.

15 **SECTION 2. Appropriation - adjustments to 2014 long bill.**

16 (1) For the implementation of this act, the general fund appropriation
17 made in the annual general appropriation act to the controlled
18 maintenance trust fund created in section 24-75-302.5 (2) (a), Colorado
19 Revised Statutes, for the fiscal year beginning July 1, 2014, is decreased
20 by \$2,221,828.

21 (2) In addition to any other appropriation, there is hereby
22 appropriated, out of any moneys in the general fund not otherwise
23 appropriated, to the department of treasury, for the fiscal year beginning
24 July 1, 2014, the sum of \$2,221,828, or so much thereof as may be
25 necessary, for reimbursement to county treasurers pursuant to section
26 39-1-123 (4), Colorado Revised Statutes, related to the implementation
27 of this act.

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