

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 13-0722.01 Ed DeCecco x4216

**HOUSE BILL 13-1206**

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**HOUSE SPONSORSHIP**

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**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING THE EXPANSION OF A LOCAL GOVERNMENT'S ABILITY TO**  
102             **ENTER INTO A BUSINESS INCENTIVE AGREEMENT WITH A**  
103             **TAXPAYER.**

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**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>.)*

A county, municipality, or special district (local government) is currently authorized to negotiate an incentive payment or credit with a taxpayer that establishes a new business facility or expands an existing business facility (business incentive agreement).

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.*

The bill expands the authority for a local government to negotiate a business incentive agreement with a taxpayer that has an existing business facility in the local government, if the local government is satisfied that there is a substantial risk that the taxpayer will relocate the facility out of state. A local government negotiating any type of business incentive agreement is not required to inform a school district of the negotiations because school districts are no longer authorized to enter into business incentive agreements.

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

2 **SECTION 1.** In Colorado Revised Statutes, 30-11-123, **amend**  
3 (5); and **add** (1.5) as follows:

4 **30-11-123. Legislative declaration - counties - new business**  
5 **facilities - expanded or existing business facilities - incentives -**  
6 **limitations - authority to exceed revenue-raising limitations -**  
7 **definitions.** (1.5) (a) NOTWITHSTANDING ANY LAW TO THE CONTRARY,  
8 A COUNTY MAY NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT FOR A  
9 TAXPAYER THAT HAS AN EXISTING BUSINESS FACILITY LOCATED IN THE  
10 COUNTY IF THE COUNTY IS SATISFIED THAT THERE IS A SUBSTANTIAL RISK  
11 THAT THE TAXPAYER WILL RELOCATE THE FACILITY OUT OF STATE.

12 (b) A COUNTY SHALL NOT GIVE AN ANNUAL INCENTIVE PAYMENT  
13 OR CREDIT UNDER THIS SUBSECTION (1.5) THAT IS GREATER THAN THE  
14 AMOUNT OF THE TAXES LEVIED BY THE COUNTY UPON THE TAXABLE  
15 PERSONAL PROPERTY LOCATED AT OR WITHIN THE EXISTING BUSINESS  
16 FACILITY AND USED IN CONNECTION WITH THE OPERATION OF THE  
17 EXISTING BUSINESS FACILITY FOR THE CURRENT PROPERTY TAX YEAR. THE  
18 TERM OF AN AGREEMENT MADE PURSUANT TO THIS SUBSECTION (1.5)  
19 SHALL NOT EXCEED TEN YEARS, AND THIS LIMIT INCLUDES ANY RENEWALS  
20 OF THE ORIGINAL AGREEMENT.

21 (5) Any county ~~which~~ THAT negotiates any agreement pursuant to

1 the provisions of this section shall inform any municipality ~~and any~~  
2 ~~school district~~ in which a new business facility would be located, or an  
3 EXISTING OR expanded business facility is located, whichever is  
4 applicable, of such negotiations.

5 **SECTION 2.** In Colorado Revised Statutes, 31-15-903, **amend**  
6 (4); and **add** (1.5) as follows:

7 **31-15-903. Legislative declaration - municipalities - new**  
8 **business facilities - expanded or existing business facilities - incentives**  
9 **- limitations - authority to exceed revenue-raising limitation.**

10 (1.5) (a) NOTWITHSTANDING ANY LAW TO THE CONTRARY, A  
11 MUNICIPALITY MAY NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT FOR  
12 A TAXPAYER THAT HAS AN EXISTING BUSINESS FACILITY LOCATED IN THE  
13 MUNICIPALITY IF THE MUNICIPALITY IS SATISFIED THAT THERE IS A  
14 SUBSTANTIAL RISK THAT THE TAXPAYER WILL RELOCATE THE FACILITY  
15 OUT OF STATE.

16 (b) A MUNICIPALITY SHALL NOT GIVE AN ANNUAL INCENTIVE  
17 PAYMENT OR CREDIT UNDER THIS SUBSECTION (1.5) THAT IS GREATER  
18 THAN THE AMOUNT OF THE TAXES LEVIED BY THE MUNICIPALITY UPON THE  
19 TAXABLE PERSONAL PROPERTY LOCATED AT OR WITHIN THE EXISTING  
20 BUSINESS FACILITY AND USED IN CONNECTION WITH THE OPERATION OF  
21 THE EXISTING BUSINESS FACILITY FOR THE CURRENT PROPERTY TAX YEAR.  
22 THE TERM OF AN AGREEMENT MADE PURSUANT TO THIS SUBSECTION (1.5)  
23 SHALL NOT EXCEED TEN YEARS, AND THIS LIMIT INCLUDES ANY RENEWALS  
24 OF THE ORIGINAL AGREEMENT.

25 (4) Any municipality ~~which~~ THAT negotiates any agreement  
26 pursuant to the provisions of this section shall inform any county ~~and any~~  
27 ~~school district~~ in which a new business facility would be located, or an

1 EXISTING OR expanded business facility is located, whichever is  
2 applicable, of such negotiations.

3 **SECTION 3.** In Colorado Revised Statutes, 32-1-1702, **amend**  
4 (4); and **add** (1.5) as follows:

5 **32-1-1702. New business facilities - expanded or existing**  
6 **business facilities - incentives - limitations - authority to exceed**  
7 **revenue-raising limitation.** (1.5) (a) NOTWITHSTANDING ANY LAW TO  
8 THE CONTRARY, A SPECIAL DISTRICT MAY NEGOTIATE AN INCENTIVE  
9 PAYMENT OR CREDIT FOR A TAXPAYER THAT HAS AN EXISTING BUSINESS  
10 FACILITY LOCATED IN THE SPECIAL DISTRICT IF THE SPECIAL DISTRICT IS  
11 SATISFIED THAT THERE IS A SUBSTANTIAL RISK THAT THE TAXPAYER WILL  
12 RELOCATE THE FACILITY OUT OF STATE.

13 (b) A SPECIAL DISTRICT SHALL NOT GIVE AN ANNUAL INCENTIVE  
14 PAYMENT OR CREDIT UNDER THIS SUBSECTION (1.5) THAT IS GREATER  
15 THAN THE AMOUNT OF THE TAXES LEVIED BY THE SPECIAL DISTRICT UPON  
16 THE TAXABLE PERSONAL PROPERTY LOCATED AT OR WITHIN THE EXISTING  
17 BUSINESS FACILITY AND USED IN CONNECTION WITH THE OPERATION OF  
18 THE EXISTING BUSINESS FACILITY FOR THE CURRENT PROPERTY TAX YEAR.  
19 THE TERM OF AN AGREEMENT MADE PURSUANT TO THIS SUBSECTION (1.5)  
20 SHALL NOT EXCEED TEN YEARS, AND THIS LIMIT INCLUDES ANY RENEWALS  
21 OF THE ORIGINAL AGREEMENT.

22 (4) A special district that negotiates an agreement pursuant to the  
23 provisions of this section shall inform any municipality AND county ~~and~~  
24 ~~school district~~ in which a new business facility would be located, or an  
25 EXISTING OR expanded business facility is located, whichever is  
26 applicable, of such negotiations.

27 **SECTION 4. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the  
2 ninety-day period after final adjournment of the general assembly (August  
3 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a  
4 referendum petition is filed pursuant to section 1 (3) of article V of the  
5 state constitution against this act or an item, section, or part of this act  
6 within such period, then the act, item, section, or part will not take effect  
7 unless approved by the people at the general election to be held in  
8 November 2014 and, in such case, will take effect on the date of the  
9 official declaration of the vote thereon by the governor.