

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0322.01 Ed DeCecco x4216

SENATE BILL 14-042

SENATE SPONSORSHIP

Scheffel,

HOUSE SPONSORSHIP

(None),

Senate Committees
State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE ELIMINATION OF THE LIMIT ON THE TERM OF A**
102 **BUSINESS INCENTIVE AGREEMENT THAT A LOCAL GOVERNMENT**
103 **ENTERS INTO WITH A TAXPAYER WHO PAYS BUSINESS PERSONAL**
104 **PROPERTY TAX.**

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

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.

taxpayer that pays business personal property tax and that establishes a new business facility, expands an existing business facility, or if there is a substantial risk that the taxpayer will relocate an existing facility out of state. These payments or credits are included in agreements that are commonly known as business incentive agreements.

The bill eliminates a 10-year limit on the term of a business incentive agreement and grants the governing body of the local government the discretion to determine the term of the agreement.

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 (1) (b), (1.5) (c), and (2) as follows:

4 **30-11-123. Legislative declaration - counties - new business**
5 **facilities - expansion of existing business facilities - incentives -**
6 **limitations - authority to exceed revenue-raising limitations -**
7 **definitions.** (1) (b) Notwithstanding any law to the contrary, any county
8 may negotiate for an incentive payment or credit with any taxpayer who
9 establishes a new business facility, as defined in section 39-30-105 (7)
10 (e), C.R.S., in the county. In no instance shall any negotiation result in an
11 annual incentive payment or credit that is greater than the amount of the
12 taxes levied by the county upon the taxable personal property located at
13 or within the new business facility and used in connection with the
14 operation of the new business facility for the current property tax year.
15 The term of any agreement made pursuant to the provisions of this section
16 shall not exceed four years; except that the term of any agreement made
17 or renewed on or after June 3, 2002, may extend to as many as ten years,
18 including the term of any original agreement being renewed IS AT THE
19 DISCRETION OF THE BOARD OF COUNTY COMMISSIONERS.

20 (1.5) (c) A county shall not give an annual incentive payment or
21 credit under this subsection (1.5) that is greater than the amount of the

1 taxes levied by the county upon the taxable personal property located at
2 or within the existing business facility and used in connection with the
3 operation of the existing business facility for the current property tax year.
4 The term of an agreement made pursuant to this subsection (1.5) ~~shall not~~
5 ~~exceed ten years, and this limit includes any renewals of the original~~
6 ~~agreement~~ IS AT THE DISCRETION OF THE BOARD OF COUNTY
7 COMMISSIONERS. A county shall not give an annual incentive payment or
8 credit under this subsection (1.5), unless the board of county
9 commissioners approves the payment or credit at a public hearing.

10 (2) Notwithstanding any law to the contrary, any county may
11 negotiate for an incentive payment or credit with any taxpayer who
12 expands a facility, as defined in section 39-30-105 (7) (c), C.R.S., the
13 expansion of which constitutes a new business facility, as defined in
14 section 39-30-105 (7) (e), C.R.S., and that is located in the county. In no
15 instance shall any negotiation result in an annual incentive payment or
16 credit that is greater than the amount of the taxes levied by the county
17 upon the taxable personal property directly attributable to the expansion,
18 located at or within the expanded facility, and used in connection with the
19 operation of the expanded facility for the current property tax year. The
20 term of any agreement made pursuant to the provisions of this section
21 ~~shall not exceed four years, except that the terms of any agreement made~~
22 ~~or renewed on or after June 3, 2002, may extend to as many as ten years,~~
23 ~~including the term of any original agreement being renewed~~ IS AT THE
24 DISCRETION OF THE BOARD OF COUNTY COMMISSIONERS.

25 **SECTION 2.** In Colorado Revised Statutes, 31-15-903, amend
26 (1) (b), (1.5) (c), and (2) as follows:

27 **31-15-903. Legislative declaration - municipalities - new**

1 **business facilities - expanded or existing business facilities - incentives**
2 **- limitations - authority to exceed revenue-raising limitation.**

3 (1) (b) Notwithstanding any law to the contrary, any municipality may
4 negotiate for an incentive payment or credit with any taxpayer who
5 establishes a new business facility, as defined in section 39-30-105 (7)
6 (e), C.R.S., in the municipality. In no instance shall any negotiation result
7 in an annual incentive payment or credit that is greater than the amount
8 of taxes levied by the municipality upon the taxable personal property
9 located at or within the new business facility and used in connection with
10 the operation of the new business facility for the current property tax year.

11 The term of any agreement made pursuant to the provisions of this section
12 ~~shall not exceed four years; except that the term of any agreement made~~
13 ~~or renewed on or after June 3, 2002, may extend to as many as ten years;~~
14 ~~including the term of any original agreement being renewed~~ IS AT THE
15 DISCRETION OF THE GOVERNING BODY OF THE MUNICIPALITY.

16 (1.5) (c) A municipality shall not give an annual incentive
17 payment or credit under this subsection (1.5) that is greater than the
18 amount of the taxes levied by the municipality upon the taxable personal
19 property located at or within the existing business facility and used in
20 connection with the operation of the existing business facility for the
21 current property tax year. The term of an agreement made pursuant to this
22 subsection (1.5) ~~shall not exceed ten years, and this limit includes any~~
23 ~~renewals of the original agreement~~ IS AT THE DISCRETION OF THE
24 GOVERNING BODY OF THE MUNICIPALITY. A municipality shall not give an
25 annual incentive payment or credit under this subsection (1.5), unless the
26 governing body of the municipality approves the payment or credit at a
27 public hearing.

17 **SECTION 3.** In Colorado Revised Statutes, 32-1-1702, amend
18 (1), (1.5) (c), and (2) as follows:

19 **32-1-1702. New business facilities - expanded or existing**
20 **business facilities - incentives - limitations - authority to exceed**
21 **revenue-raising limitation.** (1) Notwithstanding any law to the contrary,
22 a special district may negotiate for an incentive payment or credit with a
23 taxpayer who establishes a new business facility, as defined in section
24 39-30-105 (7) (e), C.R.S., in the special district. In no instance shall any
25 negotiation result in an annual incentive payment or credit that is greater
26 than the amount of taxes levied by the special district upon the taxable
27 business personal property located at or within the new business facility

1 and used in connection with the operation of the new business facility for
2 the current property tax year. The term of any agreement made pursuant
3 to the provisions of this section ~~shall not exceed ten years, including the~~
4 ~~term of any original agreement being renewed~~ IS AT THE DISCRETION OF
5 THE BOARD OF THE SPECIAL DISTRICT.

6 (1.5) (c) A special district shall not give an annual incentive
7 payment or credit under this subsection (1.5) that is greater than the
8 amount of the taxes levied by the special district upon the taxable
9 personal property located at or within the existing business facility and
10 used in connection with the operation of the existing business facility for
11 the current property tax year. The term of an agreement made pursuant to
12 this subsection (1.5) ~~shall not exceed ten years, and this limit includes any~~
13 ~~renewals of the original agreement~~ IS AT THE DISCRETION OF THE BOARD
14 OF THE SPECIAL DISTRICT. A special district shall not give an annual
15 incentive payment or credit under this subsection (1.5), unless the board
16 of the special district approves the payment or credit at a public hearing.

17 (2) Notwithstanding any law to the contrary, a special district may
18 negotiate for an incentive payment or credit with a taxpayer who expands
19 a facility, as defined in section 39-30-105 (7) (c), C.R.S., the expansion
20 of which constitutes a new business facility, as defined in section
21 39-30-105 (7) (e), C.R.S., and that is located in the special district. In no
22 instance shall any negotiation result in an annual incentive payment or
23 credit that is greater than the amount of the taxes levied by the special
24 district upon the taxable business personal property directly attributable
25 to the expansion located at or within the expanded facility and used in
26 connection with the operation of the expanded facility for the current
27 property tax year. The term of any agreement made pursuant to the

1 provisions of this section ~~shall not exceed ten years, including the term of~~
2 ~~any original agreement being renewed~~ IS AT THE DISCRETION OF THE
3 BOARD OF THE SPECIAL DISTRICT.

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