

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



SENATE BILL 14-089

BY SENATOR(S) Schwartz, Jahn, Guzman;
also REPRESENTATIVE(S) Fischer, Vigil.

CONCERNING A PROHIBITION FOR THE STATE TO ENTER INTO AN
AGREEMENT FOR A PAYMENT IN LIEU OF TAXES.

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

SECTION 1. In Colorado Revised Statutes, **amend** 39-3-105 as follows:

39-3-105. Public libraries - governments - school districts - exemption. Property, real and personal, of public libraries and of the state and its political subdivisions, including school districts or any cooperative association thereof, ~~shall be~~ IS exempt from the levy and collection of property tax. ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, AS AMENDED, UNLESS SPECIFICALLY AUTHORIZED BY LAW, THE STATE MAY NOT CONTRACTUALLY OBLIGATE ITSELF TO MAKE A PAYMENT IN LIEU OF PROPERTY TAXES EQUAL TO THE PROPERTY TAXES PAYABLE BY A NONTAX-EXEMPT ENTITY FOR PROPERTY THAT THE STATE OCCUPIES; EXCEPT THAT THE STATE MAY ENTER INTO AN AGREEMENT TO MITIGATE SOME OF THE LOSS OF REVENUE RESULTING FROM THE OWNERSHIP OF THE PROPERTY BY A TAX-EXEMPT ENTITY.

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

SECTION 2. In Colorado Revised Statutes, 39-3-124, **amend** (1) (a) and (1) (b) (I) (A) as follows:

39-3-124. Property used by state entity - installment sales or lease agreement - lease-purchase or leveraged lease agreement - exemption. (1) (a) Property, real and personal, that is used by the state or any of its political subdivisions pursuant to the provisions of any installment sales agreement, lease-purchase agreement, or any other agreement whereby the state or such political subdivision ~~shall be~~ IS entitled to acquire title to ~~such~~ THE property at the end of the agreement term without cost or for only nominal consideration ~~shall be~~ IS exempt from the levy and collection of property tax. ON AND AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH (a), AS AMENDED, UNLESS SPECIFICALLY AUTHORIZED BY LAW, THE STATE MAY NOT CONTRACTUALLY OBLIGATE ITSELF TO MAKE A PAYMENT IN LIEU OF PROPERTY TAXES EQUAL TO THE PROPERTY TAXES PAYABLE BY A NONTAX-EXEMPT ENTITY FOR PROPERTY DESCRIBED IN THIS PARAGRAPH (a) THAT THE STATE OCCUPIES; EXCEPT THAT THE STATE MAY ENTER INTO AN AGREEMENT TO MITIGATE SOME OF THE LOSS OF REVENUE RESULTING FROM THE OWNERSHIP OF THE PROPERTY DESCRIBED IN THIS PARAGRAPH (a) BY A TAX-EXEMPT ENTITY.

(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~~ IS exempt from the levy and collection of property tax. ON AND AFTER THE EFFECTIVE DATE OF THIS SUB-SUBPARAGRAPH (A), AS AMENDED, UNLESS SPECIFICALLY AUTHORIZED BY LAW, THE STATE MAY NOT CONTRACTUALLY OBLIGATE ITSELF TO MAKE A PAYMENT IN LIEU OF PROPERTY TAXES EQUAL TO THE PROPERTY TAXES PAYABLE BY A NONTAX-EXEMPT ENTITY FOR PROPERTY DESCRIBED IN THIS PARAGRAPH (b) THAT THE STATE OCCUPIES; EXCEPT THAT THE STATE MAY ENTER INTO AN AGREEMENT TO MITIGATE SOME OF THE LOSS OF REVENUE RESULTING FROM THE OWNERSHIP OF THE PROPERTY DESCRIBED IN THIS PARAGRAPH (b) BY A TAX-EXEMPT ENTITY. 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~~ AFFECTS 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.

SECTION 3. 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.

Morgan Carroll
PRESIDENT OF
THE SENATE

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO