

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

INTRODUCED

LLS NO. 13-0327.02 Ed DeCecco x4216

SENATE BILL 13-136

SENATE SPONSORSHIP

Scheffel, Newell

HOUSE SPONSORSHIP

Holbert and Kagan,

Senate Committees
State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING A TAX EXEMPTION FOR BUSINESS PERSONAL PROPERTY**
102 **WITH A LOCAL GOVERNMENT OPT OUT.**

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>.)

There is an exemption from property tax for business personal property that would otherwise be listed on a single personal property schedule that is equal to \$7,000 for the current property tax year cycle and an inflation-adjusted amount for each property tax year cycle thereafter.

Beginning with the property tax year commencing on January 1,

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.*

2015, the bill increases this exemption from the property tax of all local governments, excluding school districts, to \$25,000, adjusted biennially thereafter. A local government may opt out of the increased exemption, in which case the existing exemption would apply to it. The exemption from the tax levied by school districts is not changed.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby declares that the intended purpose of the tax expenditures included
4 in this act is to stimulate investment in capital by businesses in Colorado
5 by reducing the tax on business personal property.

6 **SECTION 2.** In Colorado Revised Statutes, 39-3-119.5, **repeal**
7 (2) (b) (II); and **add** (3) and (4) as follows:

8 **39-3-119.5. Personal property - exemption - definitions.**
9 (2) (b) (II) ~~As used in subparagraph (I) of this paragraph (b), "inflation"~~
10 ~~means the annual percentage change in the United States department of~~
11 ~~labor, bureau of labor statistics, consumer price index for~~
12 ~~Denver-Boulder-Greeley, all items, all urban consumers, or its successor~~
13 ~~index.~~

14 (3) (a) EXCEPT AS SET FORTH IN PARAGRAPH (c) OF THIS
15 SUBSECTION (3), FOR PROPERTY TAX YEARS COMMENCING ON AND AFTER
16 JANUARY 1, 2015, PERSONAL PROPERTY NOT OTHERWISE EXEMPT FROM
17 PROPERTY TAX IS EXEMPT FROM THE LEVY AND COLLECTION OF A LOCAL
18 GOVERNMENT'S PROPERTY TAX IF THE PERSONAL PROPERTY WOULD
19 OTHERWISE BE LISTED ON A SINGLE PERSONAL PROPERTY SCHEDULE AND
20 THE ACTUAL VALUE OF THE PERSONAL PROPERTY IS LESS THAN OR EQUAL
21 TO TWENTY-FIVE THOUSAND DOLLARS OR THE INFLATION-ADJUSTED
22 AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (3).

23 (b) BEGINNING WITH THE PROPERTY TAX YEAR COMMENCING ON

1 JANUARY 1, 2017, THE AMOUNT OF THE EXEMPTION CREATED IN
2 PARAGRAPH (a) OF THIS SUBSECTION (3) IS ADJUSTED BIENNIALY TO
3 ACCOUNT FOR INFLATION SINCE THE AMOUNT OF THE EXEMPTION LAST
4 CHANGED. THE ADMINISTRATOR SHALL COMPLY WITH THE REQUIREMENTS
5 OF PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION IN MAKING THIS
6 ADJUSTMENT.

7 (c) A LOCAL GOVERNMENT, ACTING BY RESOLUTION OR
8 ORDINANCE, MAY OPT OUT OF THE EXEMPTION SET FORTH IN THIS
9 SUBSECTION (3). THE EXEMPTION SET FORTH IN SUBSECTION (1) OF THIS
10 SECTION APPLIES WITH RESPECT TO A SCHOOL DISTRICT AND A LOCAL
11 GOVERNMENT THAT OPTS OUT OF THE EXEMPTION. THE OPT OUT MUST BE
12 MADE AT LEAST ONE YEAR PRIOR TO THE BEGINNING OF A PROPERTY TAX
13 YEAR.

14 (d) THE EXEMPTION SET FORTH IN THIS SUBSECTION (3) DOES NOT
15 APPLY TO PROPERTY VALUED PURSUANT TO ARTICLE 4 OF THIS TITLE.

16 (4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
17 REQUIRES:

18 (a) "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE
19 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS,
20 CONSUMER PRICE INDEX FOR DENVER-BOULDER-GREELEY, ALL ITEMS, ALL
21 URBAN CONSUMERS, OR ITS SUCCESSOR INDEX.

22 (b) "LOCAL GOVERNMENT" MEANS A COUNTY, MUNICIPALITY, OR
23 SPECIAL DISTRICT, BUT DOES NOT INCLUDE A SCHOOL DISTRICT.

24 **SECTION 3. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly (August
27 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the
2 state constitution against this act or an item, section, or part of this act
3 within such period, then the act, item, section, or part will not take effect
4 unless approved by the people at the general election to be held in
5 November 2014 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.