

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 16-0753.02 Jason Gelender x4330

HOUSE BILL 16-1006

HOUSE SPONSORSHIP

Becker K. and Garnett,

SENATE SPONSORSHIP

Hill,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING CLARIFICATION OF THE SCOPE OF THE EXEMPTION FROM**
102 **GOVERNMENT CHARGES FOR PROPERTY OWNED BY OR LEASED**
103 **TO A HOUSING AUTHORITY OR OWNED BY, LEASED TO, OR UNDER**
104 **CONSTRUCTION BY AN ENTITY THAT IS WHOLLY OWNED BY AN**
105 **AUTHORITY, AN ENTITY IN WHICH AN AUTHORITY HAS AN**
106 **OWNERSHIP INTEREST, OR AN ENTITY IN WHICH AN ENTITY**
107 **WHOLLY OWNED BY AN AUTHORITY OR OF WHICH AN**
108 **AUTHORITY IS THE SOLE MEMBER HAS AN OWNERSHIP INTEREST.**

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

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.*

SENATE
3rd Reading Unamended
April 26, 2016

SENATE
Amended 2nd Reading
April 25, 2016

HOUSE
3rd Reading Unamended
March 22, 2016

HOUSE
Amended 2nd Reading
March 21, 2016

[http://www.leg.state.co.us/bills/summaries.](http://www.leg.state.co.us/bills/summaries/))

The bill clarifies that the exemption from government charges for property owned by or leased to a housing authority, an entity that is wholly owned by an authority, an entity in which an authority has an ownership interest, or an entity in which an entity wholly owned by an authority has an ownership interest applies to all taxes levied and all fees imposed by the state or any county, city and county, municipality, or other political subdivision of the state.

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

2 **SECTION 1. Legislative declaration - no fiscal impact.**

3 (1) The general assembly hereby finds and declares that:

4 (a) The purpose of this act is to clarify the law regarding tax
5 exemptions for public housing authorities that the general assembly
6 extended to subsidiaries of housing authorities in 2000 so that the
7 department of revenue again allows the exemptions to such subsidiaries
8 to the same extent that it had been allowing them before reinterpreting the
9 law to disallow certain exemptions beginning in 2013;

10 (b) The legislative council staff revenue forecasts relied on by the
11 general assembly during its fiscal year 2015-16 budgeting process did not
12 specifically take into account additional tax revenue that the state might
13 have received due to the department of revenue's 2013 reinterpretation of
14 the law, and the general assembly therefore did not rely on the existence
15 of any such additional revenue in developing the fiscal year 2015-16
16 budget; and

17 (c) The clarification of the law provided for in this act therefore
18 has no fiscal year 2015-16 fiscal impact on the state.

19 **SECTION 2.** In Colorado Revised Statutes, **amend** 29-4-227 as
20 follows:

1 **29-4-227. Tax exemptions.** (1) (a) ~~The AN authority is exempt~~
2 ~~from the payment of any taxes or fees to the state or any subdivision~~
3 ~~thereof, or to any officer or employee of the state or any subdivision~~
4 ~~thereof~~ COUNTY, CITY AND COUNTY, MUNICIPALITY, OR OTHER POLITICAL
5 SUBDIVISION OF THE STATE. ~~The ALL~~ property of an authority ~~shall be~~ IS
6 exempt from all local and municipal taxes. Bonds, notes, debentures, and
7 other evidences of indebtedness of an authority are declared to be issued
8 for a public purpose and to be public instruments, and, together with
9 interest thereon, ~~shall be~~ ARE exempt from taxes. All property leased to
10 ~~the AN~~ authority for the purposes of a project ~~shall likewise be~~ IS ALSO
11 exempt from taxation, as ~~shall~~ IS the income derived from the authority
12 by the lessor under ~~such~~ THE lease. ~~The portion of a project that is not~~
13 ~~used as a store, office, or other commercial facility that is occupied by~~
14 ~~persons of low income and that is owned by or leased to an entity that is~~
15 ~~wholly owned by an authority, an entity in which an authority has an~~
16 ~~ownership interest, or an entity in which an entity wholly owned by an~~
17 ~~authority has an ownership interest shall likewise be exempt from~~
18 ~~taxation, and the income derived from the above entities by the lessor~~
19 ~~under a lease shall likewise be exempt from taxation.~~

20 (b) A PROJECT THAT IS OWNED BY, LEASED TO, OR UNDER
21 CONSTRUCTION BY AN ENTITY THAT IS WHOLLY OWNED BY AN AUTHORITY,
22 AN ENTITY IN WHICH AN AUTHORITY HAS AN OWNERSHIP INTEREST, OR AN
23 ENTITY IN WHICH AN ENTITY WHOLLY OWNED BY AN AUTHORITY OR OF
24 WHICH AN AUTHORITY IS THE SOLE MEMBER HAS AN OWNERSHIP INTEREST
25 IS EXEMPT FROM BOTH PROPERTY TAX AND, DURING CONSTRUCTION, FROM
26 THE PAYMENT OF SALES TAX AND USE TAX TO THE STATE OR ANY COUNTY,
27 CITY AND COUNTY, MUNICIPALITY, OR OTHER POLITICAL SUBDIVISION OF

1 THE STATE IN PROPORTION TO THE PERCENTAGE OF THE PROJECT THAT IS
2 FOR OCCUPANCY BY PERSONS OF LOW INCOME. THE DETERMINATION BY
3 AN AUTHORITY OF THE PERCENTAGE OF THE PROJECT THAT QUALIFIES FOR
4 THE EXEMPTIONS FROM PAYMENT OF PROPERTY TAXES AND SALES AND
5 USE TAXES MAY BE MADE ON THE BASIS OF EITHER THE RELATIVE SQUARE
6 FOOTAGE OR COST AND IS PRESUMED VALID ABSENT MANIFEST ERROR.

7 (2) THIS SECTION, AS AMENDED, APPLIES TO PROPERTY OWNED BY
8 OR LEASED TO AN AUTHORITY AND PROPERTY OWNED BY, LEASED TO, OR
9 UNDER CONSTRUCTION BY AN ENTITY IN WHICH AN AUTHORITY HAS AN
10 OWNERSHIP INTEREST, OR AN ENTITY IN WHICH AN ENTITY WHOLLY OWNED
11 BY AN AUTHORITY OR OF WHICH AN AUTHORITY IS THE SOLE MEMBER HAS
12 AN OWNERSHIP INTEREST ON OR AFTER AUGUST 2, 2000. NOTHING IN THIS
13 SECTION, AS AMENDED, ENTITLES OR SHALL BE INTERPRETED TO ENTITLE
14 ANY ENTITY TO A REFUND OF TAXES FROM THE STATE FOR ANY PERIOD
15 BEGINNING BEFORE JANUARY 1, 2013, OR TO A REFUND OF TAXES FROM
16 ANY COUNTY, CITY AND COUNTY, MUNICIPALITY, OR OTHER POLITICAL
17 SUBDIVISION OF THE STATE PAID PRIOR TO THE EFFECTIVE DATE OF THIS
18 SECTION, AS AMENDED. NOTWITHSTANDING THE PROVISIONS OF SECTION
19 39-26-703 (2) (d), C.R.S., FROM THE EFFECTIVE DATE OF THIS SECTION, AS
20 AMENDED, UNTIL DECEMBER 31, 2016, AN ENTITY MAY FILE A CLAIM FOR
21 A REFUND OF ALL STATE TAXES OVERPAID UNDER THIS SECTION FOR THE
22 PERIOD FROM JANUARY 1, 2013, TO THE EFFECTIVE DATE OF THIS SECTION,
23 AS AMENDED. ON AND AFTER JANUARY 1, 2017, ALL CLAIMS FOR REFUND
24 UNDER THIS SECTION ARE SUBJECT TO THE PROVISIONS OF SECTION
25 39-26-703 (2) (d) C.R.S.

26 **SECTION 3. In Colorado Revised Statutes, 39-26-704, add (1.5)**
27 **as follows:**

1 **39-26-704. Miscellaneous sales tax exemptions - governmental**
2 **entities - hotel residents - schools - exchange of property. (1.5) ALL**
3 **TRANSACTIONS SPECIFIED IN SECTION 29-4-227 (1), C.R.S., ARE EXEMPT**
4 **FROM TAXATION UNDER THE PROVISIONS OF PARTS 1 AND 2 OF THIS**
5 **ARTICLE.**

6 **SECTION 4. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly (August
9 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
10 referendum petition is filed pursuant to section 1 (3) of article V of the
11 state constitution against this act or an item, section, or part of this act
12 within such period, then the act, item, section, or part will not take effect
13 unless approved by the people at the general election to be held in
14 November 2016 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor.