

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

February 17, 2016
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB16-1006 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, **amend** 29-4-227 as
4 follows:

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

1 ~~under a lease shall likewise be exempt from taxation.~~

2 (b) A PROJECT THAT IS OWNED BY, LEASED TO, OR UNDER
3 CONSTRUCTION BY AN ENTITY THAT IS WHOLLY OWNED BY AN AUTHORITY,
4 AN ENTITY IN WHICH AN AUTHORITY HAS AN OWNERSHIP INTEREST, OR AN
5 ENTITY IN WHICH AN ENTITY WHOLLY OWNED BY AN AUTHORITY OR OF
6 WHICH AN AUTHORITY IS THE SOLE MEMBER HAS AN OWNERSHIP INTEREST
7 IS EXEMPT FROM PROPERTY TAX, AND DURING CONSTRUCTION IS EXEMPT
8 FROM THE PAYMENT OF SALES TAX AND USE TAX TO THE STATE OR ANY
9 COUNTY, CITY AND COUNTY, MUNICIPALITY, OR OTHER POLITICAL
10 SUBDIVISION OF THE STATE IN PROPORTION TO THE PERCENTAGE OF THE
11 PROJECT THAT IS FOR OCCUPANCY BY PERSONS OF LOW INCOME. THE
12 DETERMINATION BY AN AUTHORITY OF THE PERCENTAGE OF THE PROJECT
13 THAT QUALIFIES FOR THE EXEMPTIONS FROM PAYMENT OF SALES AND USE
14 TAXES MAY BE MADE ON THE BASIS OF EITHER THE RELATIVE SQUARE
15 FOOTAGE OR COST AND IS PRESUMED VALID ABSENT MANIFEST ERROR.

16 (2) THIS SECTION, AS AMENDED, APPLIES TO PROPERTY OWNED BY
17 OR LEASED TO AN AUTHORITY AND PROPERTY OWNED BY, LEASED TO, OR
18 UNDER CONSTRUCTION BY AN ENTITY IN WHICH AN AUTHORITY HAS AN
19 OWNERSHIP INTEREST, OR AN ENTITY IN WHICH AN ENTITY WHOLLY OWNED
20 BY AN AUTHORITY OR OF WHICH AN AUTHORITY IS THE SOLE MEMBER HAS
21 AN OWNERSHIP INTEREST ON OR AFTER AUGUST 2, 2000. NOTHING IN THIS
22 SECTION, AS AMENDED, ENTITLES OR SHALL BE INTERPRETED TO ENTITLE
23 ANY ENTITY TO A REFUND OF TAXES FROM THE STATE FOR ANY PERIOD
24 BEGINNING BEFORE JANUARY 1, 2013, OR TO A REFUND OF TAXES FROM
25 ANY COUNTY, CITY AND COUNTY, MUNICIPALITY, OR OTHER POLITICAL
26 SUBDIVISION OF THE STATE PAID PRIOR TO THE EFFECTIVE DATE OF THIS
27 SECTION, AS AMENDED. NOTWITHSTANDING THE PROVISIONS OF SECTION
28 39-26-703 (2) (d), C.R.S., FROM THE EFFECTIVE DATE OF THIS SECTION, AS
29 AMENDED, UNTIL DECEMBER 31, 2016, AN ENTITY MAY FILE A CLAIM FOR
30 A REFUND OF ALL STATE TAXES OVERPAID UNDER THIS SECTION FOR THE
31 PERIOD FROM JANUARY 1, 2013, TO THE EFFECTIVE DATE OF THIS SECTION,
32 AS AMENDED. ON AND AFTER JANUARY 1, 2017, ALL CLAIMS FOR REFUND
33 UNDER THIS SECTION ARE SUBJECT TO THE PROVISIONS OF SECTION
34 39-26-703 (2) (d) C.R.S.

35 **SECTION 2. Act subject to petition - effective date.** This act
36 takes effect at 12:01 a.m. on the day following the expiration of the
37 ninety-day period after final adjournment of the general assembly (August
38 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
39 referendum petition is filed pursuant to section 1 (3) of article V of the
40 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect
2 unless approved by the people at the general election to be held in
3 November 2016 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor."

5 Page 1, line 101, strike "THAT" and substitute "OF THE SCOPE OF".

6 Page 1, strike lines 103 through 110 and substitute:

7 **"TO A HOUSING AUTHORITY OR OWNED BY, LEASED TO, OR UNDER**
8 **CONSTRUCTION BY AN ENTITY THAT IS WHOLLY OWNED BY AN**
9 **AUTHORITY, AN ENTITY IN WHICH AN AUTHORITY HAS AN OWNERSHIP**
10 **INTEREST, OR AN ENTITY IN WHICH AN ENTITY WHOLLY OWNED BY AN**
11 **AUTHORITY OR OF WHICH AN AUTHORITY IS THE SOLE MEMBER HAS AN**
OWNERSHIP INTEREST."

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