

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-1011.01 Julie Pelegrin x2700

**SENATE BILL 22-202**

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**SENATE SPONSORSHIP**

**Zenzinger and Rankin,**

**HOUSE SPONSORSHIP**

**McCluskie,**

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**Senate Committees**

Education  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING PROVIDING STATE MATCHING MONEY FOR PROPERTY**  
102 **TAX REVENUE COLLECTED BY SCHOOL DISTRICTS, AND, IN**  
103 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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**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://leg.colorado.gov>.)*

Beginning in the 2022-23 budget year, the bill directs the department of education (department) to annually distribute to each eligible school district and each eligible institute charter school an amount of state money as a matching amount to the property tax revenue the eligible district receives from mills levied for additional revenue (override

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

mills). To determine the amount, if any, of state matching money, the department must calculate for each district:

- The district's maximum number of override mills; and
- The number of override mills the district may be expected to levy toward the district's maximum number of override mills (override mill capacity), based on the district's median household income.

If a district's override mill capacity is less than the maximum number of override mills, the district is eligible to receive matching state money. The department must calculate each eligible district's mill levy match amount as provided in the bill. An institute charter school that is located within an eligible district is eligible to receive a distribution of state money equal to the eligible district's per pupil mill levy match amount multiplied by the institute charter school's pupil enrollment. The department must calculate and distribute in June of each budget year the mill levy match amounts from the mill levy override match fund created in the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-54-107.9 as  
3 follows:

4 **22-54-107.9. Override mill levy match - calculation -**  
5 **distribution - fund created - definitions.** (1) AS USED IN THIS SECTION,  
6 UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "ADDITIONAL MILL LEVY REVENUE PER PUPIL AMOUNT" MEANS  
8 THE AMOUNT OF AN ELIGIBLE DISTRICT'S ADDITIONAL MILL LEVY REVENUE,  
9 AS DEFINED IN SECTION 22-32-108.5, FOR A BUDGET YEAR, DIVIDED BY  
10 THE ELIGIBLE DISTRICT'S FUNDED PUPIL COUNT FOR THAT BUDGET YEAR.

11 (b) "APPLICABLE BUDGET YEAR" MEANS THE BUDGET YEAR IN  
12 WHICH THE DEPARTMENT DISTRIBUTES MONEY PURSUANT TO THIS SECTION  
13 TO A DISTRICT.

14 (c) "APPLICABLE PROPERTY TAX YEAR" MEANS THE PROPERTY TAX  
15 YEAR THAT ENDS DURING THE APPLICABLE BUDGET YEAR.

16 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION

1       CREATED PURSUANT TO SECTION 24-1-115.

2           (e) "ELIGIBLE DISTRICT" MEANS A DISTRICT FOR WHICH THE  
3       OVERRIDE MILL CAPACITY IS LESS THAN THE MAXIMUM NUMBER OF  
4       OVERRIDE MILLS CALCULATED FOR THE DISTRICT.

5           (f) "ELIGIBLE INSTITUTE CHARTER SCHOOL" MEANS AN INSTITUTE  
6       CHARTER SCHOOL THAT IS LOCATED WITHIN THE GEOGRAPHIC  
7       BOUNDARIES OF AN ELIGIBLE DISTRICT.

8           (g) "MAXIMUM NUMBER OF OVERRIDE MILLS" MEANS THE NUMBER  
9       OF OVERRIDE MILLS CALCULATED FOR A DISTRICT PURSUANT TO  
10      SUBSECTION (3) OF THIS SECTION.

11          (h) "OVERRIDE MILL CAPACITY" MEANS THE NUMBER OF OVERRIDE  
12      MILLS CALCULATED PURSUANT TO SUBSECTION (4) OF THIS SECTION THAT  
13      A DISTRICT MAY BE EXPECTED TO LEVY TOWARD THE DISTRICT'S MAXIMUM  
14      NUMBER OF OVERRIDE MILLS.

15          (i) "OVERRIDE MILL PER PUPIL MATCH AMOUNT" MEANS THE  
16      AMOUNT OF THE OVERRIDE MILL MATCH AMOUNT THAT THE DEPARTMENT  
17      DISTRIBUTES TO AN ELIGIBLE DISTRICT PURSUANT TO SUBSECTION (5)(a)  
18      OF THIS SECTION FOR A BUDGET YEAR, DIVIDED BY THE ELIGIBLE  
19      DISTRICT'S FUNDED PUPIL COUNT FOR THAT BUDGET YEAR.

20          (j) "OVERRIDE MILLS" MEANS PROPERTY TAX MILLS THAT A  
21      DISTRICT LEVIES PURSUANT TO SECTION 22-54-108.

22          (k) "SMALL RURAL DISTRICT" HAS THE SAME MEANING AS  
23      PROVIDED IN SECTION 22-54-108.

24          (l) "TOTAL PROGRAM" MEANS THE AMOUNT OF TOTAL PROGRAM  
25      FUNDING FOR A DISTRICT CALCULATED PURSUANT TO SECTION 22-54-104  
26      (2) BEFORE APPLICATION OF THE BUDGET STABILIZATION FACTOR.

27          (2) (a) BEGINNING IN THE 2022-23 BUDGET YEAR AND FOR EACH

1 BUDGET YEAR THEREAFTER, THE DEPARTMENT, IN JUNE OF EACH BUDGET  
2 YEAR, SHALL CALCULATE AND DISTRIBUTE AS A LUMP SUM TO EACH  
3 ELIGIBLE DISTRICT AND EACH ELIGIBLE INSTITUTE CHARTER SCHOOL AN  
4 OVERRIDE MILL MATCH AMOUNT AS PROVIDED IN THIS SECTION. THE  
5 DEPARTMENT SHALL DISTRIBUTE THE OVERRIDE MILL MATCH AMOUNT  
6 FROM MONEY ANNUALLY APPROPRIATED FROM THE MILL LEVY OVERRIDE  
7 MATCH FUND CREATED IN SUBSECTION (6) OF THIS SECTION. IN A BUDGET  
8 YEAR IN WHICH THE GENERAL ASSEMBLY DOES NOT APPROPRIATE A  
9 SUFFICIENT AMOUNT TO FULLY FUND THE DISTRIBUTIONS CALCULATED  
10 PURSUANT TO THIS SECTION, THE DEPARTMENT SHALL REDUCE THE  
11 AMOUNT OF EACH ELIGIBLE DISTRICT'S AND EACH ELIGIBLE INSTITUTE  
12 CHARTER SCHOOL'S DISTRIBUTION BY THE SAME PERCENTAGE THAT THE  
13 DEFICIT BEARS TO THE AMOUNT REQUIRED TO FULLY FUND THE  
14 DISTRIBUTIONS CALCULATED PURSUANT TO THIS SECTION.

15 (b) THE OVERRIDE MILL MATCH AMOUNT THAT AN ELIGIBLE  
16 DISTRICT RECEIVES PURSUANT TO THIS SECTION IS DEEMED TO BE  
17 ADDITIONAL MILL LEVY REVENUE THAT IS SUBJECT TO DISTRIBUTION TO  
18 THE CHARTER SCHOOLS OF THE DISTRICT IN THE SAME MANNER THAT THE  
19 DISTRICT DISTRIBUTES OTHER ADDITIONAL MILL LEVY REVENUE THAT IT  
20 COLLECTS TO THE CHARTER SCHOOLS OF THE DISTRICT PURSUANT TO  
21 SECTION 22-32-108.5.

22 (3) (a) FOR THE 2022-23 BUDGET YEAR AND FOR EACH BUDGET  
23 YEAR THEREAFTER, THE DEPARTMENT SHALL ANNUALLY DETERMINE EACH  
24 DISTRICT'S MAXIMUM NUMBER OF OVERRIDE MILLS, WHICH IS EQUAL TO  
25 THE NUMBER OF MILLS THAT A DISTRICT MAY LEVY FOR THE APPLICABLE  
26 PROPERTY TAX YEAR TO GENERATE PROPERTY TAX REVENUE EQUAL TO  
27 TWENTY-FIVE PERCENT, OR THIRTY PERCENT IN THE CASE OF A SMALL

1 RURAL DISTRICT, OF THE DISTRICT'S:

2 (I) TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR, IF TEN  
3 PERCENT OR LESS OF THE DISTRICT'S FUNDED PUPIL COUNT FOR THE  
4 APPLICABLE BUDGET YEAR IS ATTRIBUTABLE TO THE DISTRICT'S ONLINE  
5 PUPIL ENROLLMENT; OR

6 (II) ADJUSTED TOTAL PROGRAM FOR THE APPLICABLE BUDGET  
7 YEAR CALCULATED PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION, IF  
8 MORE THAN TEN PERCENT OF THE DISTRICT'S FUNDED PUPIL COUNT FOR  
9 THE APPLICABLE BUDGET YEAR IS ATTRIBUTABLE TO THE DISTRICT'S  
10 ONLINE PUPIL ENROLLMENT.

11 (b) IF MORE THAN TEN PERCENT OF A DISTRICT'S FUNDED PUPIL  
12 COUNT FOR THE APPLICABLE BUDGET YEAR IS ATTRIBUTABLE TO THE  
13 DISTRICT'S ONLINE PUPIL ENROLLMENT, THE DEPARTMENT SHALL  
14 CALCULATE THE DISTRICT'S ADJUSTED TOTAL PROGRAM AS FOLLOWS:

15 (I) THE DEPARTMENT SHALL REDUCE THE DISTRICT'S ONLINE PUPIL  
16 ENROLLMENT IN ACCORDANCE WITH THE FOLLOWING FORMULA:

17 DISTRICT ONLINE PUPIL ENROLLMENT - (((DISTRICT FUNDED PUPIL  
18 COUNT - DISTRICT ONLINE PUPIL ENROLLMENT) ÷ .9) X .1)

19 (II) THE DEPARTMENT SHALL SUBTRACT FROM THE DISTRICT'S  
20 TOTAL PROGRAM FOR THE APPLICABLE BUDGET YEAR AN AMOUNT EQUAL  
21 TO THE DISTRICT'S REDUCED ONLINE PUPIL ENROLLMENT, CALCULATED  
22 PURSUANT TO SUBSECTION (3)(b)(I) OF THIS SECTION, MULTIPLIED BY THE  
23 PER PUPIL ONLINE FUNDING AMOUNT FOR THE APPLICABLE BUDGET YEAR  
24 AS DESCRIBED IN SECTION 22-54-104 (4.5)(c)(II), BEFORE APPLICATION OF  
25 THE BUDGET STABILIZATION FACTOR.

26 (4) (a) FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR  
27 THEREAFTER, THE DEPARTMENT SHALL IDENTIFY THE FIVE-YEAR AVERAGE

1 MEDIAN HOUSEHOLD INCOME FOR EACH DISTRICT IN THE STATE, REFERRED  
2 TO IN THIS SECTION AS THE "AVERAGE MEDIAN INCOME", USING THE  
3 INFORMATION REPORTED BY THE UNITED STATES CENSUS BUREAU'S  
4 AMERICAN COMMUNITY SURVEY FOR THE APPLICABLE BUDGET YEAR. THE  
5 AVERAGE MEDIAN HOUSEHOLD INCOME FOR EACH DISTRICT IN THE STATE,  
6 REFERRED TO IN THIS SECTION AS THE "AVERAGE MEDIAN INCOME", BY  
7 AVERAGING THE MEDIAN HOUSEHOLD INCOME FOR EACH DISTRICT AS  
8 DETERMINED BY THE UNITED STATES CENSUS BUREAU'S AMERICAN  
9 COMMUNITY SURVEY FOR THE PRECEDING FIVE CALENDAR YEARS. THE  
10 DEPARTMENT SHALL DETERMINE THE AMOUNT OF THE DIFFERENCE  
11 BETWEEN THE HIGHEST AVERAGE MEDIAN INCOME AND LOWEST AVERAGE  
12 MEDIAN INCOME AMONG ALL DISTRICTS IN THE STATE, REFERRED TO IN  
13 THIS SECTION AS THE "MEDIAN INCOME GAP".

14 (b) USING THE AVERAGE MEDIAN INCOME FOR EACH DISTRICT, THE  
15 DEPARTMENT SHALL ANNUALLY DETERMINE FOR EACH DISTRICT THE  
16 DISTRICT'S OVERRIDE MILL CAPACITY, WHICH IS THE NUMBER OF OVERRIDE  
17 MILLS THE DISTRICT MAY BE EXPECTED TO LEVY TOWARD THE DISTRICT'S  
18 MAXIMUM NUMBER OF OVERRIDE MILLS, USING THE FOLLOWING FORMULA:

19 
$$(((\text{DISTRICT AVERAGE MEDIAN INCOME} - \text{LOWEST DISTRICT}$$
  
20 
$$\text{AVERAGE MEDIAN INCOME}) \div \text{MEDIAN INCOME GAP}) \times 20) + 15$$

21 (5) (a) FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR  
22 THEREAFTER, THE DEPARTMENT SHALL CALCULATE THE STATE MATCH  
23 PERCENTAGE FOR EACH ELIGIBLE DISTRICT BY SUBTRACTING THE ELIGIBLE  
24 DISTRICT'S OVERRIDE MILL CAPACITY FROM THE ELIGIBLE DISTRICT'S  
25 MAXIMUM NUMBER OF OVERRIDE MILLS, THEN DIVIDING THE REMAINDER  
26 BY THE ELIGIBLE DISTRICT'S OVERRIDE MILL CAPACITY. THE DEPARTMENT  
27 SHALL ANNUALLY DISTRIBUTE TO EACH ELIGIBLE DISTRICT AN OVERRIDE

1 MILL MATCH AMOUNT EQUAL TO THE ELIGIBLE DISTRICT'S STATE MATCH  
2 PERCENTAGE MULTIPLIED BY THE AMOUNT OF PROPERTY TAX REVENUE  
3 GENERATED BY THE NUMBER OF OVERRIDE MILLS THAT THE ELIGIBLE  
4 DISTRICT LEVIES FOR THE APPLICABLE PROPERTY TAX YEAR.

5 (b) FOR THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR  
6 THEREAFTER, THE DEPARTMENT SHALL DISTRIBUTE TO EACH ELIGIBLE  
7 INSTITUTE CHARTER SCHOOL AN OVERRIDE MILL MATCH AMOUNT EQUAL  
8 TO THE OVERRIDE MILL PER PUPIL MATCH AMOUNT FOR THE ELIGIBLE  
9 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT MULTIPLIED BY THE  
10 ELIGIBLE INSTITUTE CHARTER SCHOOL'S PUPIL ENROLLMENT FOR THE  
11 APPLICABLE BUDGET YEAR; EXCEPT THAT THE DEPARTMENT SHALL  
12 ENSURE THAT THE TOTAL PER PUPIL AMOUNT DISTRIBUTED TO AN ELIGIBLE  
13 INSTITUTE CHARTER SCHOOL PURSUANT TO THIS SECTION AND SECTION  
14 22-30.5-513.1 IN A SINGLE BUDGET YEAR DOES NOT EXCEED THE  
15 COMBINED TOTAL OF THE ADDITIONAL MILL LEVY REVENUE PER PUPIL  
16 AMOUNT AND OVERRIDE MILL PER PUPIL MATCH AMOUNT OF THE ELIGIBLE  
17 INSTITUTE CHARTER SCHOOL'S ACCOUNTING DISTRICT FOR THE APPLICABLE  
18 BUDGET YEAR.

19 (6) (a) THE MILL LEVY OVERRIDE MATCH FUND IS CREATED IN THE  
20 STATE TREASURY. THE FUND CONSISTS OF MONEY APPROPRIATED OR  
21 TRANSFERRED TO THE FUND BY THE GENERAL ASSEMBLY. THE STATE  
22 TREASURER SHALL CREDIT TO THE FUND ALL INTEREST AND INCOME  
23 DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND.  
24 SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, FOR  
25 THE 2022-23 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE  
26 DEPARTMENT SHALL DISTRIBUTE MONEY FROM THE FUND AS DESCRIBED  
27 IN THIS SECTION. IN ADDITION, THE DEPARTMENT MAY EXPEND A PORTION

1 OF THE AMOUNT APPROPRIATED FROM THE FUND TO PAY THE DIRECT  
2 COSTS THAT THE DEPARTMENT INCURS IN IMPLEMENTING THIS SECTION.

3 (b) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER  
4 TWENTY MILLION DOLLARS FROM THE GENERAL FUND TO THE MILL LEVY  
5 OVERRIDE MATCH FUND.

6 **SECTION 2. Appropriation.** (1) For the 2022-23 state fiscal  
7 year, \$20,041,238 is appropriated to the department of education. This  
8 appropriation consists of \$41,238 from the general fund and \$20,000,000  
9 from the mill levy override match fund created in section 22-54-107.9 (6),  
10 C.R.S. To implement this act, the department may use this appropriation  
11 as follows:

12 (a) \$20,000,000 from the mill levy override match fund for mill  
13 levy override matching pursuant to section 22-54-107.9, C.R.S.; and

14 (b) \$41,238 from the general fund for administration related to  
15 public school finance, which amount is based on an assumption that the  
16 department will require an additional 0.5 FTE.

17 **SECTION 3. Safety clause.** The general assembly hereby finds,  
18 determines, and declares that this act is necessary for the immediate  
19 preservation of the public peace, health, or safety.