

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 18-1197.01 Bob Lackner x4350

SENATE BILL 18-248

SENATE SPONSORSHIP

Martinez Humenik,

HOUSE SPONSORSHIP

Lawrence and Gray,

Senate Committees

Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE TREATMENT UNDER STATUTORY PROVISIONS**
102 **GOVERNING TAX INCREMENT FINANCING OF REVENUES**
103 **RECEIVED BY AN URBAN RENEWAL AUTHORITY FOLLOWING**
104 **CERTAIN VOTER-APPROVED REVENUE INCREASES.**

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>.)

Under current law, in connection with the use of a special fund (fund) of an urban renewal authority (authority) to collect the increment used to finance urban renewal projects, any additional revenues received

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.

SENATE
Amended 2nd Reading
April 25, 2018

by a municipality, county, special district, or school district (collectively, taxing entity) resulting because the voters have authorized the taxing entity to retain and spend such money under the TABOR requirements of the state constitution after the creation of the fund or as a result of an increase in the property tax mill levy approved by the voters of the taxing entity after the creation of the fund, to the extent the total mill levy of any taxing entity exceeds the respective mill levy in effect at the time of approval or substantial modification of the urban renewal plan, are not included in the amount of the increment that is allocated to and, when collected, paid into the special fund.

Under the bill, such additional revenues that have been received because of the 2 specified forms of voter-approved revenue changes are restricted from being pledged by an authority for the payment of any bonds of, or any loans or advances to, or any indebtedness incurred by the authority without the consent of the relevant taxing entity. To the extent the authority has received a certain notification specified in the bill, such additional revenues shall then be promptly repaid by the authority to the municipality or other taxing entity. The bill requires the authority to be notified of the amount of additional revenues and the calculations used in computing the amount by the applicable municipality or other taxing entity prior to making repayment and, in any event, not later than February 1 in each fiscal year following the year in which a voter-approved revenue increase has taken effect.

The bill permits an authority and a municipality or any other taxing entity to negotiate for the purpose of entering into an agreement on the issues of the amount of repayment, the mechanics of how repayment of the additional revenues will be accomplished, a method for resolving disputes regarding the amount of repayment, and whether the municipality or taxing entity will waive the repayment requirement, singularly or in combination, and are further authorized to enter into an intergovernmental agreement regarding any of these issues.

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

2 **SECTION 1.** In Colorado Revised Statutes, 31-25-107, **amend**
3 (9)(a)(II) and (9.7)(b) as follows:

4 **31-25-107. Approval of urban renewal plans by local**
5 **governing body - definitions.** (9) (a) Notwithstanding any law to the
6 contrary, any urban renewal plan, as originally approved or as later
7 modified pursuant to this part 1, may contain a provision that the property

1 taxes of specifically designated public bodies, if any, levied after the
2 effective date of the approval of such urban renewal plan upon taxable
3 property in an urban renewal area each year or that municipal sales taxes
4 collected within said area, or both such taxes, by or for the benefit of the
5 designated public body must be divided for a period not to exceed
6 twenty-five years after the effective date of adoption of such a provision,
7 as follows:

8 (II) That portion of said property taxes or all or any portion of said
9 sales taxes, or both, in excess of the amount of property taxes or sales
10 taxes paid into the funds of each such public body in accordance with the
11 requirements of ~~subparagraph (I) of this paragraph (a)~~ SUBSECTION
12 (9)(a)(I) OF THIS SECTION must be allocated to and, when collected, paid
13 into a special fund of the authority to pay the principal of, the interest on,
14 and any premiums due in connection with the bonds of, loans or advances
15 to, or indebtedness incurred by, whether funded, refunded, assumed, or
16 otherwise, the authority for financing or refinancing, in whole or in part,
17 an urban renewal project, or to make payments under an agreement
18 executed pursuant to ~~subsection (11) of this section~~. Any excess
19 municipal sales tax or property tax collections not allocated pursuant to
20 this ~~subparagraph (H)~~ SUBSECTION (9)(a)(II) must be paid into the funds
21 of the municipality or other taxing entity, as applicable. Unless and until
22 the total valuation for assessment of the taxable property in an urban
23 renewal area exceeds the base valuation for assessment of the taxable
24 property in such urban renewal area, as provided in ~~subparagraph (I) of~~
25 ~~this paragraph (a)~~ SUBSECTION (9)(a)(I) OF THIS SECTION, all of the taxes
26 levied upon the taxable property in such urban renewal area must be paid
27 into the funds of the respective public bodies. Unless and until the total

1 municipal sales tax collections in an urban renewal area exceed the base
2 year municipal sales tax collections in such urban renewal area, as
3 provided in ~~subparagraph (F) of this paragraph (a)~~ SUBSECTION (9)(a)(I)
4 OF THIS SECTION, all such sales tax collections must be paid into the funds
5 of the municipality. When such bonds, loans, advances, and indebtedness,
6 if any, including interest thereon and any premiums due in connection
7 therewith, have been paid, all taxes upon the taxable property or the total
8 municipal sales tax collections, or both, in such urban renewal area must
9 be paid into the funds of the respective public bodies, and all ~~moneys~~
10 MONEY remaining in the special fund established pursuant to this
11 ~~subparagraph (H)~~ SUBSECTION (9)(a)(II) that ~~have~~ HAS not previously
12 been rebated and that originated as property tax increment generated
13 based on the mill levy of a taxing body, other than the municipality,
14 within the boundaries of the urban renewal area must be repaid to each
15 taxing body based on the pro rata share of the prior year's property tax
16 increment attributable to each taxing body's current mill levy in which
17 property taxes were divided pursuant to this subsection (9). Any ~~moneys~~
18 MONEY remaining in the special fund not generated by property tax
19 increment ~~are~~ IS excluded from any such repayment requirement.
20 Notwithstanding any other provision of law, any additional revenues ~~the~~
21 ~~municipality, county, special district, or school district receives either~~
22 RESULTING because the voters have authorized the municipality, county,
23 special district, or school district to retain and spend said ~~moneys~~
24 REVENUES pursuant to section 20 (7)(d) of article X of the state
25 constitution subsequent to the creation of the special fund pursuant to this
26 ~~subparagraph (H)~~ SUBSECTION (9)(a)(II) or as a result of an increase in the
27 property tax mill levy approved by the voters of the municipality, county,

1 special district, or school district subsequent to the creation of the special
2 fund, to the extent the total mill levy of the municipality, county, special
3 district, or school district exceeds the respective mill levy in effect at the
4 time of approval or substantial modification of the urban renewal plan,
5 ~~are not included in the amount of the increment that is allocated to and,~~
6 ~~when collected, paid into the special fund of the authority~~ SHALL NOT BE
7 PLEDGED BY AN AUTHORITY FOR THE PAYMENT OF ANY BONDS OF, ANY
8 LOANS OR ADVANCES TO, OR ANY INDEBTEDNESS INCURRED BY THE
9 AUTHORITY WITHOUT THE CONSENT OF THE RELEVANT MUNICIPALITY,
10 COUNTY, SPECIAL DISTRICT, OR SCHOOL DISTRICT. TO THE EXTENT THE
11 AUTHORITY HAS RECEIVED THE NOTIFICATION SPECIFIED IN THIS
12 SUBSECTION (9)(a)(II), SUCH ADDITIONAL REVENUES SHALL THEN BE
13 PROMPTLY REPAYED BY THE AUTHORITY TO THE MUNICIPALITY OR OTHER
14 TAXING ENTITY. THE AUTHORITY SHALL BE NOTIFIED OF THE AMOUNT OF
15 ADDITIONAL REVENUES AND THE CALCULATIONS USED IN COMPUTING THE
16 AMOUNT BY THE APPLICABLE MUNICIPALITY OR OTHER TAXING ENTITY
17 PRIOR TO MAKING REPAYMENT AND, IN ANY EVENT, NOT LATER THAN
18 FEBRUARY 1 IN EACH FISCAL YEAR FOLLOWING THE YEAR IN WHICH A
19 VOTER-APPROVED REVENUE INCREASE HAS TAKEN EFFECT. THE
20 AUTHORITY AND MUNICIPALITY OR ANY OTHER TAXING ENTITY MAY
21 NEGOTIATE FOR THE PURPOSE OF ENTERING INTO AN AGREEMENT ON THE
22 ISSUES OF THE AMOUNT OF REPAYMENT, THE MECHANICS OF HOW
23 REPAYMENT OF THE ADDITIONAL REVENUES WILL BE ACCOMPLISHED, A
24 METHOD FOR RESOLVING DISPUTES REGARDING THE AMOUNT OF
25 REPAYMENT, AND WHETHER THE MUNICIPALITY OR TAXING ENTITY WILL
26 WAIVE THE REPAYMENT REQUIREMENT, SINGULARLY OR IN COMBINATION,
27 AND MAY ENTER INTO AN INTERGOVERNMENTAL AGREEMENT REGARDING

1 ANY OF THESE ISSUES.

2 (9.7) Notwithstanding any other provision of law:

3 (b) The requirements of section 31-25-104 (2)(a), (2)(b), and
4 (2.5), section 31-25-115 (1.5), the introductory portion of subsection
5 (9)(a) of this section, subsections (9)(a)(II), (9)(i), and (9.5) of this
6 section, as added by House Bill 15-1348, enacted in 2015, and as
7 amended by Senate Bill 16-177, enacted in 2016, and the requirements of
8 subsections (7) and (7.5) of this section as amended by Senate Bill
9 17-279, enacted in 2017, AND THE REQUIREMENTS OF SUBSECTION
10 (9)(a)(II) OF THIS SECTION AS AMENDED BY SENATE BILL 18-248,
11 ENACTED IN 2018, apply to municipalities, urban renewal authorities, and
12 any urban renewal plans created on or after January 1, 2016, and to any
13 substantial modification of any urban renewal plan where the
14 modification is approved on or after January 1, 2016.

15 **SECTION 2. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety.