

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

REENGROSSED

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

LLS NO. 09-0720.01 Bob Lackner

HOUSE BILL 09-1327

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A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE URBAN RENEWAL LAW TO**
102 **ADDRESS IMPACTS TO SPECIFIED TAXING ENTITIES ARISING**
103 **FROM THE USE OF TAX INCREMENT FINANCING MECHANISMS TO**
104 **SUPPORT URBAN RENEWAL PROJECTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

In connection with the approval of an urban renewal plan or a modification to such plan:

! Exempts a city and county from existing statutory requirements to provide an urban renewal impact report

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.*

HOUSE
3rd Reading Unamended
April 21, 2009

HOUSE
Amended 2nd Reading
April 20, 2009

(report).

- ! Expands the entities to which an urban renewal plan or modification must be submitted to include the governing body of certain public bodies that impose ad valorem property taxes on any portion of the real property constituting an urban renewal area (taxing entities) and, in specified circumstances, additionally requires the taxing entities to be provided a copy of the report.
- ! Makes the deadline earlier for submitting the plan or modification prior to an initial hearing.

Adds to existing statutory requirements concerning the findings that must be made before the governing body of the municipality may approve an urban renewal plan:

- ! Whether the urban renewal authority (authority) or the municipality will adequately finance any additional taxing entity infrastructure as well as services required to serve development within the urban renewal area; and
- ! Any significant shortfalls in the projected revenues of the taxing entities for the period during which all or any portion of property taxes are paid into a special fund (fund) in connection with tax increment financing.

Exempts a city and county from the requirement to make these additional findings.

In connection with the excess of any payment of property taxes paid into the fund in connection with tax increment financing:

- ! In the absence of an intergovernmental agreement (agreement), requires that a specified percentage of the property taxes allocated to the fund be distributed to the fund and a specified percentage be allocated to all of the taxing entities in the urban renewal area on a pro rata basis as specified in the act.
- ! In the alternative to the provisions of the act specifying a particular allocation of the property tax, authorizes the authority and any taxing entity located within the urban renewal area to enter into an agreement. Specifies that, under such agreement, the parties may provide, as they deem appropriate, for the allocation of the property taxes between the authority and any one or more taxing entities and the year in which any such allocation would commence or end. Applies the provisions of the act specifying a particular allocation of the property tax to any taxing entity that does not elect to enter into an agreement with the authority.

Repeals existing statutory provisions creating an arbitration process for the purpose of adjudicating objections by a county to an urban

renewal plan with county impacts.

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

2 **SECTION 1.** 31-25-103, Colorado Revised Statutes, is amended
3 BY THE ADDITION OF A NEW SUBSECTION to read:

4 **31-25-103. Definitions.** As used in this part 1, unless the context
5 otherwise requires:

6 (7.7) "TAXING ENTITY" MEANS A PUBLIC BODY THAT IS IMPOSING
7 AD VALOREM PROPERTY TAXES ON ANY PORTION OF THE REAL PROPERTY
8 CONSTITUTING AN URBAN RENEWAL AREA; EXCEPT THAT "TAXING ENTITY"
9 SHALL NOT INCLUDE THE MUNICIPALITY IN WHICH AN AUTHORITY HAS
10 BEEN ESTABLISHED.

11 **SECTION 2.** The introductory portion to 31-25-107 (3.5) (a) and
12 31-25-107 (4) (h), Colorado Revised Statutes, are amended, and the said
13 31-25-107 (3.5) is further amended BY THE ADDITION OF A NEW
14 PARAGRAPH, to read:

15 **31-25-107. Approval of urban renewal plans by local**
16 **governing body.** (3.5) (a) EXCEPT AS OTHERWISE PROVIDED IN
17 PARAGRAPH (c) OF THIS SUBSECTION (3.5), at least ~~thirty~~ NINETY days prior
18 to the hearing on an urban renewal plan or a substantial modification to
19 ~~such~~ THE plan, the governing body or the authority shall submit ~~such~~ THE
20 plan or modification to the ~~board of county commissioners~~, GOVERNING
21 BODY OF THE TAXING ENTITY and, if property taxes collected as a result
22 of the ~~county~~ TAXING ENTITY levy will be utilized, the governing body or
23 the authority shall also submit an urban renewal impact report, which
24 shall include, at a minimum, the following information concerning the
25 impact of ~~such~~ THE plan:

1 (c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
2 A CITY AND COUNTY SHALL NOT BE REQUIRED TO SUBMIT AN URBAN
3 RENEWAL IMPACT REPORT SATISFYING THE REQUIREMENTS OF PARAGRAPH
4 (a) OF THIS SUBSECTION (3.5).

5 (4) Following such hearing, the governing body may approve an
6 urban renewal plan if it finds that:

7 (h) The authority or the municipality will adequately finance, or
8 that agreements are in place to finance, any additional ~~county~~ TAXING
9 ENTITY infrastructure and services required to serve development within
10 the urban renewal area AND ANY SIGNIFICANT SHORTFALLS IN THE
11 PROJECTED REVENUES OF THE TAXING ENTITIES, ASSUMING PROJECTED
12 INCREASES IN THE DEMAND FOR PUBLIC SERVICES AND INFRASTRUCTURE
13 WITHIN THE TERRITORIAL BOUNDARIES OF THE TAXING ENTITY, for the
14 period in which all or any portion of the property taxes described in
15 subparagraph (II) of paragraph (a) of subsection (9) of this section and
16 levied by a ~~county~~ TAXING ENTITY are paid to the authority.
17 NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A CITY AND
18 COUNTY SHALL NOT BE REQUIRED TO MAKE THE FINDINGS SPECIFIED IN
19 THIS PARAGRAPH (h).

20 **SECTION 3.** The introductory portion to 31-25-107 (9) (a) and
21 31-25-107 (9) (a) (II), Colorado Revised Statutes, are amended, and the
22 said 31-25-107 (9) is further amended BY THE ADDITION OF A NEW
23 PARAGRAPH, to read:

24 **31-25-107. Approval of urban renewal plans by local**
25 **governing body.** (9) (a) ~~Notwithstanding any law to the contrary~~
26 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, any urban renewal
27 plan, as originally approved or as later modified pursuant to this part 1,

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

7 (II) SUBJECT TO THE PROVISIONS OF PARAGRAPH (a.5) OF THIS
8 SUBSECTION (9), that portion of said property taxes or all or any portion
9 of said sales taxes, or both, in excess of such amount shall be allocated to
10 and, when collected, paid into a special fund of the authority to pay the
11 principal of, the interest on, and any premiums due in connection with the
12 bonds of, loans or advances to, or indebtedness incurred by, whether
13 funded, refunded, assumed, or otherwise, such authority for financing or
14 refinancing, in whole or in part, an urban renewal project, or to make
15 payments under an agreement executed pursuant to subsection (11) of this
16 section. Any excess municipal sales tax collections not allocated pursuant
17 to this subparagraph (II) shall be paid into the funds of the municipality.
18 Unless and until the total valuation for assessment of the taxable property
19 in an urban renewal area exceeds the base valuation for assessment of the
20 taxable property in such urban renewal area, as provided in subparagraph
21 (I) of this paragraph (a), all of the taxes levied upon the taxable property
22 in such urban renewal area shall be paid into the funds of the respective
23 public bodies. Unless and until the total municipal sales tax collections
24 in an urban renewal area exceed the base year municipal sales tax
25 collections in such urban renewal area, as provided in subparagraph (I) of
26 this paragraph (a), all such sales tax collections shall be paid into the
27 funds of the municipality. When such bonds, loans, advances, and

1 indebtedness, if any, including interest thereon and any premiums due in
2 connection therewith, have been paid, all taxes upon the taxable property
3 or the total municipal sales tax collections, or both, in such urban renewal
4 area shall be paid into the funds of the respective public bodies.

5 (a.5) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
6 SECTION:

7 (A) IN THE ABSENCE OF AN INTERGOVERNMENTAL AGREEMENT AS
8 SPECIFIED IN SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (I),
9 COMMENCING FIVE YEARS FROM THE DATE OF THE ADOPTION OF THE
10 URBAN RENEWAL PLAN, FIFTY PERCENT OF THE PROPERTY TAXES
11 ALLOCATED TO THE SPECIAL FUND PURSUANT TO SUBPARAGRAPH (II) OF
12 PARAGRAPH (a) OF THIS SUBSECTION (9) SHALL BE DISTRIBUTED TO THE
13 FUND AND FIFTY PERCENT SHALL BE ALLOCATED TO ALL OF THE TAXING
14 ENTITIES IN THE URBAN RENEWAL AREA ON A PRO RATA BASIS IN THE
15 PROPORTION THAT THE AMOUNT OF TAXES LEVIED BY EACH SUCH ENTITY
16 BEARS TO THE TOTAL PROPERTY TAX LEVIED BY ALL SUCH ENTITIES.

17 (B) IN THE ALTERNATIVE TO THE PROVISIONS OF
18 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I), THE AUTHORITY AND
19 ANY TAXING ENTITY LOCATED WITHIN THE URBAN RENEWAL AREA MAY
20 ENTER INTO AN INTERGOVERNMENTAL AGREEMENT. UNDER SUCH
21 AGREEMENT, THE PARTIES MAY PROVIDE, AS THEY DEEM APPROPRIATE,
22 FOR THE ALLOCATION OF THE PROPERTY TAXES BETWEEN THE AUTHORITY
23 AND ANY ONE OR MORE TAXING ENTITIES IF THE ALLOCATION IS DIFFERENT
24 THAN THE ALLOCATION SPECIFIED IN SUB-SUBPARAGRAPH (A) OF THIS
25 SUBPARAGRAPH (I); THE YEAR IN WHICH ANY SUCH ALLOCATION WOULD
26 COMMENCE OR END; AND ANY OTHER MATTERS AGREED UPON BY THE
27 PARTIES. THE PROVISIONS OF SUB-SUBPARAGRAPH (A) OF THIS

1 SUBPARAGRAPH (I) SHALL APPLY TO ANY TAXING ENTITY THAT DOES NOT
2 ELECT TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE
3 AUTHORITY PURSUANT TO THIS SUB-SUBPARAGRAPH (B).

4 (II) NOT LATER THAN AUGUST 1 OF EACH CALENDAR YEAR, THE
5 GOVERNING BODY SHALL CERTIFY TO THE COUNTY ASSESSOR AN ITEMIZED
6 LIST OF THE PROPERTY TAX DISTRIBUTION PERCENTAGES ATTRIBUTABLE
7 TO THE SPECIAL FUND OF THE MUNICIPALITY PURSUANT TO
8 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a.5) FROM THE MILL LEVIES TO BE
9 CERTIFIED BY EACH PUBLIC BODY. WHEN CERTIFYING VALUES TO TAXING
10 ENTITIES PURSUANT TO SECTIONS 39-1-111 (5), 39-5-121 (2), AND
11 39-5-128, C.R.S., THE ASSESSOR SHALL CERTIFY ONLY THE PERCENTAGE
12 OF INCREMENT VALUE ATTRIBUTABLE TO THE SPECIAL FUND PURSUANT TO
13 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a.5) AS CERTIFIED BY THE
14 GOVERNING BODY.

15 (III) THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH
16 (a.5) SHALL NOT APPLY TO A CITY AND COUNTY.

17 **SECTION 4.** 39-5-128 (3), Colorado Revised Statutes, is
18 amended to read:

19 **39-5-128. Certification of valuation for assessment.**
20 (3) EXCEPT AS OTHERWISE PROVIDED IN SECTION 31-25-107 (9) (a.5) (II),
21 C.R.S., if the valuation for assessment for all or part of any such political
22 subdivision has been divided for an urban renewal area, pursuant to
23 section 31-25-107 (9) (a), C.R.S., any certification under this section shall
24 be based upon that portion of the valuation for assessment under
25 subparagraph (I) of said section 31-25-107 (9) (a), C.R.S., so long as such
26 division remains in effect.

27 **SECTION 5. Repeal.** 31-25-107 (12), Colorado Revised

1 Statutes, is repealed.

2 **SECTION 6. Act subject to petition - effective date -**
3 **applicability.** (1) This act shall take effect July 1, 2010.

4 (2) However, if a referendum petition is filed against this act or
5 an item, section, or part of this act during the ninety-day period after final
6 adjournment of the general assembly that is allowed for submitting a
7 referendum petition pursuant to article V, section 1 (3) of the state
8 constitution, then the act, item, section, or part, shall not take effect unless
9 approved by the people at a biennial regular general election and shall
10 take effect on the date specified in subsection (1) or on the date of the
11 official declaration of the vote thereon by proclamation of the governor,
12 whichever is later.

13 (3) The provisions of this act shall apply to urban renewal plans
14 either submitted or substantially or materially modified on or after the
15 effective date of this act.