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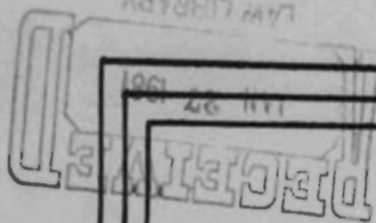
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Report to the Colorado General Assembly:

RECOMMENDATIONS FOR 1981
COMMITTEE ON:

FINANCE



COLORADO LEGISLATIVE COUNCIL

RESEARCH PUBLICATION NO. 255

December, 1980

Colorado
Council

Colorado Legislative Council
recommends for 1981

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The Legislative Council, which is composed of six Senators, six Representatives, plus the Speaker of the House and the Majority Leader of the Senate, serves as a continuing research agency for the legislature through the maintenance of a trained staff. Between sessions, research activities are concentrated on the study of relatively broad problems formally proposed by legislators, and the publication and distribution of factual reports to aid in their solution.

During the sessions, the emphasis is on staffing standing committees, and, upon individual request, supplying legislators with personal memoranda which provides them with information needed to handle their own legislative problems. Reports and memoranda both give pertinent data in the form of facts, figures, arguments, and alternatives.

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COLORADO LEGISLATIVE COUNCIL
" "
RECOMMENDATIONS FOR 1981

(Colorado Legislative Council. COMMITTEE ON FINANCE,)
"

Legislative Council
Report to the
Colorado General Assembly

Research Publication No. 255
December, 1980

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To Members of the Fifty-third Colorado General Assembly:

Submitted herewith are the final reports of the Legislative Council interim committees for 1980. This year's reports of the fourteen committees are contained in nine volumes of research publications (Research Publication Nos. 249 through 257).

Respectfully submitted,

/s/ Senator Fred Anderson
Chairman
Colorado Legislative Council

FA/th

FOREWORD

The Legislative Council appointed the 1980 interim Committee on Finance to study three different areas -- property tax, income tax, and sales tax. The committee held seven meetings and considered each of the three subjects. This volume contains the Committee on Finance's report and recommended bills.

The Legislative Council reviewed the thirteen recommended bills at its meeting November 24, 1980, and voted to accept the report and the recommended bills included herein and to transmit them to the 1981 Session of the General Assembly.

The Committee on Finance and the staff of the Legislative Council were assisted by John Polak and Rebecca Lennahan of the Legislative Drafting Office in the preparation of the committee's bills.

December 1980

Lyle C. Kyle
Director

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SUMMARY OF PROCEDURES, FINDINGS,
AND RECOMMENDATIONS

CHARGE

Established by Senate Joint Resolution No. 26, the Committee on Finance was charged with conducting three studies. The study directives are quoted below.

(a) Further study be conducted on the base year provisions of House Bill 1452 of the 1977 session and methods of transposing from 1973 to 1977 base year valuations for assessment.

(b) A study on the feasibility and effects of a uniform based state-collected, locally shared sales and use tax and alternatives for the collection and distribution of such tax; and to study methods of financing state programs which have a significant fiscal impact upon local governments.

(c) A study on individual income tax, including, but not limited to, the implementation of a joint return by married persons which would include new tax rates for such joint returns so that married couples who both work will not pay a higher rate of tax; elimination of Colorado modifications to income in favor of credits against such income; elimination of the surtax; widening the tax brackets; and other ways to revise and simplify the Colorado income tax forms especially the "short form".

The committee held seven meetings and addressed each issue of its charge.

ACTIVITIES

Introduction to Areas of Study

In its initial meeting, the committee prioritized the areas of study in the following sequence: transposition of base year valuations for assessment (provisions of House Bill 1452, 1977 session); income tax simplification; and a state-collected locally shared sales and use tax. The committee then reviewed each of the three study areas.

In the area of property taxation, background information was presented concerning: a) the base year concept, enacted by House Bill 1452 (1977 session), which establishes a specified year, currently 1973, upon which to base valuations for assessment of residential, commercial, and industrial property; b) the four year assessment cycle, also enacted by House Bill 1452, which changes the base year in

four year increments (1973, 1977, 1981, etc.); c) current assessment procedures; d) current property tax limitations; and e) projected impacts of the reassessment and implementation of 1977 base year levels of value in 1983.

Background information was also presented on income tax simplification and two bills -- House Bills 1229 and 1176 -- introduced during the 1980 session, were reviewed. House Bill 1229 provided for an increased standard deduction, authorized the use of a joint income tax schedule for married persons, eliminated Colorado modifications to the federal definition of income in favor of income tax credits, and eliminated the surtax which is a two percent tax on income from intangible property. The subjects of House Bill 1229 were further studied throughout the interim, as well as other income tax simplification measures. House Bill 1176 (1980 session), which proposed to increase the incremental amounts of the income tax brackets was also examined.

Prior to this year's study, the last interim committee to study the issue of a state-collected locally shared sales and use tax was in 1975. The findings and conclusions of that committee, as well as the provisions of five bills relating to the subject, introduced in the 1980 session, were reviewed.

Property Tax

At its next three meetings the committee concentrated on public testimony concerning the transposition from 1973 base year levels of value to 1977 base year levels of value for valuation for assessment. The majority of the testimony was presented by the County Assessors' Association, individual assessors from various counties, the Division of Property Taxation, and the American Mobile Home Association. Committee activity culminated in proposals addressing the issues raised concerning property taxation.

Income Tax Simplification

The focus of the fifth meeting was income tax simplification. The committee received testimony from the Department of Revenue, Representative Martha Ezzard, the Colorado Society of Certified Public Accountants, and the Colorado Bar Association regarding concepts of income tax simplification. The testimony resulted in the drafting of several income tax simplification proposals.

State-Collected Locally Shared Sales and Use Tax

The issue of a state-collected locally shared sales and use tax was considered during the sixth committee meeting. Those testifying

on the issue included the Department of Revenue, the Colorado Association of Commerce and Industry, the National Federation of Independent Business, the Colorado Small Business Council, Colorado Counties Inc., the Colorado Municipal League, and the City and County of Denver. At the meeting's close the committee voted not to recommend any legislation concerning a state-collected locally shared sales and use tax.

The seventh and final meeting of the committee was dedicated to consideration of bill drafts resulting from committee deliberations throughout the interim.

Other Issues

Federal Legislation

Besides the three issues of the committee's charge, the committee was informed of two federal acts that may have adverse impacts on the state's property tax structure. The two acts are the Crude Oil Windfall Profit Tax Act and the Railroad Revitalization and Regulatory Reform Act (often referred to as the "Quad R" Act or the "4-R Act").

The Windfall Profit Tax is a federal excise tax imposed upon domestic crude oil production. Because the state's ad valorem tax is being applied to the Windfall Profit Tax portion of the selling price of crude oil as well as the producer's share, producers have raised complaints that the imposition of the taxes result in double taxation.

The so-called "Quad R" Act states that it is unlawful to assess railroad property at a higher rate than other commercial and industrial property. In Colorado, railroad property was being assessed at a greater rate than commercial and industrial property. In 1979 the rate of assessment for railroad property was reduced, in compliance with the federal act. The reduction in the assessment rate of railroad property not only reduces assessed valuation statewide but may cause constitutional problems because the state constitution requires uniform assessments within a class. Railroads are currently classed as a public utility and the net effect is to locate two assessment rates within that class.

Subcommittee on the Assessment Notice

The committee established a subcommittee to draft informative material to be uniformly contained on the notices of valuation which are to be mailed to taxpayers in 1983. The purpose of the notice is to notify the taxpayer of his new valuation for assessment after the change of the base year. The subcommittee conducted two meetings. After receiving comments on the draft language from several county assessors, the subcommittee recommended that its proposed language be inserted into Bill 1 -- Concerning Property Taxation; however, the subcommittee also recommended that the Property Tax Administrator, in

conjunction with county assessors, revise and improve the language for an amendment to the bill during the 1981 session.

COMMITTEE FINDINGS AND RECOMMENDATIONS

The committee recommends thirteen bills; seven bills concern the area of property taxation and six bills concern income taxation. A summary of the committee's recommendations is presented below.

Property Taxation

Concerning Property Taxation -- Bill 1

In studying the effects of transposing levels of value from the 1973 base year to the 1977 base year, the committee found that when the 1977 base year level of value is imposed in 1983, assessed valuation will increase dramatically because of the impact of inflation on the value of property. Such a substantial increase in assessed valuation, without a corresponding reduction in mill levies, could cause a profound increase in the property tax burden upon the citizens of the state and provide a large revenue "windfall" to units of local government.

Current Colorado law limits the revenues of most local governments derived from the property tax to a seven percent yearly increase. Exceptions to this limitation are revenues needed to retire bonded indebtedness and fund fire protection district pensions, and revenues provided by inclusion of new properties on the tax rolls. Units of local government not addressed by existing law include school districts (which are governed by the "Public School Finance Act of 1973") and home rule cities. Local governments desiring larger than a seven percent increase can be granted an additional increase by the Division of Local Government or the electorate.

Responding to the committee's finding, the committee recommends Bill 1 which extends the existing seven percent limitation on revenues raised from the property tax to home rule cities but maintains the exception for growth, revenue raised to provide for the payment of bonds and interest, for the payment of pension funds by fire protection districts, and uninsured judgments. The bill also abolishes the Division of Local Government's function of approving increases over the seven percent limitation and provides that any increase over seven percent must be submitted to and approved by the electors.

To insure that assessors are actually implementing the 1977 base year level of value, the bill contains a provision requiring the Director of Research of the Legislative Council, through a contract with a private consultant, to conduct a one percent sampling of assessments to determine if proper assessment procedures are being

utilized statewide. The bill also insures that the seven percent revenue raising limitation prevails over all other property tax revenue limitations in the event that other limitations are less restrictive. For counties and municipalities which have limitations on each of their several funds, the seven percent limit applies to all funds in the aggregate. The subcommittee's recommended language regarding the notice of change in valuation for assessment is also included in the bill.

Concerning A Limitation on Revenue Raised From Special Assessments -- Bill 2

Bill 2 applies the same seven percent revenue raising limitation to assessments levied against property for special purposes. For example, an assessment may be levied in a particular subdivision to provide curbing and roads in that subdivision. The seven percent limitation would apply to all such special assessments levied against each person's property.

Even with bills 1 and 2, it should be emphasized that:

THE SEVEN PERCENT REVENUE LIMITATIONS CONTAINED IN BILLS 1 AND 2 ARE LIMITATIONS ON TOTAL LOCAL GOVERNMENT REVENUE PROVIDED BY THE PROPERTY TAX AND SPECIAL ASSESSMENTS. THE LIMITATIONS DO NOT INSURE THAT ANY SINGLE TAXPAYER'S INCREASE IN PROPERTY TAXES WILL INCREASE BY ONLY SEVEN PERCENT.

Concerning Open Space Residential Property -- Bill 3 -- and Concerning Open Space-Residential Property and Providing for a Definition of "Residence" -- Bill 4

Testimony before the committee regarding open space-residential property indicated that confusion exists over interpretation of two areas of the law: a) the requirement that the property contain a residential structure; and b) whether current law excludes tracts of land larger than thirty-five acres from open space designation.

Bill 3 provides that the first thirty-four acres of any tract of land, regardless of the total acreage of such tract, shall be considered open space-residential property for determining the actual value for property tax purposes.

Bill 4 provides that "residence" for the purpose of taxing open space-residential property, means the primary home or place of abode of a person.

Concerning Appeals of Decisions of the Board of Assessment Appeals to District Courts -- Bill 5

Another issue concerning property taxation involved appeals of decisions made by the Board of Assessment Appeals. Currently, decisions of the board may be appealed to the courts if the decision is against the taxpayer. If the decision is against the county, the county may appeal to the courts only if the board recommends that the matter is of "statewide concern". Testimony indicated that many issues are important and may affect more than one county, but are not "statewide" in scope. Bill 5 specifies that appeals by counties are to be allowed if the matter is of "significant public concern" rather than of "statewide concern".

Concerning the Filing of Schedules of Personal Property With the County Assessor -- Bill 6

In 1979, the annual date for filing personal property schedules with the county assessor was changed from April 15 to March 15. The date was presumably moved to allow county assessors more time to review and adjust the schedules. However, the committee found that the March 15 date for filing the personal property schedule with the assessor's office may be burdensome to businesses and public accounting firms, and recommends Bill 6 which changes the date for filing the personal property schedule back to April 15.

Concerning the Classification of Railroad Property for General Property Taxation -- Bill 7

The committee found that under the federal Railroad Revitalization and Regulatory Reform Act railroad property cannot be assessed at a higher rate than other commercial and industrial property. In Colorado, railroad property is classified as public utility property which is assessed at thirty percent of true market value on a current basis. Commercial and industrial improved property is on the base-year assessment cycle and is assessed at about a twenty-one percent ratio to true market value.

In compliance with the federal act the state Property Tax Administrator assessed railroads at twenty-one percent rather than thirty percent in 1979. Section 3 of Article X of the Constitution of the State of Colorado requires that taxes must be uniform upon each class of the various classes of property. If the remaining utilities were granted a twenty-one percent assessment ratio rather than the current thirty percent ratio, the statewide reduction in assessed valuation would be substantial.

In response, the committee recommends Bill 7 which establishes a separate class of property for railroad property, removing it from the public utilities class of property.

Income Tax Simplification

Concerning the Standard Deduction Under the Colorado Income Tax -- Bill 8

The committee found that an increase in the Colorado standard deduction, \$1,000 multiplied by the annual inflation factor (see footnote -- page 46 for explanation of annual inflation factor), plus the deduction for federal income tax, to the federal level would possibly allow more citizens to file a short Colorado income tax form, thereby contributing to income tax simplification.

Conforming the Colorado standard deduction to the federal standard deduction is recommended in Bill 8 which adopts the federal amount of \$2,300 for an individual and \$3,400 for married taxpayers as the Colorado standard deduction. The estimated cost of the bill is \$35 million.

Concerning Joint Tax Returns Under the Colorado Income Tax -- Bill 9

The development of a joint income tax schedule for married persons could create a more equitable tax burden on Colorado citizens. Presently, a married couple with both individuals producing income and filing separately, have a smaller tax liability than a married couple with one income earner, making the same amount of money. Because of this, many families filing a joint federal return are forced to file separate Colorado returns, thereby creating confusion for many taxpayers.

To equalize the tax burden and to provide for similarity in filing status between state and federal returns, the committee recommends Bill 9 which creates separate income tax rate schedules for married couples filing a joint return, unmarried persons, and married persons filing separate returns. The bill also requires that married persons who file a joint federal return must file a joint Colorado return. The estimated cost of Bill 9 is zero; however, tax shifts will occur among the married taxpayers. Married persons with two incomes may receive a tax increase, while married persons with a single income may receive a tax decrease.

Concerning a Decrease in the State Income Tax -- Bill 10

The committee found that the income tax brackets have not been changed since 1964 although individual adjusted gross incomes have almost tripled. An increase in the brackets would reduce the income tax burden across the state. Such an adjustment would benefit middle income individuals and families the most. Widening the tax brackets would also be a permanent tax cut.

The committee recommends Bill 10 which increases the bracket

amounts, thereby decreasing the tax rate which would occur on Colorado taxable income if existing income tax brackets were used. Currently, the brackets are at \$1,000 increments rising to a maximum bracket amount of over \$10,000. The bill would increase the incremental bracket amount to \$1,400 with a maximum bracket of over \$14,000 in its first year and \$1,600 bracket amounts and a \$16,000 maximum bracket in the second year. The estimated cost of Bill 10 is \$34 million in fiscal year 1981-82.

Concerning the Surtax on Dividends and Interest and Providing for the Repeal Thereof -- Bill 11

The exemption from the state surtax on income from intangibles has been adjusted in recent years from \$5,000 to \$15,000 so that few taxpayers are required to respond to this item on the income tax return. The committee found that the advantages of a shorter, less complex tax form outweigh the estimated revenue loss of \$4 million and, therefore, recommends Bill 11.

Concerning an Income Tax Credit in Relation to Persons Who are Mentally Retarded -- Bill 12

Currently the only difference between federal income tax exemptions and Colorado income tax exemptions is the Colorado exemption for the mentally retarded. Eliminating the difference in exemptions by allowing an income tax credit of equal value for persons who are mentally retarded rather than the exemption, would greatly simplify the filing of exemptions by providing greater similarity with the federal return.

The committee recommends Bill 12 which changes the income tax exemption for a mentally retarded dependent from \$850 multiplied by the annual inflation factor (AIF) to a credit or refund against income taxes of \$84.00 multiplied by the AIF. The estimated cost of Bill 12 is less than \$100,000.

Concerning Estimated Income Taxes -- Bill 13

Corporations and individuals who do not have money withheld from their paychecks, are required to make a declaration of estimated tax if their income tax liability is estimated to exceed \$200 for individuals or \$1,000 for corporations. The committee found that the minimum amount of estimated income tax liability required to file a declaration of estimated tax with the Department of Revenue have required more people to file because they have not been adjusted for inflation. If these amounts were increased, fewer persons would be required to make the estimated tax declaration.

Responding to its finding, the committee recommends Bill 13 which increases the threshold amounts which require the filing of a

declaration of estimated tax from \$200 to \$500 for individuals and from \$1,000 to \$2,500 for corporations. There is no statewide revenue impact resulting from such change, although a minimal cash flow impact may occur.

Revenue Projections

According to the latest available revenue projections, the net surplus available for tax cuts is \$69 million for 1981-82. The table below illustrates the committee's recommendations in the area of income tax simplification and their fiscal impact.

TABLE I

Recap of Income Tax Simplification Proposals

<u>Bill Number</u>	<u>Description</u>	<u>Fiscal Impact (millions)</u>
	Revenue Available	\$69
Bill 8	Increase Standard Deduction	\$35
Bill 9	Implement Joint Income Tax Tables	-0-
Bill 10	Widen Income Tax Brackets	\$34
Bill 11	Eliminate the Surtax	\$ 4
Bill 12	Change Mentally Retarded Exemption to Credit	\$ 0.1
Bill 13	Amend the Estimated Tax Requirement	-0-

Tax Profile Study

Finally in the area of income taxation, the committee considered the Tax Profile Study and the Statistics of Income report contracted by the Legislative Council through private consultants. Currently, the data file utilized by the private consultants is compiled by the Department of Revenue every two years. Because of annual effects of indexing and other legislative changes to the tax structure, annual data collection may provide more accurate information which can be used for fiscal notes, trend analysis, and revenue forecasting.

To provide for the annual compilation of a 20,000 return sample of income tax returns, the committee recommends to the Joint Budget Committee that the Department of Revenue be allowed to increase its budget by \$72,600 to be expended in the following manner:

Personal services (7 FTE)	\$66,000
Operating expenses	4,000
Capital outlay	<u>2,600</u>
TOTAL	\$72,600

State-Collected Locally Shared Sales and Use Tax

The committee spent one meeting on the issue of a state-collected locally shared sales and use tax. After hearing extensive testimony both for and against the concept, it appeared that proponents and opponents had not reached an agreeable compromise on many major factors concerning a state-collected locally shared sales and use tax. Consequently, the committee voted not to recommend the concept of a state-collected locally shared sales and use tax (House Bill 1158, 1980 session).

Additionally, the concept of sharing state revenues with local governments by distributing one-third of the state sales and use tax revenue to counties and municipalities (House Bills 1178, 1189, 1202, and 1223, 1980 session) was rejected by the committee.

BACKGROUND REPORT

EQUALIZATION OF PROPERTY ASSESSMENTS

The following analysis of the history of attempts to bring about equalization of property assessments in Colorado is offered to assist in the understanding of the current property tax laws and of the committee's proposals. The analysis provides information on the numerous approaches which have been attempted in the past, clarifies the historic rationale for the various provisions of the existing law, and demonstrates the non-statutory influences and factors which tend to impinge on equalization of assessments. In addition, the history itself furnishes a frame of reference against which one can measure the improvements in the equalization process made in recent years and those envisioned by the 1980 interim Committee on Finance.

History of Tax Equalization Efforts

1876-1911 -- Court Rejects Equalization Attempts

When Colorado became a state in 1876, its Constitution authorized the General Assembly to establish a "uniform system of property taxation", and provided that all non-exempt property be assessed at a "just value". Exemptions from the property tax provided by the Constitution included: a) \$200 of personal property for the head of each family; b) ditches, canals, and flumes used for irrigation; c) mines and mining property; d) public property; and e) religious or non-profit properties used for worship, education, charity, or for use as cemeteries.

The Constitution also created the office of county assessor within each county and provided that the board of county commissioners act as a county board of equalization to insure equalization of property assessments throughout each county. A state board of equalization was also created on an ex officio basis by the Constitution to provide for uniform assessments among the several counties.

The General Assembly, by statute, provided that county assessors were to be elected for two-year terms and were to determine the value of all real and personal property within their counties. These valuations were to be adjusted by the county board of equalization, and differences among counties were to be resolved by the state board.

This administrative procedure was intended to insure assessment at full cash value of all property in each county of the state. However, in practice the procedure broke down. County assessors, always under pressure from property owners, began a competitive race with each other to under-assess property in order to reduce, in each case, the county's share of taxes paid to the state government. Because the same economic pressures and interests were present when equalization was attempted

by the county commissioners, no correction of the inequality as between counties was achieved on this level. 1/

In 1876 the state board determined that assessment inequalities existed and ordered that some valuations for assessment be increased. The resulting aggregate increase in statewide assessed valuations was ruled unconstitutional by the Colorado Supreme Court in the case of People v. Lathrop (3 Colo. 428; 1877). The state board of equalization attempted no further action for twenty-two years.

In 1899 the state board attempted once again to equalize assessments among the counties, this time limiting the scope of its action to specified classes of property. The Colorado Supreme Court once again ruled that the board had exceeded its Constitutionally granted powers in the case of People v. Ames (27 Colo. 346; 1900).

Following this second ruling against its attempts at equalization, the board adopted the following resolution:

WHEREAS, Every effort of the said Board of Equalization since its establishment has been invalidated by adjudication of the Supreme Court; therefore, be it

RESOLVED, That in the judgment of this board the power of said board to equalize and adjust can only be made effective by constitutional amendment or by legislative enactment specifically designating its powers and directing the method of the performance thereof. 2/

The General Assembly in 1901 adopted a new revenue bill which created a state board of assessors to supervise and adjust valuations. The board of assessors succeeded in more than doubling the assessed valuation of the state during the year of its existence, but to no avail. In December of 1901, the Colorado Supreme Court ruled that the board, comprised of local county assessors, had no authority to make the adjustments because county assessors are granted no powers by the State Constitution outside of their counties. 3/

1/ Crockett, Earl C., Taxation in Colorado, 1947, page 13.

2/ Fourth Annual Report of the Colorado Tax Commission, 1915, page 9.

3/ Union Pacific Railroad Company v. Alexander; 113 F. 347 (1901).

In 1902 the General Assembly adopted a major revision of the property tax statutes providing specific procedures for property assessment and stipulating that property was to be assessed at "full cash value". Another provision of the new law provided for annual meetings of the county assessors to discuss common problems with respect to full cash value assessments.

At the county assessors annual meeting in 1908, the assessors agreed among themselves to assess all property in the state at one-third of cash value. 4/

1911 through 1941 -- Reorganization and Legal Advances

In 1911 the General Assembly created the Colorado Tax Commission to supervise and enforce laws relating to property assessment. The law provided that the commission report to the state board of equalization by October 1 of each year the amounts of adjustment to the valuation of each county so that the taxable property of the state would be assessed uniformly at its full cash value.

In 1913 the Tax Commission recommended the addition of \$186.6 million to the tax rolls, and the commission's recommendation was adopted by the State Board of Equalization. The state board's action was quickly tested in the courts, and in the case of Colorado Tax Commission v. Pitcher (56 Colo. 343) the State Supreme Court ruled that the equalization was constitutional.

In 1914 an amendment to the state Constitution was adopted by the voters, granting additional powers to the county and state boards of equalization to "...adjust, equalize, raise or lower the valuation of real and personal property..." within and among the state's several counties. In addition, the amendment provided that all property be valued for assessment at its "full cash value". These provisions remained virtually unchanged until 1964, when the provision for full cash value assessments was deleted.

Another provision of the 1914 constitutional amendment was that the State Board of Equalization "...shall have no power of original assessment". In interpreting this provision, the state Supreme Court specified that the board must confine its attention to equalization of valuations among general classes of property and cannot examine the valuations of an individual taxpayer. 5/

4/ Colorado Property Assessment Methods, Colorado Legislative Council Research Publication No. 28.

5/ Boulder County v. Union Pacific Railroad; 89 Colo. 110 (1931); and McGinnis v. Denver Land Company; 90 Colo. 72, (1931).

Despite the seeming legal advances in the powers of the state and county boards of equalization to bring about equalized full cash value assessments, by 1941 the total assessed value of the state was 8.6 percent less than the assessed valuation reported three decades previously in 1913. This decrease in assessed valuation is especially significant when compared to the estimated fifty percent increase in the actual values of real property for the period. 6/

Much of the decline in the assessed value of the state during the period 1913 to 1941 appears to be attributable to three factors: 1) the exemption in 1936 of approximately \$90 million of assessed value through the repeal of the property tax on intangibles and motor vehicles, with the corresponding replacement of these taxes with income and specific ownership taxes; 2) the effects of the "great depression" from 1929 through the decade of the 1930's; and 3) the adoption in 1921 of a new method of providing state funds to support minimum teacher salaries when the county tax base was deficient.

The workings of the 1921 law provided that the lower a county's tax base, the greater the support that county received from the state to fund schools. At first, these funds were not substantial, but with the enactment of House Bill 476 in 1935, the infusion of state income tax monies to counties with low tax bases became significant. Through the various school finance formulas adopted from 1921 to the present time, the state has steadily increased its contributions to local schools based upon assessed wealth; therefore, the incentive for assessors to hold assessments down for the purpose of securing more state aid has continually increased.

As to the effects of the depression on efforts toward equalization, the Colorado Tax Commission wrote in its 1932 report:

All of these conditions, too well known to be discussed further, gave rise to more and more difficult problems attendant upon our taxation system. Having in mind the orders of the State Board of Equalization in the fall of 1931, making horizontal reductions of 20% in certain classes of property and 5% in others, and leaving many classes of property untouched, the Assessors of the State and the Tax Commission faced the problem of equalizing those other properties to meet the reductions thus ordered. This necessarily meant further reductions in valuations and further demoralization of such equalization as had been reached after years of effort to that end. (Emphasis added)

6 Ibid., Colorado Property Assessment Methods, page 5.

Table II shows the reduction in the state's assessed value by year from 1913 to 1941.

Table II
Statewide Assessed Valuations by Year
1913 through 1941

1913	\$1,306,391,296
1914	1,309,559,205
1915	1,249,199,210
1916	1,210,325,561
1917	1,305,286,409
1918	1,422,113,275
1919	1,495,044,025
1920	1,590,267,667
1921	1,578,256,499
1922	1,548,617,879
1923	1,543,211,892
1924	1,540,732,487
1925	1,540,500,479
1926	1,546,830,046
1927	1,565,260,666
1928	1,577,560,380
1929	1,586,919,769
1930	1,586,462,903
1931	1,438,448,038
1932	1,280,563,890
1933	1,099,603,890
1934	1,099,332,563
1935	1,088,350,535
1936	1,103,563,605
1937	1,110,851,795
1938	1,102,040,724
1939	1,114,278,215
1940	1,112,976,403
1941	1,127,180,801

In its 1936 annual report, the Tax Commission made the following observation and recommendation:

In view of the heavy burden now resting upon real estate it is imperative that all classes of property be equalized, to the end that all taxpayers pay their just share of taxation. Our investigations show that in some counties real estate is assessed all the way from 10 percent to 150 percent of its actual market value. This

condition, of course, should be remedied, and, in our opinion, no solution of the problem is possible except by compelling a reappraisal of all properties throughout the 63 counties of Colorado. A state-wide reappraisal of property has never been made in this State. We are convinced that the cost entailed would be more than offset by the inclusion of properties on our tax rolls which at the present time are escaping taxation entirely.

The 1940's and 1950's -- Reappraisal

The reappraisal suggested by the Tax Commission was forestalled until 1947, when \$100,000 was appropriated to the Tax Commission for the 1947-1949 biennium " ... to defray costs and expenses of making a re-appraisal of the assessed valuation of the taxable property subject to the ad valorem tax ...". With another appropriation in 1949 of \$113,824 for the biennial period 1949-51, the major effort of reappraising the entire state was completed and implemented in 1952.

Two new appraisal features were implemented in this effort to reappraise all property within the state. First, a real estate appraisal manual was compiled. The manual provided: 1) a method of appraising buildings according to their cost of reproduction according to 1941 construction costs; 2) a system for appraising the earning or productive capacity of agricultural land; and 3) a system of appraising other lands. Second, a complete inventory of all taxable property in Colorado was compiled. Several properties which had never been on the tax rolls were discovered and added to the tax base.

None of the reassessments were implemented during the period of 1947-1951, but were all placed on the tax rolls simultaneously in 1952. The use of 1941 construction cost levels was justified by the assumption that inflation in construction costs which occurred during World War II and in the post-war years was abnormal and temporary. It was thought that the 1941 costs were a more realistic indicator of "true cash value". The reassessment resulted in a 42.5 percent increase in total assessed valuation from 1951 to 1952.

In 1956 a constitutional amendment exempting household personal property from the property tax base was submitted to the voters. The taxation of household personal property had been a problem area in terms of uniform reporting and assessment from taxpayer to taxpayer and county to county. The measure was approved by nearly a 2 to 1 margin and resulted in the elimination of approximately three percent of the state's tax base.

Despite the progress made by the reassessment in equalizing assessments among the counties, the 1958 Assessment Methods Committee of the Legislative Council came to the following conclusions on the status of equalization statewide:

A one and one-half year study of comparative levels of assessment and of methods and procedures of assessment used by the county assessors and the state tax commission has shown that, in spite of very material progress achieved during the past decade, assessed valuations are not equalized either among or within counties. A study of all real property sales occurring between July 1, 1957, and June 30, 1958, and a comparison of sales considerations with the assessed valuations of the properties sold has shown a wide deviation in sales ratios.

This study shows that the average sales ratio throughout the state during the one year period was 27.9 percent. Within individual counties, the average ratios varied from a low of 14.1 percent in one county to a high of 40.9 percent in another county, the sales ratios of nineteen counties were higher than the state average, and the sales ratios of forty-four counties were lower than the state average.

Within counties, the deviation from county averages for individual sales ratios ranged from 13.8 percentage points below the county average to 29.0 percentage points above.

The sales ratios -- the ratio of assessment levels to sales prices -- showed that a property in one county could be assessed nearly three times higher than a property of equal market value in another county, and more than double the assessment of another property of equal value in the same county.

Two of the recommendations of the 1958 Assessment Methods Committee were to increase the staff of the Tax Commission and to recodify the various articles of the 1953 Colorado Revised Statutes concerning property taxation.

The 1960's and the "Year of Truth" (1967)

By 1962 ten additional staff were added to the Tax Commission and several new appraisal manuals were published. In addition, a constitutional amendment was adopted in November of that year which removed the requirement that property be assessed at "full and true cash value".

The 1962 constitutional amendment paved the way for a recodification of the property tax laws in 1964. House Bill 1005 (1964 Session) reorganized the property tax code and provided that property be appraised at an "actual value" according to the following six factors, insofar as they are applicable:

- 1) Location and desirability;
- 2) Functional use;
- 3) Current replacement cost new, less depreciation;
- 4) Comparison with other properties of known or recognized value;
- 5) Market value in the ordinary course of trade; and
- 6) Earning or productive capacity.

In addition, the bill specified that the assessed valuation of most property is to be thirty percent of actual value determined by application of the six factors, unless otherwise provided. Counties which were assessed at below thirty percent were given three years until 1967 to increase their assessments to the thirty percent level. The Tax Commission's Annual Report for 1964 observed "It appears now that 1967 will be the year of truth in most of the counties".

The state property tax was not collected for the first time in 1965, and this incentive for assessors to under-assess was removed. However, by 1966 it appeared as though the "year of truth" would not have the salutary effect upon assessments once envisioned. The Tax Commission reported:

The "year of truth" is expected to be in 1967. Various surveys and audits have been made of all counties to determine their progress, with respect to the completion of their reappraisal programs as directed by the new property tax laws. It is apparent that very few counties will complete their reappraisal programs and be at 30 percent of Actual Value. Some counties have actually started reappraisal of residential and commercial; others have factored existing records; many have not revalued industrial properties, mining properties, oil properties, farm properties; most counties have failed to revalue land, either rural or urban. This failure to revalue the land is significant because this is where most state-wide inequity exists.

In 1967 sales ratio analysis conducted by the Tax Commission indicated that assessments for all types of property were generally below the thirty percent level and that many classes of property had still not been reviewed in accordance with the new law. Further, most counties had made progress toward the thirty percent requirement for improved properties, but valuations for land remained virtually unchanged.

The 1970's -- Reorganization and Reappraisal

In 1970, House Bill 1053 was adopted by the General Assembly. The bill dissolved the Tax Commission and replaced it with two agencies: 1) a Division of Property Taxation located in the Department of Local Affairs, to be headed by the Property Tax Administrator who assumed the administrative and enforcement powers of the commission; and 2) a Board of Assessment Appeals consisting of three members appointed by the Governor to assume the quasi-judicial powers of the commission. In adopting this form of organization, the General Assembly enacted another of the recommendations of the 1958 Assessment Methods Committee. The 1958 committee observed that:

The commission type of organization does not lend itself to effective administration. It is indecisive, unaggressive and inefficient. The combination in the same body of the separate functions of direct assessment of public utilities and supervision of local assessments, which are administrative in nature, and of equalization, which is quasi-judicial in nature, is not conducive to good government. The performance of both types of functions detracts from effective performance of either. Further, it results in the situation that the tax commission sits in judgment on its own actions when, in performing the equalization function, it compares its own assessments of public utilities with assessments made by the county assessors.

Beginning in 1967 and continuing through the present, the Tax Commission and its successor, the Division of Property Taxation, have conducted a sales valuation analysis (sales ratio study) each year. In the analysis, the sales prices of properties are compared to their assessed valuations to determine how well assessed valuations reflect real property values. In 1973 the Division stated that:

The continued inflation of the economy through the fiscal year 1972-1973 is reflected in all sales analysis reports. The majority of the sales indicate a continuation of the downward trend of the sales assessment ratios. Since the sales analysis is limited to residential and commercial properties, and most counties have not recently effected reappraisal programs of these properties, there still exists a wide disparity between the sales and the assessor's actual value. Commercial properties continue to reflect higher sales ratios than residential, and unimproved properties continue to reflect lower assessment ratios than corresponding improved properties. (Emphasis added)

On September 22, 1975, the State Board of Equalization ordered all county assessors to conduct a complete reappraisal of all property within their counties. The board also ordered that the assessed valuation of residential, commercial, and industrial improved and

unimproved property be no lower than twenty percent of "actual value" for 1976.

The General Assembly reacted to the increases in assessed valuation precipitated by the state board's order by the passage of House Bill 1025 during the 1976 Session. The bill provided, for one year only, that the valuation for assessment of all residential, commercial, and industrial improved and unimproved properties and agricultural improvements be twenty-two percent of "actual value". The bill further prescribed that "actual value" be determined according to application of the six factors for the "base year" which was declared to be 1975. The base year concept requires that actual values be determined by use of appraisal manuals published by the division for a prior year. The bill provided that for 1977 and 1978 assessments, the 1975 base year be used, and that the base year be updated to 1979 and every fourth succeeding year, in four year increments beginning in 1979. Finally, the bill provided that if the assessment ratio exceeded twenty-two percent for a given class in a given county, reductions in valuations could be made on a pro rata, across the board basis. Increases in assessed value to come up to the twenty-two percent criterion were required to be implemented on the basis of a parcel by parcel reappraisal.

In implementing the provisions of House Bill 1025, the State Board of Equalization ordered several counties to increase residential, commercial, industrial, and agricultural improvement valuations during September of 1976. In some cases, decreases to the twenty-two percent level were also ordered. Strong local opposition to the assessed valuation increases was voiced in many counties. The general taxpayer unrest, combined with the expiration of the twenty-two percent limitation in 1977, resulted in identification of the property tax problem as a major area of concern for the General Assembly during the 1977 session.

During its 1977 Session the General Assembly, desiring to offset the effects of rapid inflation in property values on assessments, and seeking to avoid substantial increases in the property taxes of many taxpayers, adopted House Bill 1452. Generally, the bill specified that for the years 1977 through 1982, the 1973 base year is to be used to determine actual value; for the years 1983 through 1986, the 1977 base year is to be used; and for the years 1987 and following, the 1981 base year is to be used. The bill provided that 1977 assessments for any property could not exceed the average of 1974, 1975, and 1976 assessments by greater than forty percent, and that 1978 assessments for any property could not exceed the 1977 assessment by more than twenty-five percent. By 1979 all properties were to be assessed at thirty percent of their 1973 levels of actual value, unless otherwise provided by law.

The bill further provided for use of average values during a two year period prior to the base year when sales prices are utilized in determining actual values to eliminate rapid fluctuations in sales prices. The bill also provided that only eighty-five percent of the

average sales price could be utilized to eliminate the influence of real estate commissions and inclusion of personal property in the sales prices, and placed further restrictions on the use of sales prices in establishing actual values. A seventh factor, appraisal value for loan purposes on comparable properties, was also added by the bill, and a new assessment formula for open space-residential property was established. Numerous other provisions relating to taxpayer appeals, duties of the Division of Property Taxation and the Property Tax Administrator, boards of county commissioners, and the State Board of Equalization were also included.

1876 through 1976 -- Analysis of the First Hundred Years

Several observations can be made on the basis of the first one hundred years of attempts to equalize the assessment of property among the sixty-three counties in Colorado.

1) Because of the reluctance of counties to contribute to the state property tax, equalization efforts and full cash value assessments were doomed in Colorado from the very start. Even though the state property tax has been repealed, the growth in state school aid distributions based upon the assessed wealth of school districts tends, in theory, to encourage assessors to under-assess property.

2) Despite the advancements made by the State Board of Equalization in extending its powers through litigation, legislation, and constitutional amendment, several external factors have hindered its achievement of equalized assessments. These factors include the great depression, two world wars, periods of rapid inflation, general political pressures, and modifications to the state school aid formula.

3) Existing provisions of law developed independently in a historical fashion. The following list chronologs the development of the major provisions of existing law:

1908 -- First percentage assessment factor at 33 1/3 percent

1941 -- First base year; used for assessment purposes in 1952

1947 -- First publication of Assessor's Manuals

1947 to 1951 -- First statewide reappraisal period instituted

1964 -- First use of the six factors; First use of the term "actual value" with assessments at thirty percent of actual value.

4) Material progress has been achieved in the state administration of property taxes. The creation of the Colorado Tax Commission to replace the old State Board of Assessors, which was only advisory in nature, instituted an administrative structure with administrative, quasi-judicial, and assessment functions. The separation of

these functions in 1970 by the creation of the Property Tax Administrator, Division of Property Taxation, and Board of Assessment Appeals removed the role conflicts experienced by the Tax Commission and improved the administrative efficiency of property tax laws.

5) The repeal of the property taxes on intangibles and household personal property not productive of income improved equalization of property assessments. Neither of these areas were consistently or equitably reported or assessed from county to county.

1979-80 -- Recent Legislative Studies

In 1979 the Interim Committee on Finance was directed by the Legislative Council to study the impacts of changing the base year from 1973 to 1977 in 1983. The 1979 committee held hearings on the subject, but made no recommendation on the matter. In 1980, Senate Joint Resolution No. 26 required that:

Further study be conducted on the base year provisions of House Bill 1452 of the 1977 session and methods of transposing from 1973 to 1977 base year valuations for assessment.

Overview of Current Property Tax Assessments and Limitations

In examining the effects of transposing the base year level of value from 1973 to 1977, the committee reviewed the current methods by which the various classes of property are valued, the relative proportions of base year and non-base year property, and existing limitations on property tax revenues which would tend to restrain property tax increases resulting from the reassessment. The committee received testimony from county assessors, the County Assessors' Association, the Division of Property Taxation, the American Mobile Home Association, and other interested persons.

Classification and Methods of Assessment of Taxable Property

Currently, all property in Colorado is placed into one of eight classifications: residential, commercial, industrial, agricultural, natural resources, public utilities, pollution control, and exempt. The methods by which property is assessed vary according to class. Basically, the valuation for assessment of all taxable property is thirty percent of the base year level of value unless otherwise prescribed by statute. For many non-base year properties a current value is established by use of income factors. (Appendix A contains a rather detailed enumeration of the various assessment methods, percentages, and relevant statutory references for all taxable real and personal property.)

Under the provisions of House Bill 1452, 1977 session, the state's property has been divided into "base year" and "non-base year" property. Non-base year property includes: 1) producing mines; 2) oil and gas leaseholds; 3) public utilities; 4) agricultural land and equipment; 5) stocks of merchandise; 6) mobile homes; 7) coal and nonmetallic mines and 8) possessory interest in recreational land. Base year property includes residential, commercial, and industrial property and is assessed at the 1973 base year level of value. Non-base year property is assessed on an annual basis.

Table III provides a brief summary of base year and non-base year assessments in Colorado for 1979.

TABLE III

Base Year and Non-Base Year Property

1979

Base Year Property

Residential

Land	\$1,402,818,075
Improvements	\$4,250,639,885

Commercial

Land	\$ 638,566,490
Improvements	\$1,651,991,650

Industrial

Land	\$ 96,842,320
Improvements	\$ 515,233,180

Agricultural

Improvements	\$ <u>193,168,810</u>
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Total Base Year Property

\$8,749,260,410

Non-Base Year Property

(gas leaseholds, public utilities, agricultural land and equipment, stocks of merchandise, mobile homes, possessory interest in recreational land)

\$3,704,473,200

Total Non-Base Year Property

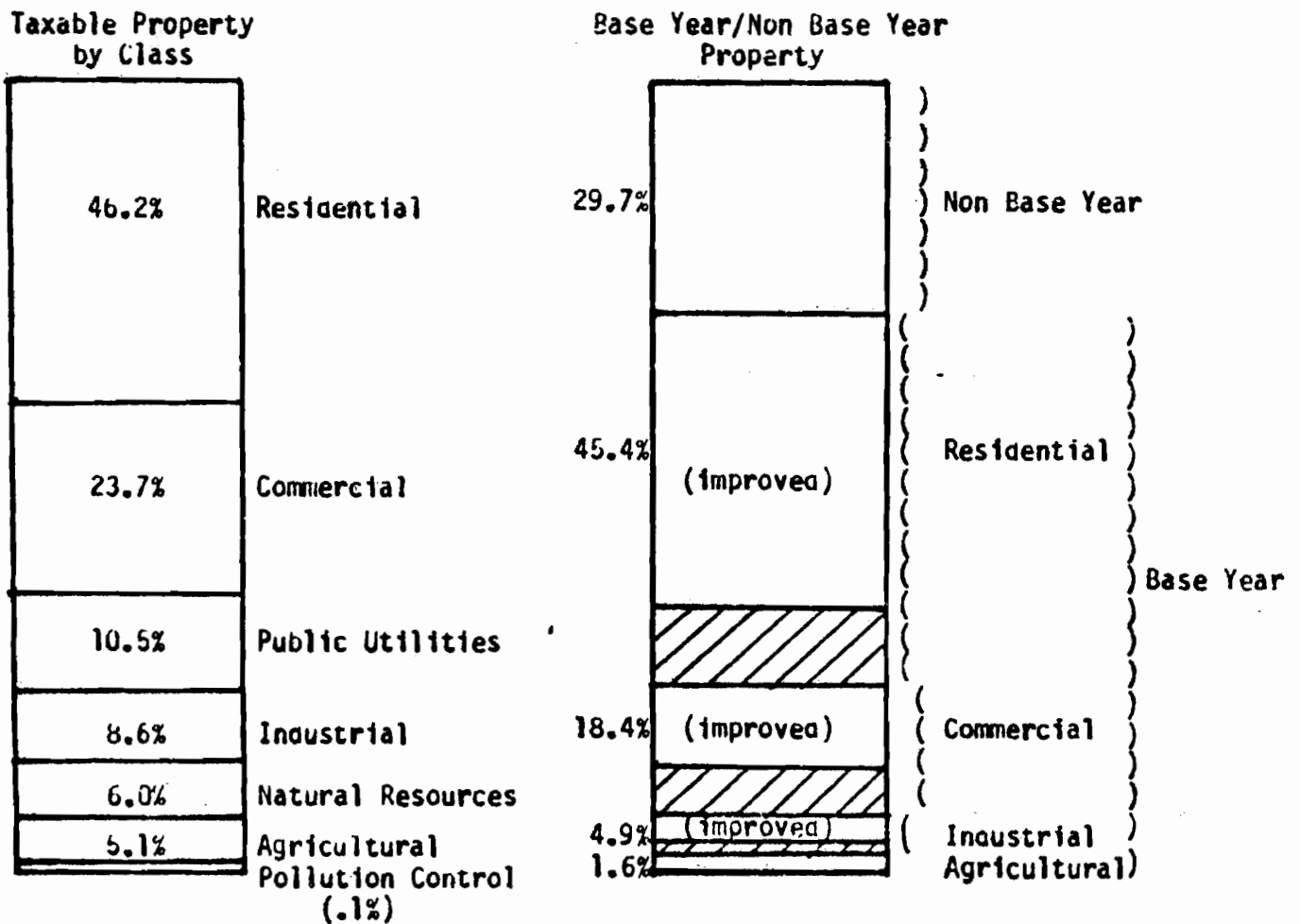
\$ 3,704,473,200

TOTAL ALL TAXABLE PROPERTY

\$12,453,733,610

Chart I displays the state's property tax base: 1) by class of property; and 2) by the base year/non-base year designation according to House Bill 1452.

CHART I
State Property Tax Base
1979



Limitations on Property Tax Increases

Among the factors which will affect the impact of the reassessment of property on property taxes are the various limitations of property tax revenue increases imposed on local units of government by state law. The Colorado General Assembly has enacted three general types of statutory provisions in order to limit, directly or indirectly, property tax increases by units of local government.

These are:

- 1) A seven percent limitation on annual increases in the revenue generated by the statutory tax levies of counties, special districts, and non-home rule cities;
- 2) Restrictions on the mill levies of local governments; and
- 3) Restrictions on school district revenues.

A more detailed explanation of each of these three forms of property tax limitations follows.

Seven Percent Limitation on Increases in Revenue

Section 29-1-301, C.R.S. 1973, specifies that all statutory levies for counties, special districts, and cities not chartered as home rule, shall be reduced so as to "...prohibit the levying of a greater amount of revenue than was levied in the preceding year plus seven percent, except to provide for the payment of bonds and interest thereon or for the payment of pension funds by fire protection districts...". This limitation also pertains to home rule counties unless the charter of a home rule county contains a limitation which is equal to or more restrictive than the seven percent limitation. Weld County, presently the only home rule county, imposes a five percent limitation on annual increases in its revenues.

If a local government is of the opinion that adherence to the seven percent limitation would result in insufficient revenues, it may request authorization for an increased levy from the state Division of Local Government. The division will examine the financial condition of the taxing district involved and may grant a tax levy above the seven percent restriction if it determines that such an increase is warranted.

The statute allows a local government's revenues to exceed the seven percent limit if the revenue in excess of the limit are derived from newly annexed land, new construction, or inclusion of additional lands or improvements in the tax base. The statute does not allow the seven percent limit to be exceeded for revenues derived from growth in the tax base due to reappraisals.

If the taxing district chooses not to submit a request for such an increased levy to the Division of Local Government, or if the division fails to grant the increase, the question may be submitted to the electorate at a general or special election.

Mill Levy Limits

Maximum general fund and social service mill levies for counties. Section 30-25-201, C.R.S. 1973, sets forth the maximum general fund mill levies which counties are allowed to establish. The maximum allowable mills range from twelve mills for counties with an assessed valuation of one million dollars or less, to five mills for counties with an assessed valuation of \$100 million and over. As in the case with the seven percent limitation, increases in the mill levy above the maximum figure are allowed only if approved by the Division of Local Government or by a vote of the people.

Section 26-1-125, C.R.S. 1973, as amended, provides that the county social services mill levy cannot exceed the following limits:

<u>Annual Maximum Mills</u>	<u>County Per Capita Assessed Valuation</u>
4	\$1,400 -- \$1,599
3.5	1,600 -- 1,999
3	2,000 -- 2,599
2.5	2,600 or more

Upon application by the Board of County Commissioners, the state Division of Local Government may, "for good cause shown", authorize a county social services levy at a reasonable rate in excess of the limits outlined above.

Mill levy limits for cities. There are seven separate mill levy limitations which pertain to property taxes for statutory cities. These limitations do not apply to home rule cities; however, nine of the state's fifty-six home rule cities have charter provisions which limit revenues from property taxes. These nine cities are: Alamosa, Boulder, Colorado Springs, Denver, Fort Collins, Ophir, and Telluride.

Mill levy limits for special districts. Colorado law sets the maximum mills which can be levied on taxable property by certain special districts. Generally, but not always, such limitations may be exceeded in order to pay for bonded indebtedness and other obligations incurred by the district. The limitation may not be exceeded in any other case unless specified differently.

Specific mill levy limits on counties, cities, and special districts. Appendix B -- Local Government Mill Levy Limits -- enumerates the various mill levy and revenue limits imposed on local governments by state law, by local government jurisdiction and fund. Statute citations and a brief description of each limitation is also provided.

Restrictions on School District Revenue

Authorized revenue base. Section 22-50-106, C.R.S. 1973, as amended, provides a formula for determining each school district's authorized revenue base (ARB). The "authorized revenue base" per pupil of attendance entitlement in a school district is the sum of the district's total property tax revenue, plus the total amount of the district's equalization support from the state, divided by the district's attendance entitlement. By restraining the yearly growth of the authorized revenue base, increases in property tax levies are limited. The following table outlines how each school district's authorized revenue base is to be determined.

TABLE IV

Authorized Revenue Base

<u>Year</u>	<u>How Determined</u>	<u>Exception</u>
1979	1978 ARB + \$130	No district required to have an ARB less than \$1,400.
1980	1979 ARB + \$140	No district required to have an ARB less than \$1,600.
1981	1980 ARB + \$150	No district required to have an ARB less than \$1,800.
1982	1981 ARB + \$160	No district required to have an ARB less than \$2,000.
1983	Determined by General Assembly. If the General Assembly does not act, then each district's ARB is increased by 107 percent of its preceding year's ARB.	

If the board of education of a district believes that it needs an ARB in excess of that allowed, it may submit a request for an increase to the State School District Budget Review Board by October 5th. The board has until November 5th to approve or disapprove such an increase, or grant a lesser increase than requested; if the request is not acted upon by November 5, it is deemed disapproved.

Capital reserve fund. The levy for the capital reserve fund for school districts cannot exceed four mills (Section 22-40-102 (4), C.R.S. 1973). Junior college districts have the same limitation.

Bonded indebtedness. Section 22-42-104 specifies that the bonded indebtedness of any school district cannot exceed 20 percent of the latest assessed valuation for any such district. Junior college districts have the same limitation.

Application of the Limitations

In the event that a unit of local government is limited by more than one statutory limitation, a question arises as to which of the limitations applies.

Generally, for cities and counties, various funds within a budget are separately addressed by various limitations, but the total budget is constrained by the seven percent limitation. Hence, these limitations are often complementary and not conflicting for counties and cities. However, in the case of special districts, more than one limitation may restrict the generation of revenues from property taxes. Also, in the case of cities and counties, mill levy limitations may not be sufficiently restrictive to keep annual property tax growth under seven percent per year in the aggregate. In these cases the Division of Local Government has generally applied the most restrictive limitation.

Problems and Alternatives Reviewed

During the interim, the committee received testimony regarding the transposition of 1973 levels of value to the 1977 base year, the assessment of open space property, the assessment of mobile homes, and reviews of federal law impacting Colorado. The committee received testimony from individual county assessors, the County Assessor's Association, the Division of Property Taxation, as well as other interested persons. The testimony provided a range of suggestions and recommendations regarding the assessment of the state's property.

The problems and alternatives are organized into four parts: 1) transposition of levels of value from the 1973 to the 1977 base year; 2) assessment of open space property; 3) assessment of mobile homes; and 4) federal law impacting Colorado. Each section summarizes the current provisions of law, describes the general problems, as presented during committee meetings, and provides the alternatives presented regarding that area of law.

Transposing from 1973 to 1977 Base Years

Summary of Current Law (House Bill 1452)

Since the enactment of House Bill 1452 in 1977, actual value of real and personal property for assessment purposes has been determined utilizing the 1973 base year level of value, unless otherwise provided. The 1973 base year level of value will be utilized through 1982. During the years 1979 through 1982 the assessors are to conduct revaluations of property using the 1977 base year level of value. In 1983, the 1977 base year level of value will be utilized to determine the actual value of real and personal property, unless otherwise provided.

Section 39-1-104, C.R.S. 1973, specifies that the valuation for assessment of all taxable property in Colorado is thirty percent of the base year level of value, unless otherwise prescribed by statute.

General Description of Problems

The effect of House Bill 1452, enacted in 1977, has been to freeze the level of value for assessment purposes on various classes of property at the 1973 base year level since 1977. When the 1977 base year level of value is imposed in 1983, valuation for assessment will increase dramatically due to the impact of inflation on the value of property between base years. Such a substantial increase in valuation for assessment, without a corresponding reduction in the mill levies, could cause a profound increase in the property tax burden upon the citizens of the state. In addition, local governments could receive an unwarranted revenue windfall unless otherwise constrained.

When the 1977 level of value is implemented the increase in assessed valuation will occur in the base year classes of property (residential, commercial, and industrial) while the non-base year property, which is assessed annually, remains constant. Therefore, a tax shift may occur, wherein the base year classes of property gain a greater share of the overall property tax burden while the non-base year classes of property correspondingly receive a reduction.

Alternatives

Testimony suggested a wide range of alternatives regarding the transposing from 1973 to 1977 base year levels of value for assessment purposes. Suggestions ranged from keeping the 1973 base year level of value to using current year levels of value. Below is a general list of recommendations:

1. Implement the 1977 base year level of value as scheduled in House Bill 1452, and:

- a. To avoid a massive tax increase with the implementation of the 1977 base year level of value, correspondingly reduce the assessment percentage from thirty percent to the percentage that would most reflect the current tax liability; or
 - b. Instead of adjusting the assessment percentage, mandate by state law that mill levies must be lowered so that a tax increase would not occur simply on the basis of revaluation; or
 - c. Allow a \$5,000 homestead exemption to Colorado homeowners. With many other preferential assessments in existence in Colorado, it was suggested that a homestead exemption may provide some tax relief to Colorado homeowners.
2. Eliminate the base year level of value and set the actual value at the current value for all classes of property, but:
 - a. After setting the actual value at the current level of value, reduce the assessment percentage from 30 percent to a percentage that would most reflect the current tax liabilities; or
 - b. After setting the actual value at the current level of value, utilize a factor that reduces that value from 100 percent, then apply the thirty percent assessment ratio. (Example, fifty percent of current value multiplied by thirty percent would equal assessed valuation.)
 3. Change the length of the assessment cycle from four years to less than four years so that the level of value and year of implementation are closer together (under current law, in 1983, property owners will receive notices of their new assessed valuations, based upon 1977 level of value). A two-year assessment cycle was suggested as an option.

Assessment of Open Space-Residential Property

Summary of Current Law

H.B. 1452 created a new class of property -- land used for open space-residential purposes. This class is defined as "land up to 35 acres, part of which is used for residential and related purposes and part of which is used for open space". According to 39-1-102 (7.5), C.R.S. 1973, as amended, the size of the open space-residential lot cannot exceed 1 acre. The remainder of the lot qualifies as open space if it meets the following qualifications: 1) produces less than \$1,000 in annual income; 2) is not agricultural; 3) is unimproved or, if improved, the improvements maintain or enhance the natural and scenic aspects of the land.

Open space-residential property is valued in the following manner: 30 percent of actual value for the residential acre; 15 percent for the second through fifth acres, and the remaining acres will be assessed at 7.5 percent.

General Description of Problems

The greatest area of contention regarding open space-residential property appears to be the interpretation of its definition which refers to residential requirements (see above paragraph for definition). Testimony indicated that the definition required a residential structure on property to be classified open space-residential. Without a residential structure the land did not qualify for open space-residential classification and was therefore assessed as agricultural property.

Testimony also indicated that assessors were facing difficulties in determining the "functional use" of land that may be classified as open space-residential or agricultural property.

Alternatives

1. The County Assessors' Association presented the following recommendations to the committee regarding open space-residential property:

- a. Delete the requirement for a residence in order to qualify for open space assessment;
- b. Increase the minimum lot size required to qualify for open space to five acres;
- c. Remove the 35-acre upper limit on open space assessments; and
- d. Apply the following formula for uniform assessment of open space-residential property:
 - . first five acres -- 100 percent of value
 - . next 15 acres -- 50 percent of value
 - . remaining acreage -- 25 percent of value.

2. Suggestions concerning the determination of the "functional use" of land that may be classified as open space-residential property are listed below:

- a. Designate land that is classified as open space-residential property as a "natural area" in perpetuity to preserve the land in that classification forever; or
- b. Designate land classified as open space-residential prop-

erty as a "natural area" for a period of time (example, 20 years). After the time has elapsed, the land could be reclassified, developed, or remain open space for another designated period of time; or

- c. Classify land as open space-residential property; however, when the land is reclassified, or developed, the back taxes become due and payable.

3. Any changes in the assessment of open space-residential property, or any new laws applicable to open space-residential property, should be retroactive to the 1980 tax year.

Assessment of Mobile Homes

Summary of Current Law

The statutory formula used to assess mobile homes in the state of Colorado includes the following steps (Section 39-5-203, C.R.S. 1973, as amended):

1. The actual value of a mobile home shall not exceed 75 percent of the retail delivered price of the mobile home when new;
2. Such value shall be reduced by the exemption for household furnishings which is established by the property tax administrator and cannot exceed 20 percent of the retail delivered price, when purchased;
3. Such value is also reduced by a depreciation factor which is also determined by the property tax administrator.

Because mobile homes are assessed in the above manner they are not assessed on the base year and the seven factors used to determine actual value of traditional residential property are not applicable.

General Description of Problems

The County Assessors' Association argued that the current method of assessing mobile homes leads to inequities, not only between mobile homes and conventional housing, but also among mobile homes themselves. Because retail price delivered cannot be accurately ascertained from the list price on a mobile home title, the requirement to assess on that basis leads to inaccurate assessments.

Additionally, the percentage deduction for furnishings assumes that all mobile homes are sold furnished when evidence from the Mobile Home Owners Association indicates that only forty percent are sold furnished. Assessors also indicated that the resale of mobile homes does not indicate a loss of value due to age. Some mobile homes

appreciate while others depreciate, therefore utilizing a depreciation factor in the assessment of mobile homes may not be appropriate in all cases.

Alternatives

To solve the apparent inequities created by current assessment methods pertaining to mobile homes, the Assessor's have recommended that mobile homes be valued and assessed on the seven factors using base year levels of value, similar to traditional residential property. The American Mobile Home Association testified in favor of the change in the assessment of mobile homes and also requested changes regarding zoning regulations pertaining to mobile homes and land ownership.

Changing the assessment of mobile homes from the current method to the seven factors on the base year may cause tax shifts among mobile home owners. Testimony indicated that the recommended change in assessment procedures would increase taxes on older mobile homes and decrease taxes on newer mobile homes. The potential tax increase upon owners of older mobile homes is projected to be small while decreases for owners of newer mobile homes would be more substantial.

Administration of the Property Tax -- Other Alternatives

Besides the issue of transposing from 1973 to 1977 base year valuations for assessment, several changes were suggested regarding the administration of the property tax statutes. The basic suggestions were:

-- There are only three factors of value recognized by all major appraising and assessing organizations -- market, cost, and income. The seven factors in Colorado law utilized to determine value should be reduced to the above-mentioned three factors of value. The current seven factors cannot be reasonably estimated and documented as a dollar or percentage adjustment by assessors under current assessment practices.

-- Assessors and appraisers should be certified. A certification process may assist in providing training in assessment and appraisal practices and ensure quality work throughout the state.

-- It was suggested during testimony, that the Division of Property Taxation's two duties: 1) review and enforcement of statutory assessment practices via the one percent sampling of assessments; and 2) aid and assistance to county assessors, be divided, allowing the Division to retain aid and assistance functions and creating a separate agency to perform the one percent sample and enforce assessment practices.

-- During a hearing with the state Board of Assessment Appeals, the board suggested that the committee give attention to two areas: 1) the matter of restricting appeals of decisions of the board to matters of statewide concern; and 2) that there is no requirement in the law as to who represents counties before the board during an appeal.

-- House Bill 1112, 1980 Session, concerning the depreciation of personal property, should be made retroactive to the 1980 tax year.

-- The current school finance act may be an incentive to county assessors to under-assess since the state share of school finance is directly related to a county's assessed valuation. If a county's assessed valuation is high, the state contribution to schools is proportionately lower, likewise, if its low the state's contribution is proportionately higher. The "Public School Finance Act" should be reviewed to determine its impact upon the assessment of property.

Federal Laws Impacting Colorado Property Taxes

The Crude Oil Windfall Profit Tax

The Crude Oil Windfall Profits Tax is a recently enacted federal excise tax imposed on domestic crude oil production. It is defined as the selling price of a barrel of crude oil less the base price and any state severance tax adjustment.

The federal act allows an adjustment for state imposed severance taxes as a deduction from the windfall profit. In Colorado, the state severance tax on oil and gas is a percentage of the sales price at the wellhead. However, state law also permits an exemption from severance tax of ten barrels per day and a credit against severance tax liability of eighty-seven and one-half percent of the ad valorem tax on the gross selling price. The net result of the ten barrel per day exemption and the ad valorem credit is that the severance tax liability is either reduced substantially or totally eliminated. Without a severance tax liability there is no adjustment allowance for the payment of state taxes against the windfall profit.

Consequently, the state is imposing its ad valorem tax on the gross selling price at the wellhead of oil and gas, which includes the federal portion of the windfall profit tax. Hence, without a meaningful severance tax adjustment to reduce the portion of the selling price that is attributable to the windfall profit tax, the state's ad valorem tax is being applied to the entire gross selling price which includes the federal windfall profit tax, raising producer complaints about double taxation.

The committee did not act with regard to the federal windfall profit tax.

The Railroad Revitalization and Regulatory Reform Act

Under the federal Railroad Revitalization and regulatory Reform Act, major discrepancies in the assessment of similar classes of property is declared "unreasonable and unjust discrimination." It is unlawful to assess railroad property at a higher ratio than all other similar classes of property, according to the Act. Since the enactment of H.B. 1452, public utilities, which includes railroad property (non base year property) have been assessed at thirty percent of true market value on a current basis, while similar classes of base year property, commercial and industrial improved, were being assessed at about twenty-one percent of current market value.

In 1979, the state Property Tax Administrator assessed railroad companies in compliance with the federal Act and utilized a twenty-one percent assessment ratio rather than the statutory thirty percent ratio. The reduction in assessed valuation for public utilities throughout the state because of the lower ratio granted to railroad property was \$35 million in 1979. In 1980 the assessed valuation for utilities was \$48 million less.

The state constitution requires that taxes must be uniform upon each of the various classes of property. If the remaining utility companies were granted a twenty-one percent assessment ratio rather than the current thirty percent ratio, the statewide reduction in assessed valuation would be approximately \$420 million.

Summary of Committee Recommendations Regarding Property Taxes

Bill 1 -- Concerning Property Taxation

After considering the suggestions and recommendations resulting from testimony before the committee, the consensus of the committee was that the transposition of the 1973 base year level of value to the 1977 base year level of value should occur as scheduled in House Bill 1452. When the 1977 base year level of value is imposed, assessed valuation for classes of property (residential, commercial and industrial) assessed on the base year will increase dramatically because of inflationary increases on the value of property between base year. Estimates of the increases in valuation on base year classes of property range from thirty-five to eighty percent.

The relationship of valuation for assessment multiplied by the local mill levy determines the level of property tax. If valuation for assessment increases then property taxes increase unless the mill levy is adjusted. Because valuation for assessment is simply a deter-

mination of value it should not be the cause of property tax increases. The adjustable factor in the equation of determining property tax liability should be the mill levy.

Recognizing that valuation for assessment among base year classes of property will increase dramatically when the 1977 base year level of value is imposed, the committee decided to limit the remaining factor in the equation -- the establishment of the mill levy -- to hold down property tax increases.

As previously noted, there is a myriad of statutory limitations imposed on counties, municipalities, and special districts to restrict the growth of property taxes. The major limitation is a seven percent limitation on annual increases in the revenue generated by the tax levies of counties, special districts, and cities which are not home rule chartered.

Under Bill 1, the existing seven percent limitation on annual increases in revenue generated by various tax levies is extended to home rule cities. The limitation maintains the exception for revenue raised due to growth, to provide for the payment of bonds and interest, pension funds by fire protection districts, and uninsured judgments.

The bill also provides that any increase over seven percent must be submitted to and approved by the qualified electors in the taxing authority. Currently, any increase over seven percent must be submitted to the Division of Local Government in the Department of Local Affairs for review and approval or must be submitted to the voters. Bill 1 removes the division from the approval procedure so that approval of any increase over seven percent is solely the responsibility of the electors.

To insure that assessors are utilizing all manuals, factors, formulas, and directives in arriving at the valuation for assessment of property, the bill contains a provision requiring the Director of Research of the Legislative Council, through a contract with a private consultant, to conduct a one percent sampling of assessments in each county. The study is to be conducted in the first year of the imposition of each new base year level of value. The results of the sampling are to be submitted to the General Assembly and the State Board of Equalization.

Finally, Bill 1 provides conforming amendments to various sections of the statutes to ensure that the seven percent limitation prevails over all other revenue raising limitations in the event that other limitations are less restrictive. For counties and municipalities that have limitations on various revenue sources, the seven percent limit applies to all funds in the aggregate. Table V lists, by section of the bill, the current mill levy limits, their purpose, and the entity to which the limit applies. The limitations contained in the table will be subject to the overall seven percent limitation on revenue raised by local taxing authorities.

TABLE V

Taxing Authorities With Fixed or Maximum Mill Levies*

<u>Section of Bill</u>	<u>Entity</u>	<u>Purpose</u>	<u>Mill Limits</u>
9	County	Public Hospital	not exceed 3 mills
10	County	Social Service Fund	up to amount determined per size of county
11	County	Handicap Services	up to 1/2 mill
13	County	Forest Fires	fund not to exceed \$10,000
15	Law Enforcement Authority	Expenses	not exceed 3 mills
18	County Disposal District	Garbage, Waste, Trash	not exceed 1/2 mill
21	County Recreation District	Recreation	not exceed 1 mill
24	County	County General Fund	up to amount determined per valuation for assess- ment
26	Mine Drainage District	Expenses	not exceed 50 mills
27	Pest Control District	Expenses	not exceed 2 mills
30	Municipality	Libraries	not more than 1 1/2 mills
	County	Libraries	not more than 1 1/2 mills
35	Municipality	Expenses of water, gas, geothermal, solar, or electric light works constructed by city or contracted for by city	not exceed 3 mills
41	Municipality	Park Fund	not more than 1 1/2 mills
45	Municipality	Downtown Development District	not exceed 5 mills
46	Metro Recreation District	Expenses	not exceed 4 mills
50	Water & Sanitation District	Expenses	not exceed 6 mills
51	Water & Sanitation District		not exceed 3/4 of 1 mill for total of its first 5 years of existence
52	Cemetery District	Expenses	not exceed 2 mills

<u>Section of Bill</u>	<u>Entity</u>	<u>Purpose</u>	<u>Mill Limit</u>
53 specific mill unit not in bill-- see section 54 for fire protection district	Hospital District Fire Protection District	Expenses Expenses	not exceed 2 mills may go up to 10 mills
57 specific mill unit not in bill-- see section 59 for urban drainage & flood control district specific mill unit not in bill-- see section 60 for Water Conserva- tion District specific mill limit not in bill-- see section 61 for Colorado River Conservation District	RTD Urban Drainage & Flood Control District Water Conservation District Class A Type Colorado River Conservation District	To Pay Yearly Deficit To Pay Other Expenses Expenses Construction	not exceed 2 mills not exceed 1/2 mills different units for dif- ferent purposes different limits for dif- ferent purposes & per assessed valuation not exceed 5/10 of 1 mill not exceed 2/10 of 1 mill
63	Southwestern Water Conservation District	Expenses	not exceed 6/10 of 1 mill
64	Rio Grande Water Conservation District	Expenses	not exceed 1 mill
65	Ground water Management District	Expenses	not more than 2 mills

* SOURCE: Legislative Drafting Office.

Bill 2 -- Concerning a Limitation on Revenue Raised From Special Assessments

Special assessments may be levied by governmental entities to raise revenue for a certain purpose. For example, an assessment may be levied in a particular subdivision to provide curbing and roads in that subdivision. Bill 2 provides that the seven percent revenue raising limitation be applied to the aggregate revenue from all assessments levied by the entity. The bill also requires the approval of the qualified electors of the entity in order to exceed the seven percent limitation.

Bill 3 -- Concerning Open Space-Residential Property

There appears to be some confusion over the definition of open space-residential property. One area of confusion seems to be whether current law includes tracts of land larger than thirty-five acres from open space designation. Section 39-1-103 (7), quoted below, established the formula for determining the value of land for open space-residential purposes:

(7) The actual value of land used for open space-residential purposes shall be determined as follows:

(a) For the portion of land used for residential and related purposes, not to exceed one acre, such value shall be determined in the same manner as is the actual value of nonagricultural land under subsection (5) of this section; and

(b) For each acre or fraction of an acre of land used for open space:

(I) Up to and including four acres, the actual value of each acre shall be equal to fifty percent of the actual value of the acre of land used for residential and related purposes determined under paragraph (a) of this subsection (7); and

(II) Up to (but less than) an additional thirty acres, the actual value of each acre shall be equal to twenty-five percent of the actual value of the acre of land used for residential and related purposes determined under paragraph (a) of this subsection (7); and

(III) If a fraction of an acre, a proportional value shall be calculated.

In order to clarify the question of whether or not parcels of land that exceed thirty-five acres of land can qualify their first thirty-five acres for open space-residential property, the committee

recommends Bill 3. Bill 3 provides that, regardless of the total acreage of land, actual value of the first thirty-four acres shall be determined according to the open space-residential property determination of value.

Bill 4 -- Concerning Open Space-Residential Property and Providing for a Definition of "Residence"

A second area of confusion concerning the definition of open space-residential property focuses upon the definition of "residence". Currently, the portion of land used for residential and related purposes is defined in Section 39-1-102 (12.4) C.R.S. 1973 as amended. The definitions is:

... that portion of land used for open space-residential purposes which underlies a residence and an area not exceeding one acre which encompasses the residence.

To clarify what qualifies as a "residence", the committee recommends Bill 4. Bill 4 provides that for the purpose of taxing open space-residential property, residence generally means "the primary home or place of abode of a person".

Bill 5 -- Concerning Appeals of Decisions of the Board of Assessment Appeals to District Courts

The Board of Assessment Appeals is the final authority for assessment appeals in the state. They hear appeals of decisions made by:

1. County Boards of Equalization concerning valuation of property;
2. County Commissioners concerning abatements and refunds;
3. County Assessors, concerning valuation of property, if County Boards of Equalization do not hear the case; and
4. The State Property Tax Administrator concerning valuation and assessment of utilities.

Decisions of the board may be appealed to the courts if the decision is against the taxpayer. If the decision is against the county, the county may appeal to the courts only if the Board recommends that the matter is of "statewide concern".

Testimony indicated that many issues that come before the board may effect more than one county and may have implications in various situations around the state, but are not matters of "statewide concern". Bill 5 changes the criteria for appeal of board actions by

counties. If a decision is against the county, the county, upon the recommendation of the board that the matter is of "significant public concern", may petition the district court for judicial review.

Bill 6 -- Concerning the Filing of Schedules of Personal Property with the County Assessor

The law concerning the filing of schedules of personal property with the county assessor was amended by House Bill 1125, 1979 session. The amendment changed the latest date for filing the schedules from April 15 to March 15, presumably to allow county assessors more time to review and adjust the schedule. By May 24, assessors must send notices of increased valuation to the taxpayers. The March 15 date allows assessors an extra month to determine valuation for assessment of personal property. However, House Bill 1125 also provided that any person who is unable to file a personal property schedule by March 15 could file for up to three fifteen-day extensions at a cost of ten dollars per extension. So the actual final date for filing the personal property schedule before penalties are imposed is April 29.

Under Bill 6, the schedules of personal property must be filed by April 15. Testimony before the interim committee indicated that the March 15 date may be burdensome to businesses and public accounting firms. April 15 is the date that all other tax schedules must be filed, therefore it would be easier on business to file the schedules of personal property on the same date.

Bill 6 also amends the provisions for filing extensions. Rather than the option of fifteen day extensions allowed under present law, Bill 6 allows an extension beyond April 15 of either ten or twenty days at a cost of two dollars per day of the extension requested. Therefore under Bill 6 the actual final day for filing the schedules of personal property, before penalties are imposed, is May 5.

Bill 7 -- Concerning the Classification of Railroad Property for General Property Taxation

A Railroad Company Assessment/Sales Price Ratio Study that illustrated the assessment/sales price ratios as of January 1, 1978 was compiled by the railroad companies to illustrate that since enactment of House Bill 1452, 1977 session, utilities (non-base year property) have been assessed at thirty percent of true market value on a current basis, while similar classes of base year property, commercial and industrial improved, were being assessed at about twenty-one percent of current market value. Under the federal Railroad Revitalization and Regulatory Reform Act (Quad R Act) such discrepancies in the assessment of similar classes of property is declared "unreasonable and unjust discrimination". Section 28 of Part 1 of the Interstate Commerce Act states that:

... It is unlawful for a State, a political subdivision of a State, or a governmental entity or person acting on behalf of such State or subdivision to commit any of the following prohibited acts:

(a) The assessment (but only to the extent of any portion based on excessive values as hereinafter described), for purposes of a property tax levied by any taxing district, of transportation property at a value which bears a higher ratio to the true market value of such transportation property than the ratio which the assessed value of all other commercial and industrial property in the same assessment jurisdiction bears to the true market value of all such other commercial and industrial property.

In 1979, the state Property Tax Administrator assessed railroad companies in compliance with the federal Act and utilized a twenty-one percent ratio rather than the statutory thirty percent ratio. The Board of Assessment Appeals has upheld the state Property Tax Administrator's decision, however, the case has been appealed to the courts.

The reduction in assessed valuation throughout the state because of the change in the assessment ratio of railroad property was \$35 million in 1979. In 1980, the assessed valuation for railroad property was \$48 million less. Section 3, Article X, of the Constitution of the State of Colorado requires that taxes must be uniform upon each of the various classes of property. If the remaining utilities companies were granted a twenty-one percent assessment ratio rather than the current thirty percent ratio, the statewide reduction in assessed valuation would be approximately \$420 million.

Bill 7 provides that the real and personal property of railroad companies will be a separate class of property for general property taxation. Actual value of railroad property will be determined in the same manner as public utilities. However, valuation for assessment shall be computed consistently with requirements of the federal "Quad R Act" regarding the ratio of assessed value to true market value.

INCOME TAX SIMPLIFICATION

History

During the 1980 session, House Bill 1229 -- "Concerning the Individual Income Tax, and Providing for the Revision and Simplification Thereof" -- was introduced by Representative Gorsuch. The bill was a result of a special study group comprised of representatives of the Colorado Department of Revenue, the Colorado Bar Association, the Colorado Society of Certified Public Accountants, the Colorado Attorney General's Office, and the National Federation of Independent Businesses. The study group published its report, Tax Simplification, in November, 1979. According to the report:

The last major revision of the Colorado individual income tax statutes was in 1964. At that time, the revisions tied the Colorado method of collecting income tax closely to the federal method. This approach had the benefits of making the tax returns more understandable and much easier for the taxpayer to complete.

During the last fifteen years the state and federal government have made many changes to the tax statutes. Changes have been made to the income reported, exemptions, deductions, and credits....As a result of these statutory changes, the benefits of the 1964 revisions are being lost. The Colorado income tax return is becoming more and more confusing and is following a format that is out of date. 7/

Several of the special study groups' recommendations to update the Colorado income tax return were presented in House Bill 1229. The major provisions of the bill were:

- 1) an increase in the standard deduction;
- 2) implementation of a joint income tax schedule for married persons;
- 3) elimination of income modification in favor of income tax credits; and
- 4) elimination of the surtax on interest income.

7/ Tax Simplification for State of Colorado, Special Study Group, Nov. 1979, page 9.

House Bill 1229 was considered by the House Committee on Finance during the 1980 session. The provisions of the bill were explained and discussed. Additionally, the fiscal impact and the potential for shifts in tax liability among income classes of Colorado's taxpayers were reviewed. Because changes to the current income tax structure inevitably impact taxpayers in various ways, committee sentiment was that further study was necessary to determine the impacts of the changes upon the various classifications of taxpayers. The committee suggested that the provisions of House Bill 1229 and the issue of income tax simplification be assigned to an interim committee.

Another somewhat parallel concept introduced and considered during the 1980 session, was also assigned to the interim committee. House Bill 1176, sponsored by Representative Ezzard, addressed the concept of widening the income tax brackets. The effect of the bill would have been to decrease the tax rates on Colorado taxable income by widening the current income tax bracket threshold amounts over a two-year period.

General Fund Overview

Prior to studying the income tax simplification proposals in detail, the committee received a General Fund Overview from the Office of State Planning and Budgeting (OSPB) to obtain estimates of excess moneys that might be available for tax relief measures such as income tax simplification. The following projections contained in Table VI are compiled on the basis of the following two assumptions: 1) the funding of state contributions for public school finance from tax relief and general funds would continue under the same assumptions as in the past; and 2) tax relief programs passed in prior legislative sessions would not extend beyond their respective expiration dates.

TABLE VI
General Fund Overview*
Seven Percent Limitation Observed

(in millions)

	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>
Beginning Balance	\$ 356	\$ 125	\$ 121
General Fund Revenue Estimate	1,742	1,926	2,210
Adjusted Percentage Change	12%	11%	17%
Less: 1978 Tax Cuts	127	162	203
1979 Tax Cuts	181	129	148
1980 Tax Cuts	103	54	43
Rebates, etc.	247	144	101
General Fund Revenues	1,084	1,437	1,715
Revenue Sharing	7	-0-	-0-
TOTAL AVAILABLE GENERAL FUND	1,447	1,562	1,836
LESS: 7% Expenditures	1,227	1,311	1,403
School Finance Property Tax Relief	95	130	169
Remaining General Fund	125	121	264
Less: 4 percent Reserve	49	52	56
DISCRETIONARY GENERAL FUND	76	69	208

* SOURCE: Office of State Planning and Budgeting.

On the above table, the amount which can be utilized for tax relief (including income tax simplification) is the "Discretionary General Fund" balance of \$69 million for fiscal year 1981-82.

Proposals and Recommendations

The committee considered various proposals for income tax simplification. Some of the proposals were carried over from the provisions of House Bills 1229 and 1176 while others were initiated during committee hearings. The proposals and recommendations are summarized below.

Bill 8 -- Concerning the Standard Deduction

Currently, the Colorado standard deduction is \$1,000 multiplied by the annual inflation factor 8/ plus the deduction for federal income tax. In the 1980 income tax year the standard deduction is \$1,236. The federal standard deduction is \$3,400 for married couples and \$2,300 for individuals.

If a Colorado taxpayer has itemized deductions that exceed the \$1,236 level of the Colorado standard deduction but do not exceed the \$2,300 or \$3,400 level of the federal standard deduction, he can claim the federal standard deduction on his federal income tax return and itemize his deductions on his Colorado return. By conforming the Colorado standard deduction to the federal standard, Colorado taxpayers would not fall between the two different levels of standard deductions and could file two short forms rather than itemizing deductions on the Colorado income tax return.

Besides simplifying the filing of income tax returns for taxpayers with deductions between the federal standard deduction and the Colorado standard deduction, an increase in the Colorado standard deduction provides an overall simplification since more taxpayers will be able to file short forms.

The committee considered the following two proposals on conforming the Colorado standard deduction to the federal standard deduction.

- A. Increase the Colorado standard deduction to the federal standard deduction -- \$3,400 for married couples and \$2,300 for individuals, plus the federal tax deduction. The estimated fiscal impact of that proposal is \$35 million.
- B. Create an alternative standard deduction of \$3,400 for married couples and \$2,300 for individuals to be used when the total of the current standard deduction plus the deduction for federal income taxes does not exceed \$3,400 and \$2,300 respectively. The estimated fiscal impact of the proposal is \$17.5 million.

Table VII illustrates the differences between proposals A and B. Under proposal A, the standard deduction would be \$2,300 for individuals and \$3,400 for married couples, plus the deduction for the federal income tax; however, under proposal B, the standard deduction would be determined by adding the current standard deduction and the

8/ The annual inflation factor (AIF) was adopted in 1978. It is the indexing factor by which the personal exemption, standard deduction, and rate of tax are increased each year to prevent inflation from automatically increasing Colorado income tax liability. The General Assembly has adopted annual inflation factors of 106%, 107%, and 109% for taxable years 1978-1980. The impacts of the AIF are cumulative.

deduction for the federal income tax. If the sum of the two is less than \$2,300 for an individual or \$3,400 for a married couple, the taxpayer would receive the \$2,300 or \$3,400 standard deduction depending on his marital status. If the flat amounts are applied, there is no additional deduction for federal income taxes. If the sum of the current Colorado standard deduction plus the deduction for federal income tax is greater than the federal standard deduction, then that sum is the taxpayer's standard deduction.

TABLE VII

Proposals Conforming the Standard Deduction
to the Federal Standard Deduction*

(Married Taxpayer -- two exemptions)

	Current System	Proposal #A Total Conformity	Proposal #B Modified Conformity	
Adjusted Gross Income	\$10,000	\$10,000		\$10,000
Less: Standard deduction	1,134	3,400	\$1,134	
Federal tax deduction	698	698	698	
Alternate standard			1,832	3,400
Exemptions	1,928	1,928		1,928
Taxable Income	6,240	3,974		4,672
Colorado Tax	227	125		154
Adjusted Gross Income	15,000	15,000		15,000
Less: Standard deduction	1,134	3,400	1,134	
Federal tax deduction	1,630	1,630	1,630	
Alternate standard			2,764	3,400
Exemptions	1,928	1,928		1,928
Taxable Income	10,308	8,042		9,672
Colorado Tax	467	324		425
Adjusted Gross Income	20,000	20,000		20,000
Less: Standard deduction	1,134	3,400	1,134	
Federal tax deduction	2,739	2,739	2,739	
Alternate standard			3,873	3,873
Exemptions	1,928	1,928		1,928
Taxable Income	14,199	11,933		14,199
Colorado Tax	773	592		773

* Statistics provided by the Department of Revenue.

The committee recommends proposal A as Bill 8. Bill 8 conforms the state standard deduction to the federal standard deduction levels of \$2,300 for an individual and \$3,400 for married taxpayers.

Bill 9 -- Concerning Joint Tax Returns

Colorado currently has one tax schedule for both individual and married taxpayers. Hence, a family with one income earner can only apply its income to the income tax schedule once, while a family with two income earners can apply each of their incomes separately to the tax schedule, thereby receiving the benefit of the tax schedule twice. Consequently, if a two earner household has the same adjusted gross income as a one earner household, the lack of a joint table results in a lower tax liability for the two earner household and penalizes those families who elect to have one spouse employed as an income earner.

Bill 9 would create the joint tax schedule, thereby eliminating the apparent penalty on single earner households. However, in order to prevent this tax reduction for single earner households from decreasing state income tax revenues, the bill results in a tax increase for two earner households filing under the joint table. The bill further provides that any taxpayer filing a joint federal return must also file a joint Colorado return.

Table VIII is an example of the resulting tax liabilities under the current law and under the proposed bill.

TABLE VIII

Income Tax Liability of Married Taxpayers

	<u>Adjusted Gross Income</u>	<u>Current Tax Liability</u>	<u>Proposed Bill, Tax Liability</u>	<u>Change</u>
Couple A one income earner	20,000	\$ 769	\$ 653	\$ -116
Couple B two income earners	20,000	538	653	+115
husband	10,000	269		
wife	10,000	269		

As Table VIII indicates, the proposed bill equalizes the income tax liability among married taxpayers by decreasing the income tax liability of the married couple with one income earner while increasing the liability for married couples with both individuals producing income. To hold all married taxpayers harmless (no married couple would receive a tax increase), the additional adjustments to the proposed joint schedule would reduce state revenue by approximately \$75 million.

Bill 10 -- Concerning a Decrease in the State Income Tax

The current income tax brackets were adopted in 1964. No changes have occurred in the brackets since that time, however, since 1978 the annual inflation factor (AIF) has annually increased the brackets.

Bill 10 would increase the income tax brackets from the current \$1,000 increments to \$1,400 increments in 1981 and \$1,600 increments in 1982. All of these base amounts are subject to the annual inflation factor. Table IX is a comparison of the Colorado tax brackets under current law and under Bill 10 for 1981 and 1982.

The fiscal impact of Bill 10 is approximately \$34 million for fiscal year 1981-82 and \$52 million for fiscal year 1982-83.

TABLE IX

PROPOSED TAX BRACKETS UNDER BILL 10

Statutory Tax Brackets	1981		1982	
	Actual Brackets With Indexing 1/	Proposed Brackets With Bill 2/	Actual Brackets With Indexing 1/	Proposed Brackets With Bill 2/
Not over \$1,000	Not over \$1310	Not over \$1484	Not over \$1389	Not over \$1696
Over 1,000 to 2,000	Over 1,310 to 2,621	Over 1,484 to 2,968	Over 1,389 to 2,778	Over 1,696 to 3,392
Over 2,000 to 3,000	Over 2,621 to 3,931	Over 2,968 to 4,452	Over 2,778 to 4,167	Over 3,392 to 5,088
Over 3,000 to 4,000	Over 3,931 to 5,242	Over 4,452 to 5,936	Over 4,167 to 5,556	Over 5,088 to 6,784
Over 4,000 to 5,000	Over 5,242 to 6,552	Over 5,936 to 7,420	Over 5,556 to 6,945	Over 6,784 to 8,480
Over 5,000 to 6,000	Over 6,552 to 7,862	Over 7,420 to 8,904	Over 6,945 to 8,334	Over 8,480 to 10,176
Over 6,000 to 7,000	Over 7,862 to 9,173	Over 8,904 to 10,388	Over 8,334 to 9,723	Over 10,176 to 11,872
Over 7,000 to 8,000	Over 9,173 to 10,483	Over 10,388 to 11,872	Over 9,723 to 11,112	Over 11,872 to 13,568
Over 8,000 to 9,000	Over 10,483 to 11,794	Over 11,872 to 13,356	Over 11,112 to 12,501	Over 13,568 to 15,264
Over 9,000 to 10,000	Over 11,794 to 13,104	Over 13,356 to 14,840	Over 12,501 to 13,890	Over 15,264 to 16,960
Over 10,000	Over 13,104	Over 14,840	Over 13,890	Over 16,960

1/ Reflects cumulative indexing at 106% -- 1978
 107% -- 1979
 109% -- 1980
 106% -- thereafter

2/ Section 39-22-103.5 of Bill 9 provides that indexing will not be cumulative for 1981 and 1982. Therefore, the statutory 106% AIF is used to project bracket amounts in each year.

Bill 11 -- Concerning the Surtax on Dividends and Interest - Repeal

The state surtax on the gross income of each resident individual is two percent upon that portion of income exceeding \$15,000 that is derived from dividends and interest during the taxable year.

The surtax was part of the original state income tax law enacted in 1937. It was considered a replacement for the previous state ad valorem tax on intangible property which was repealed the same year. The original law did not permit any income exemption from the surtax. In 1943, the surtax law was amended to permit a \$200 exemption of interest income from the tax. Since 1943, the General Assembly has increased the exemption amount to its present level of \$15,000. The following is an outline of the historical development of the surtax:

- Prior to 1937 -- Property tax on intangible personal property (no surtax)
- 1937 -- Two percent surtax on intangible income required as part of the newly enacted state income tax law (no exemption)
 - Property tax on intangible property repealed
- 1943 -- Intangible income exemption of \$200 per taxpayer was established
- 1951 -- Intangible income exemption was increased from \$200 to \$600
- 1959 -- Intangible income exemption was increased from \$600 to \$5,000
- 1978 -- House Bill 1181, repealing the surtax, passed the legislature but was vetoed by the Governor
- 1979 -- Intangible income exemption was increased from \$5,000 to \$15,000

Arguments for retention of the surtax can be summarized as:

- the surtax was enacted as a replacement tax for the tax on intangibles and therefore should be retained.
- most of the tax is paid by people with high incomes
 - those with the greatest ability to pay the tax.

Arguments for repeal of the surtax can be summarized as:

- the tax is inequitable because it singles out a group of people for an additional tax.
- even with an exemption of \$15,000 a number of retired people who rely on savings and other investment income will be taxed.

The estimated fiscal impact of repealing the surtax is \$4 million.

Bill 12 -- Concerning an Income Tax Credit for Persons who are Mentally Retarded

The only difference between Colorado personal exemptions and the federal personal exemptions is Colorado's additional exemption for a resident individual who claims a mentally retarded dependent. The amount of the exemption -- \$850, multiplied by the annual inflation factor (AIF), can be changed to an income tax credit or refund of equal value. Making the change would conform Colorado's personal exemptions with federal personal exemptions and allow a Colorado taxpayer to simply transfer his amount of federal exemptions to the Colorado income tax return rather than calculate the personal exemptions for the Colorado return.

The amount of the credit of equal value to the current exemption is \$84, multiplied by the annual inflation factor. The estimated fiscal impact of the change from the personal exemption to the credit is less than \$100,000.

Bill 12 changes the personal exemption for a mentally retarded dependent from \$850 multiplied by the AIF to a credit or refund against income taxes of \$84.00 multiplied by the AIF.

Bill 13 -- Concerning Estimated Income Taxes

Over eighty percent of individual income earners have money withheld from their paychecks to offset their year ending income tax liability. The remaining individuals who do not have money withheld from their paycheck, and all corporations, are required to make a yearly declaration of their estimated tax liability if that liability is likely to exceed \$200 for individuals or \$1,000 for corporations. After a declaration is made, quarterly payments are sent to the Department of Revenue to offset their year ending income tax liability.

The \$200 and \$1,000 minimum levels of estimated income tax liability requiring the declaration have become outdated due to inflation. Increasing the levels would cut down the number of declarations and quarterly payments required of individuals and corporations with relatively low amounts of income tax liability.

Bill 13 increases the amount of estimated income tax liability required to file a declaration of estimated tax with the Department of Revenue from \$200 to \$500 for individuals and from \$1,000 to \$2,500 for corporations.

Biennial Tax Profile Study

The Department of Revenue compiles a 20,000 return sample of income tax returns for the tax Profile Study and the Statistics of Income report which is contracted to private consultants through the

Legislative Council. The data is compiled by part-time staff at the department since the study is usually done every other year. The data is then forwarded to the private consultants who publish the reports. The department also utilizes the data file for estimating the fiscal impact of legislative proposals and forecasting state revenue receipts.

Because of the annual effects of indexing (annual inflation factor), and other legislative changes to the tax structure, more accurate fiscal notes and estimates of revenue would be generated by compiling the data base annually rather than biennially. Statistics on corporate income tax liability could also be compiled by a full-time staff. The cost of retraining temporary personnel every two years could also be avoided.

The cost of employing seven full-time employees would be about \$66,000 in personal services, \$4,000 for operating expenses, and \$2,600 for capital outlay for a total cost of \$72,600. If a full time staff were returned, the department would also have the capability to regularly analyze the data base and produce the Statistics of Income report for the Legislative Council if authorized to do so. Currently, the Council contracts with a private consultant for the analysis of the data file and the publication of the two reports. The study costs about \$125,000 of which \$42,000 goes to the department for compilation of the data file.

The committee voted in favor of recommending to the Joint Budget Committee that the Department of Revenue be allowed to increase its budget by \$72,600 for the purpose of compiling the income tax return sample data annually rather than biennially. A copy of the latter transmitting the recommendation to the JBC is contained in the appendix.

Taxpayer Compliance Proposals

During hearings on income tax simplification, testimony indicated that the state loses tax revenue each year because many people fail to file an income tax return or they do not report total taxes due. Income tax complication and lack of enforcement lead to "fudging" on the income tax return.

The Department of Revenue presented a summary of the department's needs and capabilities with respect to enforcing taxpayer compliance. The department's recommendations for change included changes in the statutes to facilitate administration of current tax laws and to encourage voluntary compliance, and funding for personnel and equipment, space and travel. The department estimates that these changes could generate up to ten dollars of extra revenue for each dollar expended in funding the changes necessary to facilitate greater taxpayer compliance.

The committee took no action regarding the department's recommendations.

STATE-COLLECTED, LOCALLY SHARED
SALES AND USE TAX

History

In 1935, the General Assembly adopted the "Emergency Retail Sales Tax Act of 1935" imposing the state's first tax of two percent on retail sales as an emergency measure during a time of economic depression. The following year, the electorate amended the constitution earmarking 85 percent of the net revenue from the tax on retail sales for the old age pension fund.

In 1956, another constitutional amendment was passed by the voters which provided a "spill over" of the balance of revenue derived from the tax on retail sales into the state general fund after old age pension payments, medical care, and other specified welfare payments were met. These provisions remain in effect.

The rate of the tax on retail sales has been amended since the original act of 1935. Currently the schedule of the state sales tax on commodities and services is:

<u>Amount of sale</u>	<u>Tax</u>
\$.01 including \$.18	No tax
\$.19 including \$.51	1¢
\$.52 including \$.84	2¢
\$.85 including \$1.00	3¢

On sales over one dollar, the tax is three cents on each full dollar of the sales price, plus the tax shown above for the applicable fractional part of a dollar. For FY 1979-80, the revenue generated from the three percent sales and use tax was approximately \$535 million.

A decade after the state adopted the sales and use tax, the City and County of Denver passed the first municipal sales and use tax in Colorado. Afterwards, several other home rule cities enacted a local retail sales and use tax for municipal purposes. Currently, twenty-nine home rule cities collect and enforce their own sales and use tax. The Department of Revenue collects sales and use taxes for 154 local governments and the Regional Transportation District. Appendix D lists the 183 taxing jurisdictions which impose a sales tax, their rate of tax, the effective date of the current rate of tax, the vendor's fee, and the applicability of a use tax.

In the past, interim study committees that have reviewed the state's fiscal policy have discussed the concept of a uniformly based state-collected, locally shared sales and use tax. During the last

interim study on the subject in 1975, disagreement over the appropriate approach to several of the major components of the uniformly based state-collected, locally shared sales and use tax concept barred the committee from achieving any consensus on specific legislation.

Review of the 1980 Session

Since the 1975 interim study, there has been little activity regarding a uniformly based state-collected, locally shared sales and use tax. However, in 1980, five bills regarding the subject were introduced. The five bills and their methods of distributing a portion of the state sales and use tax to counties and municipalities are summarized below.

House Bill 1158

House Bill 1158, sponsored by Representative Schauer, would have established a uniformly based statewide, state-collected, locally shared sales and use tax. The bill differs from the other bills on the subject that were introduced in 1980 because the other measures did not establish a uniform base of state-collected local sales and use tax, they would have simply distributed a percentage of the current state sales and use tax to localities.

House Bill 1158 would not have changed the current rate of sales and use tax in each jurisdiction, but would have allowed the state to collect the sales and use tax and distribute the funds based upon the geographic point of collection.

Provisions of House Bill 1158 would also require that counties and incorporated municipalities conform to the uniform tax base by January 1, 1981. Home rule cities would not have been impacted by the provisions of the bill unless they were to repeal their current local sales and use tax provisions and elect to comply with the uniform tax base and other requirements of House Bill 1158.

House Bill Nos. 1178, 1202, 1223, and 1189

House Bill Nos. 1178, 1202, 1223, and 1189 each proposed to distribute one-third of the current state sales and use tax to counties and municipalities. Each bill would have established a local government revenue fund from the state sales and use tax; but the bills differ as to formulas for distributing the funds available to localities.

House Bill 1178. House Bill 1178, introduced by Representative Taylor, would have distributed revenue based upon geographic point of collection and population. The entire allocation of sales tax would have been distributed according to the geographic point of collection;

however, fifty percent of the use tax would have been distributed according to collection and the remaining fifty percent would have been distributed according to the percentage of population each jurisdiction bears to the total population of the county.

House Bill 1202. House Bill 1202, sponsored by Representative Hamlin, would have distributed both sales and use tax allocations on the basis of the geographic point of collection.

House Bill 1223. House Bill 1223, introduced by Representative Kirscht, would have distributed both sales and use tax allocations based upon the taxes' geographic point of collection and population. Fifty percent of the sales and use tax allocation would have been distributed based on point of collection and the remaining fifty percent would have been distributed based upon the percentage of population each jurisdiction bears to the total population of the county.

House Bill 1189. House Bill 1189, sponsored by Representative Fine, is similar to the previously mentioned three bills but varies in its method of distribution. Funds would have been distributed based upon geographic point of collection and upon population. Fifty percent of the sales and use tax allocation would have been distributed according to the local government's percentage of total state sales and use tax receipts for the immediately preceding completed fiscal year based upon the geographic point of collection. The remaining fifty percent would have been distributed based upon the percentage of population each jurisdiction bears to the total population of the state.

In addition, House Bill 1189 would have established minimum distribution levels of \$1,000 for counties or municipalities with a population of less than 500 and \$2,000 for counties or municipalities with over 500 population.

Table X illustrates the differing formulas of distribution for each of the four bills.

Table X

Methods of Distributing One-Third of the
State Sales and Use Tax to Local Governments

<u>Bill Number</u>	<u>Distribution</u>	
	<u>Sales Tax</u>	<u>Use Tax</u>
<u>House Bill 1178</u>		
Point of Collection	100%	50%
Population (county)	--	50%
<u>House Bill 1202</u>		
Point of Collection	100%	100%
Population	--	--
<u>House Bill 1223</u>		
Point of Collection	50%	50%
Population (county)	50%	50%
<u>House Bill 1189</u>		
Point of Collection	50%	50%
Population (state)	50%	50%
Establishes minimum distribution levels.		

The House Committee on Finance briefly discussed the five bills on February 13, 1980, then recommended an interim study on the subject.

Problems and Alternatives --
Major Issues of a Uniformly Based
State-Collected Locally Shared Sales and Use Tax

Generally, the major issues in a uniformly based state-collected, locally shared sales and use tax concept are a uniform tax base versus local determination of items to be taxed, a uniform tax rate versus local rate options; state versus local collection and administration distribution formulas, and state auditing of collection records. These issues are discussed below.

Uniform Tax Base Versus Local Determination

Under a uniform tax base, all state and local sales and use taxes would be collected on the same goods and services sold. The

state base for sales and use taxes is usually offered as the uniform base to which local entities would conform. Hence any change in the state base would automatically affect local revenues. In the last two sessions of the General Assembly, the state sales and use tax base has been significantly altered. The following changes have been made:

1. Effective January 1, 1980, the state sales tax on food was repealed;
2. The state sales tax on home heating fuels has been repealed for two years (July 1, 1980 - June 30, 1982);
3. Effective July 1, 1979, purchases of machinery and machine tools over \$1,000 and up to specified amounts, were exempted from the state sales tax; and
4. Qualified medical supplies over \$100 were exempt from the state sales tax effective January 1, 1981.

Uniform Tax Rate Versus Local Rate Options

The rate of the sales and use tax could be the same throughout the state regardless of local jurisdictional boundaries, or local governments could be allowed to set their own rate of tax. In the interest of uniformity, a pure uniformly based state-collected locally shared sales and use tax would apply a uniform rate of tax throughout the state.

State Versus Local Collection and Administration

Under the uniformly based state-collected, locally shared sales and use tax, the state would administer and collect the tax for itself as well as all local taxing entities. Local governments would lose control over the administration and collection of the sales and use tax; however, the entire cost of administration and collection would be borne by the state.

Distribution Formulas

A variety of distribution formulas are proposed under a state-collected, locally shared sales and use tax. The most common method is to distribute the sales and use tax funds based upon the geographic point of collection. Another factor often mentioned as a basis for the distribution of the funds is population. Various combinations of point of collection of population, sales ratios, and county versus city considerations add to the issues surrounding the area of distribution formulas.

Auditing of Collection Records

Currently, sales and use tax collection records are audited either at the state or local level. Under the uniformly based state-collected sales and use tax, the state would perform the auditing function.

Popular Arguments For and Against

Several arguments for and against a uniformly based state-collected, locally shared sales and use tax were made before the committee. The more popular arguments on both sides of the issue are presented below.

Popular Arguments For

1. A high degree of conformity between local and state sales tax bases is desirable. If the taxable status of various goods and services differs from community to community, it can produce confusion and distortions in consumer shopping habits and the establishment of "tax islands" (pockets with low, or no sales tax near areas with high sales tax rates).

2. A uniform tax rate and a uniform base would eliminate the confusion to Colorado businessmen who must decide which items are to be taxed and by what jurisdiction -- the state, RTD, cities, and/or counties. Additionally, businesses would only need to report and pay taxes to one taxing authority.

3. Local governments could be losing some revenue because use taxes are sometimes lost when a sale is made within one jurisdiction and delivered outside the jurisdiction where it will be used. The collection of use taxes has not been successful except in the case of automobiles which are registered. This situation would improve under a uniform state system if the tax base and tax rate were the same regardless of local jurisdictional boundaries.

4. The Department of Revenue's staff of auditors would provide a more effective audit program than that provided by each local taxing authority.

5. Collection by one central authority, the Department of Revenue, would reduce the overall cost of collecting the tax.

Popular Arguments Against

1. If the tax rate and tax base were both uniform, there would be a tax increase in communities which presently have either no local sales tax or a rate of tax less than the uniform rate would be.

2. Adoption of the state-collected, locally shared sales and use tax concept in which local governments and the state utilize the same base will require either those entities which presently do not tax the sales on food to do so, or those local entities which presently do tax the sales on food to experience a revenue loss.

3. Determining a distribution formula acceptable to all taxing authorities is difficult.

4. Loss of the right to administer the collection of local sales and use taxes weakens the authority of local home rule and local autonomy.

5. Local governments feel it is essential that they retain the right to set their own rates within a specified statutory maximum rate limitation; a position that is in conflict with a uniform tax rate as a component of a state-collected, locally shared sales and use tax approach.

6. State auditors are not as aggressive as local auditors in assuring compliance by the business community.

7. If state and local governments had been on a uniform sales tax base during the past two sessions, the latitude of the General Assembly in addressing the apparent regressivity of the sales tax would have been limited. The adjustments to the sales tax base could have had severe ramifications on local governments that rely heavily on revenue from local sales taxes.

8. Under many of the proposed distribution formulas, taxes collected in a community would not necessarily return to the point of collection.

Committee Action

After hearing testimony both for and against a uniformly based state-collected, locally shared sales and use tax, it appeared that proponents and opponents have yet to reach an agreeable compromise on the concept. Because of continuing problems surrounding the major issues involved in a uniformly based state-collected, locally shared sales and use tax, the committee voted not to recommend any legislation on the subject.

Additionally, the idea of distributing one-third of state sales and use tax revenue to entities of local government (House Bill Nos. 1178, 1189, 1202, and 1223, 1980 session) was rejected by the committee.

BILLS

BILL 1

A BILL FOR AN ACT

1 CONCERNING PROPERTY TAXATION.

Bill Summary

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

Provides that, effective January 1, 1983, the seven percent revenue raising limitation shall apply to all taxing authorities, including home rule municipalities. Provides for an exception for revenue raised to pay uninsured judgments and maintains the exception for revenue raised to provide for the payment of bonds and interest thereon or for the payment of pension funds by fire protection districts. Further provides that any increase over seven percent must be submitted to and approved by the qualified electors in the taxing authority. Currently, any increase must be submitted to the division of local government in the department of local affairs for review and approval or must be submitted to the electors. Removes the division from the approval procedure and involves the division only to the extent of reviewing and ascertaining the financial condition of the taxing authority. Provides that in order for a county to exceed the statutorily imposed county general fund mill levy limit there must be voter approval. Currently any excess must be approved by the division of local government or by the voters if the division denies approval or fails to so approve within ten days.

Further provides that, effective January 1, 1983, the director of the legislative council, through a contract with a private person, shall conduct a study to determine if each county assessor has utilized all manuals, factors, formulas, and directives in arriving at the valuation for assessment of real and personal property. Such study is currently being conducted by the property tax administrator. The study by the director of the legislative council shall be conducted in the first year of each successive four-year period of the existing property tax

scheme. Continues the current requirement of a one percent sampling in the conduct of the study and the current requirement that not more than eighty-five percent of the average sales price of the sample shall be used in arriving at the final actual value. The study must be submitted to the general assembly and the state board of equalization by September 1 of the year in which the study is conducted.

Makes conforming amendments to clarify the applicability of the seven percent revenue raising limitation.

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

2 SECTION 1. 29-1-301 (1) and (2), Colorado Revised Statutes
3 1973, 1977 Repl. Vol., as amended, are amended, and the said
4 29-1-301 is further amended BY THE ADDITION OF A NEW SUBSECTION,
5 to read:

6 29-1-301. Levies reduced - limitation. (1) Except--as
7 otherwise--provided; All statutory tax levies when applied to the
8 total valuation for assessment of the state, each of the
9 counties, cities, and towns, ~~not-chartered-as-home-rule~~; and each
10 of the fire, sanitation, irrigation, drainage, conservancy, and
11 other special districts established by law shall be so reduced as
12 to prohibit the levying of a greater amount of revenue than was
13 levied in the preceding year plus seven percent, except to
14 provide for the payment of bonds and interest thereon, or for the
15 payment of pension funds by fire protection districts organized
16 pursuant to part 3 of article 5 of title 32, C.R.S. 1973, OR FOR
17 THE PAYMENT OF UNINSURED JUDGMENTS. IN DETERMINING COMPLIANCE
18 WITH THE SEVEN PERCENT LIMIT, THE INCREASED VALUATION FOR
19 ASSESSMENT ATTRIBUTABLE TO ANNEXATION OR INCLUSION OF ADDITIONAL
20 LAND AND THE IMPROVEMENTS THEREON WITHIN THE TAXING DISTRICT FOR

1 THE PRECEDING YEAR OR ATTRIBUTABLE TO NEW CONSTRUCTION WITHIN THE
2 TAXING DISTRICT FOR THE PRECEDING YEAR SHALL BE EXCLUDED.

3 (1.5) All property tax revenues, except such revenues as
4 are exempted in subsection (1) of this section, raised from any
5 property tax levied by a taxing authority, which is subject to
6 this section, shall be combined for the purpose of determining
7 the total amount of property tax revenue which the taxing
8 authority is allowed to raise subject to the limitation imposed
9 by this section. The seven percent limitation shall be applied
10 to such aggregate property tax revenues. No statute establishing
11 a set mill levy or establishing a maximum mill levy or
12 authorizing an additional mill levy for a special purpose shall
13 be construed as authorizing the taxing authority to exceed the
14 seven percent limitation imposed by this section.

15 (2) If an increase over said seven percent is allowed by
16 ~~the division of local government in the department of local~~
17 ~~affairs or~~ voted by the electors of a taxing district under the
18 provisions of section 29-1-302, the increased revenue resulting
19 therefrom shall be included in determining the seven percent
20 limitation in the following year.

21 SECTION 2. 29-1-302 (1) and (2), Colorado Revised Statutes
22 1973, 1977 Repl. Vol., are amended to read:

23 29-1-302. Increased levy - submitted to division of local
24 government for review - to people at election. (1) If any board
25 authorized to levy a tax, except school boards, or any officer
26 charged with the duty of levying a tax in any taxing district is

1 of the opinion that the amount of tax limited by section 29-1-301
2 will be insufficient for the needs of such taxing district for
3 the current year, the question of an increased levy may be
4 submitted to the division of local government in the department
5 of local affairs, and it is its duty to examine the needs of such
6 taxing district and ascertain from such examination the financial
7 condition thereof. and;--if-in-the-opinion-of-the-division-such
8 taxing-district-is-in-need-of-additional-funds;-the-said-division
9 may-grant-an-increased-levy-for-such-taxing--district--above--the
10 limits--specified--in--this--part--3;-and-such-taxing-district-is
11 authorized-to-make-such--excess--levy:---The--division--of--local
12 government--shall--not--under-any-circumstance-grant-an-increased
13 levy-based-upon-increased-valuation-for-assessment-purposes--from
14 reappraisals--in-computing-the-seven-percent-limit;-the-increased
15 valuation--for-assessment-attributable-to-annexation-or-inclusion
16 of-additional-land-and-the-improvements-thereon-within-the-taxing
17 district--for--the--preceding--year--or---attributable---to---new
18 construction--within--the--taxing-district-for-the-preceding-year
19 shall-be-excluded:

20 (2) in-case-the-division-of--local--government--refuses--or
21 fails-within-ten-days-after-submission-to-it-of-an-adopted-budget
22 to--grant--such-increased-levy; IF ANY BOARD AUTHORIZED TO LEVY A
23 TAX, EXCEPT SCHOOL BOARDS, OR ANY OFFICER CHARGED WITH THE DUTY
24 OF LEVYING A TAX IN ANY TAXING DISTRICT IS OF THE OPINION THAT
25 THE AMOUNT OF TAX LIMITED BY SECTION 29-1-301 WILL BE
26 INSUFFICIENT FOR THE NEEDS OF SUCH TAXING DISTRICT FOR THE

1 CURRENT YEAR, the question OF AN INCREASED LEVY may be submitted
2 to the qualified electors of said district at a general or
3 special election called for the purpose and in the manner
4 provided by law for calling special elections in such taxing
5 district. ~~The taxing district may at its discretion submit the~~
6 ~~question of an increased levy directly to an election of the~~
7 ~~qualified electors without first submitting the question of an~~
8 ~~increased levy to the division of local government.~~

9 SECTION 3. 39-1-104, Colorado Revised Statutes 1973, as
10 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

11 39-1-104. Valuation for assessment. (16) Effective
12 January 1, 1983, during the first year of each successive
13 four-year period described in subsections (9) to (11) of this
14 section, the director of research of the legislative council
15 shall contract with a private person for a study to be conducted
16 as set forth in this subsection (16). The study shall be
17 conducted in all counties of the state to determine whether or
18 not the assessor of each county has, in fact, used all manuals,
19 factors, formulas, and other directives required by law to arrive
20 at the valuation for assessment of each and every class of real
21 and personal property in the county. The person conducting the
22 study shall sample at least one percent of the properties in each
23 county of the state. The sampling shall show that the various
24 areas, ages of buildings, economic conditions, and uses of
25 properties have been sampled. Effective January 1, 1983, not
26 more than eighty-five percent of the average sales price of the

1 samples shall be used in arriving at the final actual value.
2 Such study shall be completed, and a final report of the findings
3 and conclusions thereof shall be submitted to the general
4 assembly and the state board of equalization by September 1 of
5 the year in which the study is conducted.

6 SECTION 4. 2-3-304, Colorado Revised Statutes 1973, 1980
7 Repl. Vol., is amended to read:

8 2-3-304. Director of research - assistants. The council
9 shall appoint a director of research who shall be responsible to
10 the council for the collection and assembling of all data and for
11 the preparation of reports, recommendations, and bills. He
12 shall, subject to the general policies of the council, have
13 administrative direction over the activities of the council. He
14 shall be paid a salary determined by the council. He shall be an
15 employee of the general assembly and shall not be subject to the
16 state personnel system laws. He shall be appointed without
17 reference to party affiliation and solely on the basis of his
18 ability to perform the duties of the position. The director of
19 research, with approval of the council, may appoint such
20 additional professional, technical, clerical, or other employees
21 necessary to perform the functions assigned to the director of
22 research by the council. EFFECTIVE JANUARY 1, 1983, THE DIRECTOR
23 OF RESEARCH SHALL CONTRACT, PURSUANT TO SECTION 39-1-104 (16),
24 C.R.S. 1973, FOR THE PROPERTY TAX STUDY TO BE CONDUCTED AS
25 REQUIRED IN SAID SUBSECTION (16).

26 SECTION 5. 39-2-114 (1), Colorado Revised Statutes 1973, as

1 amended, is amended to read:

2 39-2-114. Reappraisal - when - procedures. (1) Whenever
3 the-results-of-the-annual-study-by-the--administrator--show--that
4 any-class-or-subclass-of-taxable-property-in-any-county-or-in-any
5 town;--city;--school-district;--or-special-district-located-therein
6 has-not-been--appraised--and--valued--for--assessment--using--all
7 manuals;--factors;--formulas;--and-other-directives-required-by-law
8 and-a-reappraisal-is-required; the administrator shall--petition
9 PETITIONS the board for its order of reappraisal of such ANY
10 CLASS OR SUBCLASS OF TAXABLE property for the following taxable
11 year, and THE ADMINISTRATOR shall send a copy of such petition to
12 the assessor of the county in which such class or subclass of
13 property is located. The petition of reappraisal shall include
14 the reasons for such reappraisal, and the administrator has the
15 duty to establish to the satisfaction of the board the need for
16 such reappraisal. The board shall conduct a hearing on such
17 petition, at which hearing the assessors shall attend and shall
18 give such testimony and present such evidence as the board may
19 require.

20 SECTION 6. Repeal. 39-2-109 (1)(c), Colorado Revised
21 Statutes 1973, as amended, is repealed.

22 SECTION 7. 39-9-103 (1), Colorado Revised Statutes 1973, is
23 amended to read:

24 39-9-103. Duties of state board - enforcement. (1) It is
25 the duty of the state board of equalization to examine and review
26 the valuations for assessment of taxes upon the various classes

1 and subclasses of taxable real and personal property located in
2 the several counties of the state as reflected in the abstract of
3 assessment of each county, the decisions of the board of
4 assessment appeals, and the recommendations of the property tax
5 administrator, AND, EFFECTIVE JANUARY 1, 1983, THE STUDY
6 CONDUCTED BY THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL
7 PURSUANT TO SECTION 39-1-104 (16).

8 SECTION 8. 39-5-121 (1), Colorado Revised Statutes 1973, as
9 amended, is amended to read:

10 39-5-121. Notice of increased valuation. (1) No later
11 than May 24 in each year, the assessor shall mail to each person
12 whose taxable personal property has been valued at an amount
13 greater than that returned by him in his personal property
14 schedule and to each person whose land or improvements have been
15 valued at an amount greater than the same were valued in the
16 previous year a notice setting forth the amount of such increase
17 in valuation, WHICH SHALL BE REFERRED TO AS "VALUATION FOR
18 ASSESSMENT". The notice shall state: ~~in--bold-faced--type;--that~~
19 ~~the--taxpayer-has-the-right-to-protest-such-increase-in-valuation~~
20 ~~and-the-dates-and-places-at-which-the--assessor--will--hear--such~~
21 ~~protest;~~

22 (a) IN BOLD-FACED TYPE, THAT THE TAXPAYER HAS THE RIGHT TO
23 PROTEST SUCH INCREASE IN THE VALUATION FOR ASSESSMENT, AND SUCH
24 NOTICE SHALL INCLUDE THE DATES AND PLACES AT WHICH THE ASSESSOR
25 WILL HEAR SUCH PROTEST;

26 (b) IN CAPITOL LETTERS AND BOLD-FACED TYPE AND SET APART

1 FROM OTHER INFORMATION, THE FOLLOWING:

2 "YOUR VALUATION FOR ASSESSMENT IS BASED UPON THE PRESUMED
3 VALUE OF YOUR PROPERTY DURING A SPECIFIED BASE YEAR WHICH
4 CURRENTLY IS 19___. THE VALUATION FOR ASSESSMENT IS THE AMOUNT TO
5 WHICH YOUR LOCAL MILL LEVY IS APPLIED. THE LOCAL MILL LEVY IS
6 DETERMINED BY THE COUNTY, MUNICIPALITY, SCHOOL DISTRICT, AND
7 SPECIAL DISTRICTS IN WHICH YOUR PROPERTY IS LOCATED. YOUR
8 VALUATION FOR ASSESSMENT MULTIPLIED BY THE LOCAL MILL LEVY
9 RESULTS IN YOUR PROPERTY TAX LIABILITY FOR 19___.

10 (DETERMINING VALUATION FOR ASSESSMENT OF OTHER CLASSES OF
11 PROPERTY IN COLORADO MAY VARY FROM THE ABOVE FORMULA.)"; AND

12 (c) THE FOLLOWING:

13 "COMPUTATION OF VALUATION FOR ASSESSMENT

14 STATE LAW SETS FORTH THE PROCEDURE FOR DETERMINING YOUR
15 VALUATION FOR ASSESSMENT. THE FOLLOWING EXAMPLE WILL ILLUSTRATE
16 HOW THE ASSESSOR ARRIVES AT THE VALUATION FOR ASSESSMENT OF
17 RESIDENTIAL PROPERTY.

18	\$ 27,000	19__ BASE YEAR VALUE
19	<u>x 85%</u>	15% STATUTORY REDUCTION
20	22,950	19__ BASE YEAR ACTUAL VALUE
21	<u>x 30%</u>	VALUATION FOR ASSESSMENT FACTOR
22	6,885	VALUATION FOR ASSESSMENT".

23 SECTION 9. 25-3-301 (1), Colorado Revised Statutes 1973, is
24 amended to read:

25 25-3-301. Establishment of public hospital. (1) Whenever
26 the board of county commissioners of any county which has a

1 population of at least three thousand is presented with a
2 petition signed by five hundred resident registered qualified
3 electors, or by fifty percent of the resident registered
4 qualified electors of such county, at least two hundred fifty of
5 whom are residents of other than the county seat or town where it
6 is proposed to locate such public hospital, asking that a public
7 hospital board be appointed and that an annual tax be levied for
8 the establishment and maintenance of a public hospital at a place
9 in the county named therein, and which petition shall specify the
10 maximum amount of money proposed to be expended in purchasing or
11 building said hospital, such board of county commissioners shall
12 have the power to create, by resolution, such public hospital
13 board, to levy such tax, and to appropriate to such public
14 hospital board the funds for purchasing or building such hospital
15 and for maintaining the hospital, as well as the power to turn to
16 the control and maintenance of such public hospital board any
17 public or other hospital then being conducted by the board of
18 county commissioners. Said tax shall not exceed three mills on
19 the dollar for each year. ANY REVENUE RAISED FROM A TAX LEVIED
20 PURSUANT TO THIS SECTION SHALL BE PART OF THE TOTAL COUNTY
21 PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT
22 OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION
23 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

24 SECTION 10. 26-1-125, Colorado Revised Statutes 1973, as
25 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:
26 26-1-125. County social services levy - limitations.

1 (4) Any revenue raised from a tax levied pursuant to this
2 section shall be part of the total county property tax revenues
3 for the purpose of determining the amount of property tax revenue
4 which can be raised pursuant to section 29-1-301, C.R.S. 1973,
5 unless excepted in such section.

6 SECTION 11. 27-11-103 (1) (a), Colorado Revised Statutes
7 1973, as amended, is amended to read:

8 27-11-103. Appropriation - purchase of services.

9 (1) (a) Each year the general assembly shall appropriate funds
10 to purchase services for the mentally retarded and seriously
11 handicapped from community center board corporations, for profit
12 or not for profit, or accredited nonprofit sheltered workshops
13 which have been approved by the department of institutions on the
14 basis of five percent local funding to be matched by ninety-five
15 percent state funding less any federal or cash funds received for
16 general operating expenses from any other state or federal source
17 and less the required local school district funds as provided
18 under subsection (3) of this section. The yearly appropriation,
19 when combined with all other sources of funding, including local,
20 federal, other state, and school district funds, shall in no case
21 exceed one hundred percent of the approved program costs as
22 determined by the general assembly. Funds that are received for
23 capital construction, specific research, or enrichment programs
24 which do not create a requirement for future state funding shall
25 not be considered in the calculation for the distribution of
26 funds under the provisions of this section. Boards of county

1 commissioners may levy up to one-half mill for the purpose of
2 purchasing services for the mentally retarded and seriously
3 handicapped from community center boards, corporations, for
4 profit or not for profit, or accredited nonprofit sheltered
5 workshops which have been approved by the department of
6 institutions. ANY REVENUE RAISED FROM A TAX LEVIED BY A BOARD OF
7 COUNTY COMMISSIONERS PURSUANT TO THIS PARAGRAPH (a) SHALL BE PART
8 OF THE TOTAL COUNTY PROPERTY TAX REVENUES FOR THE PURPOSE OF
9 DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
10 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
11 IN SUCH SECTION.

12 SECTION 12. 30-6-109, Colorado Revised Statutes 1973, 1977
13 Repl. Vol., is amended to read:

14 30-6-109. Liabilities of annexed territory. The territory
15 so stricken off from any county and annexed to the adjoining
16 county shall be held to pay its ratable proportion of all then
17 existing liabilities of the county from which it has been taken.
18 Such ratable proportion of liabilities, as soon as the
19 proclamation has been made, shall be fixed by the board of county
20 commissioners of the county from which it is taken, and certified
21 to the board of county commissioners of the county of which it
22 becomes a part; and said board of county commissioners of the
23 last mentioned county shall cause a special tax to be levied upon
24 the property subject to taxation in such annexed territory for
25 one, two, or three years, until such ratable proportion has been
26 fully collected and paid, and the money, when collected, shall be

1 refunded to the county from which the territory has been taken.
2 ANY REVENUE RAISED FROM SUCH SPECIAL TAX SHALL BE PART OF THE
3 TOTAL COUNTY PROPERTY TAX REVENUES OF THE COUNTY FROM WHICH THE
4 TERRITORY HAS BEEN TAKEN FOR THE PURPOSE OF DETERMINING THE
5 AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE RAISED BY SUCH COUNTY
6 PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN
7 SUCH SECTION.

8 SECTION 13. 30-10-513, Colorado Revised Statutes 1973, 1977
9 Repl. Vol., is amended to read:

10 30-10-513. Sheriff in charge of forest or prairie fire -
11 expenses. It is the duty of the sheriff, undersheriffs, and
12 deputies, in case of any forest or prairie fire, to assume charge
13 thereof or to assist other governmental authorities in such
14 emergencies for controlling and extinguishing such fires, and,
15 for assisting in so doing, they may call to their aid such person
16 as they may deem necessary. The state forester may assume said
17 duty with concurrence of the sheriff. The board of county
18 commissioners of any county may allow the sheriff, undersheriffs,
19 deputies, fire departments called out of their fire protection
20 districts, and such other persons as may be called to assist in
21 controlling and extinguishing such fires such compensation and
22 other expenses necessarily incurred as it may deem just. The
23 board of county commissioners of any county in this state may
24 make such appropriation as to it may seem proper for the purpose
25 of controlling fires in its county; and the boards of county
26 commissioners are authorized to levy a special tax on the taxable

1 property within their respective counties for the purpose of
2 creating a fund, not exceeding ten thousand dollars in any one
3 year, for the purpose of preventing, controlling, or
4 extinguishing any fires in their respective counties. ANY
5 REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS SECTION SHALL
6 BE PART OF THE TOTAL COUNTY PROPERTY TAX REVENUES FOR THE PURPOSE
7 OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
8 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
9 IN SUCH SECTION.

10 SECTION 14. 30-11-107 (1) (d), Colorado Revised Statutes
11 1973, 1977 Repl. Vol., is amended to read:

12 30-11-107. Powers of the board. (1) (d) To apportion and
13 order the levying of taxes as provided by law, and to contract
14 loans in the name and for the benefit of the county for the
15 purpose of erecting necessary public buildings and making or
16 repairing public roads or bridges, when such loans have been
17 authorized by a vote of the legal voters of the county; EXCEPT
18 THAT ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS
19 PARAGRAPH (d) SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX
20 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
21 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
22 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION;

23 SECTION 15. 30-11-406 (1) (e), Colorado Revised Statutes
24 1973, 1977 Repl. Vol., is amended to read:

25 30-11-406. Powers of law enforcement authority.
26 (1) (e) To levy a tax not to exceed three mills on the taxable

1 property within the area of the authority, for the payment of the
2 operating expenses of the authority. ANY REVENUE RAISED FROM A
3 TAX LEVIED PURSUANT TO THIS PARAGRAPH (e) SHALL BE PART OF THE
4 TOTAL COUNTY PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING
5 THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT
6 TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH
7 SECTION.

8 SECTION 16. 30-11-504 (4), Colorado Revised Statutes 1973,
9 1977 Repl. Vol., is amended to read:

10 30-11-504. Development of proposed charter. (4) The board
11 of county commissioners is authorized to establish a special
12 county charter fund and establish a mill levy therefor when the
13 charter commission has submitted a preliminary budget approved by
14 the board of county commissioners. ANY REVENUE RAISED FROM A TAX
15 LEVIED PURSUANT TO THIS SUBSECTION (4) SHALL BE PART OF THE TOTAL
16 COUNTY PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE
17 AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO
18 SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.
19 The expenses of the charter commission shall be verified by a
20 majority vote of the commission and shall be submitted to the
21 board of county commissioners for approval, which approval shall
22 not be unreasonably withheld. If approved, payment shall be made
23 from the special county charter fund. The charter commission may
24 employ a staff, may consult and retain experts, and may purchase,
25 lease, or otherwise provide for such supplies, materials,
26 equipment, and facilities as it deems necessary or desirable.

1 The board of county commissioners may accept funds, grants,
2 gifts, and services for the charter commission from the state of
3 Colorado, the government of the United States or any of its
4 agencies, or other sources, public or private.

5 SECTION 17. 30-20-115, Colorado Revised Statutes 1973, 1977
6 Repl. Vol., is amended to read:

7 30-20-115. County solid wastes disposal site and facility
8 fund - tax. Any county is authorized to establish a county solid
9 wastes disposal site and facility fund. The board of county
10 commissioners of such county may levy a solid wastes disposal
11 site and facility tax, in addition to any other tax authorized by
12 law, on any of the taxable property within said county, the
13 proceeds of which shall be deposited to the credit of said fund
14 and appropriated to pay the cost of land, labor, equipment, and
15 services needed in the operation of solid wastes disposal sites
16 and facilities. Any county is also authorized, after a public
17 hearing, to fix, modify, and collect service charges from users
18 of solid wastes disposal sites and facilities for the purpose of
19 financing the operations at those sites and facilities. ANY
20 REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS SECTION SHALL
21 BE PART OF THE TOTAL COUNTY PROPERTY TAX REVENUES FOR THE PURPOSE
22 OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
23 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
24 IN SUCH SECTION.

25 SECTION 18. 30-20-203 (1) (a), Colorado Revised Statutes
26 1973, 1977 Repl. Vol., is amended to read:

1 30-20-203. Powers. (1) (a) Shall in each year determine
2 the amount of money necessary to be raised by taxation after
3 taking into consideration all sources of revenue of the district
4 and shall fix, in addition to such other taxes as may be levied
5 by such board of county commissioners, a rate of levy, not to
6 exceed one-half mill, to be levied upon every dollar of valuation
7 for assessment of the property within the district, which levy,
8 together with other revenues of the district, will raise the
9 amount required by the district annually to supply funds for
10 paying the expenses, acquisition of equipment, costs of
11 operation, maintenance, and employment of personnel therefor;
12 EXCEPT THAT ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS
13 PARAGRAPH (a) SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX
14 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
15 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
16 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

17 SECTION 19. 30-20-514, Colorado Revised Statutes 1973, 1977
18 Repl. Vol., is amended to read:

19 30-20-514. Power to levy taxes. In addition to the other
20 means of providing revenue for such districts, the board has the
21 power to levy and collect ad valorem taxes on and against all
22 taxable property within the district. Such power shall not
23 prevent the issuance of obligations payable solely from the
24 income of revenue-producing facilities. ANY REVENUE RAISED FROM
25 SUCH TAXES SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX
26 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY

1 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
2 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

3 SECTION 20. 30-20-516, Colorado Revised Statutes 1973, 1977
4 Repl. Vol., is amended to read:

5 30-20-516. Levies to cover deficiencies. The board, in
6 fixing and determining the rate of levy, shall take into account
7 the maturing indebtedness for the current and ensuing year on the
8 contracts, bonds, interest on bonds, deficiencies, and defaults
9 of prior years of the district, and shall make provision for the
10 payment thereof. In case the money produced from such levy,
11 together with other revenues of the district, is not sufficient
12 to punctually meet the payments on the contracts, bonds, and
13 interest on bonds of the district, and to pay defaults and
14 deficiencies of the district, then the board, from year to year,
15 shall make such additional levies of taxes as may be necessary
16 for meeting such payments, and notwithstanding any limitations,
17 such levies shall be made and continued until the indebtedness of
18 the district is fully paid. ANY REVENUE RAISED FROM A TAX LEVIED
19 PURSUANT TO THIS SECTION SHALL BE PART OF THE TOTAL COUNTY
20 PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT
21 OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION
22 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

23 SECTION 21. 30-20-703 (1) (a), Colorado Revised Statutes
24 1973, 1977 Repl. Vol., is amended to read:

25 30-20-703. Powers of county commissioners. (1) (a) Levy a
26 tax on all real and personal property situated within the

1 district not to exceed one mill, the proceeds of which shall be
2 used within the district for operation, maintenance, capital
3 improvements, acquisition of additional property, and employment
4 of a staff to supervise a program of activities, EXCEPT THAT SUCH
5 PROCEEDS SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX REVENUES
6 FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
7 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,
8 UNLESS EXCEPTED IN SUCH SECTION; and receive gifts of money or
9 property for construction and operation of recreational
10 facilities and programs; but, if the recreational district
11 comprises the entire county, the board of county commissioners is
12 authorized to appropriate from the general fund for this purpose
13 and no special levy is authorized.

14 SECTION 22. 30-24-104, Colorado Revised Statutes 1973, 1977
15 Repl. Vol., is amended to read:

16 30-24-104. County agricultural fund. The boards of county
17 commissioners of the several counties are authorized to establish
18 a county agricultural fund. This fund may be created out of the
19 county general fund, and repayment of this fund may be made
20 through a county agricultural research tax levy. ANY REVENUE
21 RAISED FROM SUCH COUNTY AGRICULTURAL RESEARCH TAX SHALL BE PART
22 OF THE TOTAL COUNTY PROPERTY TAX REVENUES FOR THE PURPOSE OF
23 DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
24 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
25 IN SUCH SECTION.

26 SECTION 23. 30-25-107, Colorado Revised Statutes 1973, 1977

1 Repl. Vol., is amended to read:

2 30-25-107. Contingent fund. The board of county
3 commissioners is authorized to establish a contingent fund to
4 provide for expenditures caused by an act of God, or the public
5 enemy, or some contingency that could not have been reasonably
6 foreseen at the time of adoption of the budget, to redeem
7 outstanding warrants lawfully issued, and shall fix rates of levy
8 annually for such fund. ANY REVENUE RAISED FROM A TAX LEVIED
9 PURSUANT TO THIS SECTION SHALL BE PART OF THE TOTAL COUNTY
10 PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT
11 OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION
12 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

13 SECTION 24. 30-25-201 (3), Colorado Revised Statutes 1973,
14 1977 Repl. Vol., is amended, and the said 30-25-201 is further
15 amended BY THE ADDITION OF A NEW SUBSECTION, to read:

16 30-25-201. Tax levy for county fund purposes. (1.5) Any
17 revenue raised by a tax levied for the creation of the county
18 general fund shall be part of the total county property tax
19 revenues for the purpose of determining the amount of property
20 tax revenue which can be raised pursuant to section 29-1-301,
21 C.R.S. 1973, unless excepted in such section.

22 (3) ~~in--case--the--division--of--local--government--refuses--or~~
23 ~~fails;--within--ten--days--after--submission--to--it--of--an--adopted~~
24 ~~budget;--to--grant--such--increased--levy;--the--question~~ IF ANY BOARD
25 OF COUNTY COMMISSIONERS IS OF THE OPINION THAT THE AMOUNT OF TAX
26 LIMITED BY SUBSECTION (1) OF THIS SECTION WILL BE INSUFFICIENT

1 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

2 SECTION 26. 34-51-117 (1), Colorado Revised Statutes 1973,
3 is amended to read:

4 34-51-117. Board may levy tax. (1) In order to provide
5 for the payment of the expenses of a drainage system and for the
6 payment of any issue of bonds, the board of supervisors has power
7 to levy and cause to be collected a tax upon all mining claims
8 within the district. Such tax shall be voted only at a regular
9 meeting of the board and shall not exceed in any one year fifty
10 mills on every dollar of valuation as shown by the assessment
11 roll of the county assessor. ANY REVENUE RAISED FROM A TAX
12 LEVIED PURSUANT TO THIS SUBSECTION (1) SHALL BE PART OF THE TOTAL
13 DISTRICT PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE
14 AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO
15 SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

16 SECTION 27. 35-5-111 (1), Colorado Revised Statutes 1973,
17 is amended to read:

18 35-5-111. Reports of acreage infested - county tax levy -
19 fund - allocation. (1) The commissioner is directed, and it is
20 his duty, to ascertain each year, from reports of the inspectors
21 and other sources, the approximate amount of land and highways
22 infested with the most troublesome noxious weeds, insect pests,
23 or plant diseases, and their location, and transmit such
24 information tabulated by counties, not later than July 1 of each
25 year, to the board of county commissioners of each county
26 affected by such infestation. On the basis of such information,

1 FOR THE NEEDS OF SUCH COUNTY FOR THE CURRENT YEAR, THE QUESTION
2 OF AN INCREASED LEVY may be submitted to a vote of those persons
3 qualified to vote on authorization of bonded indebtedness within
4 said county at a general or at a special election called for the
5 purpose and in the manner provided by law for calling special
6 elections in such county.

7 SECTION 25. 30-25-202 (2), Colorado Revised Statutes 1973,
8 1977 Repl. Vol., is amended to read:

9 30-25-202. Public works - fund - tax levy - purpose.

10 (2) If the amount needed does not require a tax levy in excess
11 of three mills, the board of county commissioners is authorized,
12 after a public hearing, to make such a levy without putting the
13 proposition to a vote, as provided in this subsection (2). If a
14 special levy in excess of three mills for any one fiscal year is
15 required, the board of county commissioners, by resolution, in
16 its discretion may submit the question of making such a special
17 levy to a vote of those persons qualified to vote on
18 authorization of bonded indebtedness of the county. Such
19 election shall be held, and the results thereof determined, in
20 the manner required for authorization of bonded indebtedness in
21 accordance with part 3 of article 26 of this title. Said
22 election may be held on the same day as any other special or
23 general election. ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT
24 TO THIS SECTION SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX
25 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
26 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,

1 the board of county commissioners of each county may make a tax
2 levy each year on real property for the purpose of paying the
3 cost of noxious weed, insect pest, or plant disease control or
4 eradication in a district of the county as provided by this
5 section, but such levy shall not exceed two mills in any one
6 year. ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS
7 SUBSECTION (1) SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX
8 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
9 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
10 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

11 SECTION 28. 35-7-201 (2), Colorado Revised Statutes 1973,
12 is amended to read:

13 35-7-201. Control and eradication of rodents. (2) The
14 boards of county commissioners of the several counties of this
15 state are authorized to levy such taxes as are necessary to pay
16 the obligations for rodent control work as authorized under this
17 section and to put into operation any plan of procedure for the
18 eradication of such rodent pests within their jurisdictions as in
19 their discretion is deemed advisable; except that control
20 operations under the provisions of this section shall be in
21 accordance with the approved procedure of the bureau of sport
22 fisheries and wildlife of the United States department of the
23 interior. ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS
24 SECTION SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX REVENUES
25 FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
26 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,

1 UNLESS EXCEPTED IN SUCH SECTION. The boards of county
2 commissioners may solicit cooperation from the state board of
3 stock inspection commissioners and the bureau of sport fisheries
4 and wildlife of the United States department of the interior, for
5 the conduct of such rodent control work and may enter into
6 cooperative agreements with the board of stock inspection
7 commissioners and said bureau for the furtherance of the rodent
8 control work authorized under this section.

9 SECTION 29. 35-7-202 (2), Colorado Revised Statutes 1973,
10 is amended to read:

11 35-7-202. Control and eradication of predatory animals.

12 (2) The boards of county commissioners of the several counties
13 of the state are authorized to levy such taxes as are necessary
14 to pay the obligations for such predatory animal control work as
15 authorized by this section and to put into operation any plan of
16 procedure for the eradication of such predatory animals within
17 their jurisdictions as in their discretion is deemed advisable.

18 ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS SUBSECTION
19 (2) SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX REVENUES FOR
20 THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
21 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,
22 UNLESS EXCEPTED IN SUCH SECTION.

23 SECTION 30. 24-90-112 (1) (a) (I) and (1) (a) (II),
24 Colorado Revised Statutes 1973, as amended, are amended to
25 read:

26 24-90-112. Tax support - elections. (1) (a) (I) The

1 legislative body of any incorporated city or town is hereby
2 authorized to levy a tax of not more than one and one-half mills
3 for municipal libraries upon real and personal property for the
4 establishment and maintenance of a public library. ANY REVENUE
5 RAISED FROM A TAX LEVIED PURSUANT TO THIS SUBPARAGRAPH (I) SHALL
6 BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX REVENUES FOR THE
7 PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH
8 CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS
9 EXCEPTED IN SUCH SECTION.

10 (II) The board of county commissioners of any of the
11 several counties is hereby authorized to levy a tax of not more
12 than one and one-half mills for county libraries and library
13 districts upon real and personal property for the establishment
14 and maintenance of county libraries and library districts. ANY
15 REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS SUBPARAGRAPH
16 (II) SHALL BE PART OF THE TOTAL COUNTY PROPERTY TAX REVENUES FOR
17 THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
18 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,
19 UNLESS EXCEPTED IN SUCH SECTION.

20 SECTION 31. 29-4-104 (1) (c), Colorado Revised Statutes
21 1973, 1977 Repl. Vol., is amended to read:

22 29-4-104. Powers of cities to undertake projects.

23 (1) (c) To assess, levy, and collect unlimited ad valorem taxes
24 on all property subject to taxation to pay the bonds and the
25 interest thereon issued to finance any housing project of the
26 city, and to pay the obligations incurred by the city in

1 connection with any lease to it of a housing project or of real
2 or personal property for the purposes of a housing project;
3 EXCEPT THAT ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS
4 PARAGRAPH (c) SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX
5 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
6 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
7 UNLESS EXCEPTED IN SUCH SECTION;

8 SECTION 32. 31-2-109, Colorado Revised Statutes 1973, 1977
9 Repl. Vol., is amended to read:

10 31-2-109. Assessment - taxes - collection. When any
11 municipality incorporates under the provisions of this title or
12 any municipality reorganizes under the provisions of part 3 of
13 this article after the time for making the annual assessment for
14 taxation has passed, the governing body of each such city or town
15 may provide, by ordinance or resolution, for the assessment of
16 taxable property within the corporate limits of said city or
17 town. When such assessment is made and approved by the governing
18 body, it may proceed to levy the necessary taxes for the fiscal
19 year, which levy shall be certified by the clerk of such city or
20 town to the county assessor, who shall extend the same upon the
21 tax list of the current year, as required by section 31-20-104.
22 The county treasurer shall proceed in the collection of such
23 taxes in all respects as provided by law for the collection of
24 taxes in cities and towns. It is not necessary for any such city
25 or town to pass the annual appropriation ordinance or resolution
26 required by section 29-1-111, C.R.S. 1973. This section shall

1 apply only to the assessment and collection of taxes for the
2 first fiscal year after such incorporation or reorganization.
3 ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS SECTION
4 SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX REVENUES FOR
5 THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
6 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,
7 UNLESS EXCEPTED IN SUCH SECTION.

8 SECTION 33. 31-12-408, Colorado Revised Statutes 1973, 1977
9 Repl. Vol., is amended to read:

10 31-12-408. Bonded and floating indebtedness. All bonded
11 indebtedness due or owing by any city or town prior to
12 consolidation shall remain, after consolidation, the debt of that
13 portion of the consolidated city or town comprised within the
14 former limits of the city or town which owed such indebtedness
15 prior to consolidation. No tax shall be levied or collected for
16 the payment of the principal and interest of such indebtedness,
17 except upon and from persons or property residing or situated
18 within the former limits of the town or city owing such
19 indebtedness. The governing body of the consolidated city or
20 town shall make such levies and take such other measures for the
21 payment of the principal and interest out of the property within
22 such limits as it would have been the duty or within the power of
23 the governing body of the city or town owing such indebtedness to
24 do had no such consolidation taken place. If any of the cities
25 or towns consolidated owed any floating indebtedness at the date
26 of consolidation, the governing body of the consolidated city or

1 town shall ascertain the amount of such indebtedness owed by each
2 of said cities or towns prior to consolidation and, at the next
3 annual levy of taxes succeeding consolidation, shall make a
4 special levy upon property situated within the former limits of
5 the city or town owing such indebtedness sufficient for the
6 payment of the same. The terms of consolidation may make other
7 provisions for said bonded or floating indebtedness. Any such
8 bonded indebtedness may be refunded by the consolidated city or
9 town under the provisions of the laws of Colorado existing at the
10 time of such refunding providing for the refunding of bonds of
11 cities and towns. ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT
12 TO THIS SECTION SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX
13 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
14 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
15 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

16 SECTION 34. 31-15-302 (1) (c), (1) (d) (II), and (1) (f)
17 (II), Colorado Revised Statutes 1973, 1977 Repl. Vol., are
18 amended to read:

19 31-15-302. Financial powers. (1) (c) To levy and collect
20 taxes for general and special purposes on real and personal
21 property; EXCEPT THAT ANY REVENUE RAISED FROM SUCH TAXES SHALL BE
22 PART OF THE TOTAL MUNICIPAL PROPERTY TAX REVENUES FOR THE PURPOSE
23 OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
24 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
25 IN SUCH SECTION;

26 (d) (II) The total amount of indebtedness for all such

1 purposes shall not at any time exceed three percent of the actual
2 value, as determined by the assessor, of the taxable property in
3 the municipality, except such debt as may be incurred in
4 supplying water. No loan for any purpose shall be made except by
5 ordinance, which shall be irrevocable until the indebtedness
6 provided for is fully paid or discharged, specifying the purposes
7 to which the funds to be raised shall be applied and providing
8 for the levying of a tax which, together with such other revenue,
9 assets, or funds as may be pledged, is sufficient to pay the
10 annual interest and extinguish the principal of said debt within
11 the time limited for the debt to run, which, except such debt as
12 may be incurred in supplying water, shall not be more than thirty
13 years, and further providing that said tax, when collected, shall
14 only be applied for the purposes specified in said ordinance
15 until the indebtedness is paid and discharged. ANY REVENUE
16 RAISED FROM A TAX LEVIED PURSUANT TO THIS SUBPARAGRAPH (II) SHALL
17 BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX REVENUES FOR THE
18 PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH
19 CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS
20 EXCEPTED IN SUCH SECTION. No debt shall be created, except in
21 supplying water, unless the question of incurring the same is
22 submitted, at a regular or special election of the municipality,
23 to the registered electors thereof as defined by the "Colorado
24 Municipal Election Code of 1965" and a majority of the registered
25 electors voting upon the question vote in favor of creating such
26 debt.

1 (f) (II) If the amount needed does not require a tax levy
2 in excess of two mills, the governing body is authorized, after a
3 public hearing, to make such a levy without putting the
4 proposition to a vote of the qualified electors. If a special
5 levy in excess of two mills for any one fiscal year is required,
6 the governing body, by resolution, in their discretion may submit
7 to the registered electors of such municipality the question of
8 making such a special levy. The special election may be held on
9 the same day as any other special or general election. ANY
10 REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS PARAGRAPH (f)
11 SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX REVENUES FOR
12 THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
13 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,
14 UNLESS EXCEPTED IN SUCH SECTION.

15 SECTION 35. 31-15-707 (1) (d), Colorado Revised Statutes
16 1973, 1977 Repl. Vol., is amended to read:

17 31-15-707. Municipal utilities. (1) (d) To assess from
18 time to time, when constructing such water, gas, geothermal,
19 solar, or electric light works and in such manner as it deems
20 equitable, upon each tenement or other place supplied with water,
21 gas, heat, cooling, or electric light, such water, gas, heat,
22 cooling, or electric light rent as may be agreed upon by the
23 governing body. Gas, heat, cooling, and electric light shall be
24 charged for according to use. At the regular time for levying
25 taxes in each year, said municipality is empowered to levy and
26 cause to be collected, in addition to the other taxes authorized

1 to be levied, a special tax on taxable property in said
2 municipality. Such tax, with the water, gas, heat, cooling, or
3 electric light rents hereby authorized, shall be sufficient to
4 pay the expenses of running, repairing, and operating such works.
5 If the right to build, maintain, and operate such works is
6 granted to a person by a municipality and the municipality
7 contracts with said person for the supplying of water, gas, heat,
8 cooling, or electric light for any purpose, such municipality
9 shall levy each year and cause to be collected a special tax, as
10 provided for in this paragraph (d), sufficient to pay off such
11 water, gas, heat, cooling, or electric light rents so agreed to
12 be paid to said person constructing said works. The tax shall
13 not exceed the sum of three mills on the dollar for any one year.
14 ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS PARAGRAPH
15 (d) SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX REVENUES
16 FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
17 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,
18 UNLESS EXCEPTED IN SUCH SECTION.

19 SECTION 36. 31-15-709 (1) (b), Colorado Revised Statutes
20 1973, 1977 Repl. Vol., is amended to read:

21 31-15-709. Sewers and sewer systems. (1) (b) To establish
22 a system of sewerage and for that purpose to divide the
23 municipality into districts; to impose a special assessment or
24 tax to defray the expense of constructing such sewers upon
25 private property within such district or upon the lots or lands
26 adjacent to or abutting upon the street where said sewer is laid;

1 to compel the owners of any buildings located in said district
2 and on blocks abutting on any established sewer to connect with
3 such sewer; to prohibit the keeping or maintaining of any vault,
4 closet, privy, or cesspool within said district or within four
5 hundred feet of any established sewer; and to regulate the
6 construction, maintenance, and use of all vaults, closets,
7 privies, and cesspools within the municipal limits and not within
8 said prohibited districts or in proximity to an established
9 sewer. ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS
10 PARAGRAPH (b) SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX
11 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
12 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
13 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

14 SECTION 37. 31-15-711 (1) (f), Colorado Revised Statutes
15 1973, 1977 Repl. Vol., is amended to read:

16 31-15-711. Other public improvements. (1) (f) To provide
17 by ordinance for the construction, maintenance, and operation of
18 public parking facilities, buildings, stations, or lots and to
19 pay for their cost by general tax levy or otherwise or by the
20 issuance of bonds of such municipality, which bonds may be
21 retired by revenues assessed and collected as rentals, fees, or
22 charges from the operation of such facilities or from parking
23 meter rentals or charges; EXCEPT THAT ANY REVENUE RAISED FROM A
24 TAX LEVIED PURSUANT TO THIS PARAGRAPH (f) SHALL BE PART OF THE
25 TOTAL MUNICIPAL PROPERTY TAX REVENUES FOR THE PURPOSE OF
26 DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE

1 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
2 IN SUCH SECTION;

3 SECTION 38. 31-20-101, Colorado Revised Statutes 1973, 1977
4 Repl. Vol., is amended to read:

5 31-20-101. Power to levy taxes - on what property. The
6 governing body of any municipality has the power to levy taxes,
7 the same kinds and classes, upon taxable property, real,
8 personal, and mixed, within the municipal limits as are subject
9 to taxation for state or county purposes in accordance with the
10 laws of this state. ANY REVENUE RAISED FROM SUCH TAXES SHALL BE
11 PART OF THE TOTAL MUNICIPAL PROPERTY TAX REVENUES FOR THE PURPOSE
12 OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
13 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
14 IN SUCH SECTION.

15 SECTION 39. The introductory portion to 31-25-107 (9) (a),
16 Colorado Revised Statutes 1973, 1977 Repl. Vol., is amended, and
17 the said 31-25-107 (9) is further amended BY THE ADDITION OF A
18 NEW PARAGRAPH, to read:

19 31-25-107. Approval of urban renewal plans by the local
20 governing body. (9) (a) Notwithstanding any law to the
21 contrary, any urban renewal plan, as originally approved or as
22 later modified pursuant to this part 1, may contain a provision
23 that taxes, if any, levied, SUBJECT TO PARAGRAPH (f) OF THIS
24 SUBSECTION (9), after the effective date of the approval of such
25 urban renewal plan upon taxable property in an urban renewal area
26 each year by or for the benefit of any public body shall be

1 divided for a period not to exceed twenty-five years after the
2 effective date of adoption of such a provision, as follows:

3 (f) Any revenue raised from a tax levied pursuant to this
4 subsection (9) shall be part of the total property tax revenues
5 of the public body levying the tax for the purpose of determining
6 the amount of property tax revenue which can be raised pursuant
7 to section 29-1-301, C.R.S. 1973, unless excepted in such
8 section.

9 SECTION 40. 31-25-112 (4) (b), Colorado Revised Statutes
10 1973, 1977 Repl. Vol., is amended to read:

11 31-25-112. Cooperation by public bodies with urban renewal
12 authorities. (4) (b) Any municipality may levy taxes and
13 assessments in order for it to undertake, carry out, or
14 accomplish any of its powers, functions, or activities mentioned
15 in this part 1, including, particularly, its powers, functions,
16 and activities mentioned in the provisions of subsections (1) to
17 (3) of this section. ANY REVENUE RAISED FROM A TAX LEVIED
18 PURSUANT TO THIS PARAGRAPH (b) SHALL BE PART OF THE TOTAL
19 MUNICIPAL PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING
20 THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT
21 TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH
22 SECTION.

23 SECTION 41. 31-25-215 (1), Colorado Revised Statutes 1973,
24 1977 Repl. Vol., is amended to read:

25 31-25-215. Maximum tax levy - moneys credited. (1) As a
26 part of the annual levies authorized by law, the governing body

1 shall annually levy, assess, and collect upon each dollar of
2 taxable property within the city not more than one and one-half
3 mills for the purposes of said park fund, the proceeds of which
4 shall be collected in the same manner as other city taxes and
5 shall be appropriated by the governing body for the park fund.
6 ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS SUBSECTION
7 (1) SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX REVENUES
8 FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
9 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,
10 UNLESS EXCEPTED IN SUCH SECTION.

11 SECTION 42. 31-25-612, Colorado Revised Statutes 1973, 1977
12 Repl. Vol., is amended to read:

13 31-25-612. Power to levy taxes. In addition to the other
14 means of providing revenue for such districts, the board has the
15 power to levy and collect ad valorem taxes on and against all
16 taxable property within the district. Such power shall not
17 prevent the issuance of obligations payable solely from the
18 income of revenue-producing facilities. ANY REVENUE RAISED FROM
19 SUCH TAXES SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX
20 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
21 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
22 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

23 SECTION 43. 31-25-614, Colorado Revised Statutes 1973, 1977
24 Repl. Vol., is amended to read:

25 31-25-614. Levies to cover deficiencies. The board, in
26 certifying annual levies, shall take into account the maturing

1 indebtedness for the current and ensuing year as provided in its
2 contracts, maturing bonds, and interest on bonds, and
3 deficiencies and defaults of prior years, and shall make ample
4 provision for the payment thereof. In case the moneys produced
5 from such levies, together with other revenues of the district,
6 are not sufficient to punctually pay the annual installments on
7 its contracts or bonds and interest thereon and to pay defaults
8 and deficiencies, the board, from year to year, shall make such
9 additional levies of taxes as may be necessary for such purposes,
10 and, notwithstanding any limitations, such taxes shall be made
11 and continue to be levied until the indebtedness of the district
12 is fully paid. ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO
13 THIS SECTION SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX
14 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
15 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
16 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

17 SECTION 44. 31-25-617, Colorado Revised Statutes 1973, 1977
18 Repl. Vol., is amended to read:

19 31-25-617. Reserve fund. When any indebtedness has been
20 incurred by a district, it is lawful for the board to levy taxes
21 and collect revenue for the purpose of creating a reserve fund in
22 such amount as the board may determine which may be used to meet
23 the obligations of the district for operating charges and
24 depreciation and to provide extensions of and betterments to the
25 improvements of the district. ANY REVENUE RAISED FROM A TAX
26 LEVIED PURSUANT TO THIS SECTION SHALL BE PART OF THE TOTAL

1 MUNICIPAL PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING
2 THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT
3 TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH
4 SECTION.

5 SECTION 45. 31-25-817, Colorado Revised Statutes 1973, 1977
6 Repl. Vol., is amended to read:

7 31-25-817. Ad valorem tax. The governing body may impose
8 and levy an ad valorem tax on all real and personal property in
9 the downtown development district not exceeding five mills on the
10 valuation for assessment of such property for the purposes set
11 forth in section 31-25-807, nondebt funded expenditures allowed
12 under section 31-25-808 (1) (a) and (1) (b), and budgeted
13 operations of the authority. This levy shall be in addition to
14 the regular ad valorem taxes and special assessments for
15 improvements imposed by the governing body. ANY REVENUE RAISED
16 FROM A TAX LEVIED PURSUANT TO THIS SECTION SHALL BE PART OF THE
17 TOTAL MUNICIPAL PROPERTY TAX REVENUES FOR THE PURPOSE OF
18 DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
19 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
20 IN SUCH SECTION. The tax collector shall transmit funds so
21 collected to the appropriate officer of the municipality
22 responsible for the handling of the public money who shall
23 deposit same in the municipal treasury to the credit of the
24 authority. Such funds shall be used for no purpose other than
25 those purposes authorized by this part 8 and upon approval of the
26 board, pursuant to vouchers signed by the designated officer of

1 the authority. The funds of the authority shall be secured as
2 other public funds are secured. Other moneys received by the
3 authority shall forthwith be deposited in the municipal treasury
4 to the credit of the authority, subject to disbursement as
5 authorized by this part 8.

6 SECTION 46. 32-2-115, Colorado Revised Statutes 1973, is
7 amended to read:

8 32-2-115. Power to tax. For the purpose of providing
9 revenue for such districts, the board has the power to levy and
10 collect ad valorem taxes on and against all taxable property
11 within the district; but in no event shall such levy exceed four
12 mills in any one year. ANY REVENUE RAISED BY SUCH TAXES SHALL BE
13 PART OF THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE PURPOSE
14 OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
15 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
16 IN SUCH SECTION.

17 SECTION 47. 32-3-116, Colorado Revised Statutes 1973, is
18 amended to read:

19 32-3-116. Taxes generally. In addition to the other means
20 of providing revenue for such districts, the board has the power
21 to levy and collect ad valorem taxes on or against all taxable
22 property within the district. ANY REVENUE RAISED BY SUCH TAXES
23 SHALL BE PART OF THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE
24 PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH
25 CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS
26 EXCEPTED IN SUCH SECTION.

1 SECTION 48. 32-4-114, Colorado Revised Statutes 1973, is
2 amended to read:

3 32-4-114. Power to levy taxes. In addition to the other
4 means providing revenue for such districts, the board has power
5 and authority to levy and collect ad valorem taxes on and against
6 all taxable property within the district. ANY REVENUE RAISED
7 FROM SUCH TAXES SHALL BE A PART OF THE TOTAL DISTRICT PROPERTY
8 TAX REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF
9 PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION
10 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

11 SECTION 49. 32-4-221, Colorado Revised Statutes 1973, is
12 amended to read:

13 32-4-221. Commissioners to fix levy. It is the duty of the
14 board of county commissioners of the county in which is located
15 the office of any domestic waterworks district, upon the receipt
16 of the returns of the total assessment of said district and upon
17 the receipt of the certificate of the board of directors
18 certifying the total amount of money to be raised, to fix
19 immediately the rate of levy necessary to provide said amount of
20 money and to fix the rate necessary to provide the amount of
21 money required to pay the interest and principal of the bonds of
22 said district as the same become due; to fix the rate necessary
23 to provide the amount of money required for any other purpose as
24 provided in this part 2, and which is to be raised by the levy of
25 assessments upon the assessable property of said district; and to
26 certify said respective rates to the board of county

1 commissioners of each county embracing any portion of said
2 district. The rate of levy necessary to raise the required
3 amount of money on the valuation for assessment of the property
4 of said district shall be increased fifteen percent to cover
5 delinquencies. For the purpose of said district it is the duty
6 of the board of county commissioners of each county in which any
7 domestic waterworks district is located in whole or in part, at
8 the time of making levy for county purposes, to make a levy, at
9 the rates specified, upon all taxable property in said district,
10 within their respective counties. ANY REVENUE RAISED FROM A TAX
11 LEVIED PURSUANT TO THIS SECTION SHALL BE PART OF THE TOTAL
12 DISTRICT PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE
13 AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO
14 SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

15 SECTION 50. 32-4-406 (1) (h), Colorado Revised Statutes
16 1973, as amended, is amended to read:

17 32-4-406. Powers of districts. (1) (h) In addition to all
18 other means of providing revenue, as provided in this part 4, to
19 levy and collect ad valorem taxes on and against all taxable
20 property within the district. The board of directors, in each
21 year, shall determine the amount of money necessary to be raised
22 by taxation, taking into consideration other sources of revenue
23 of the district, and shall fix a rate of levy which shall not
24 exceed six mills which, when levied upon every dollar of the
25 valuation for assessment of taxable property within the district
26 and with other revenue, will raise the amount required by the

1 district annually to supply funds for the constructing,
2 operating, and maintaining of the works and equipment of the
3 district and promptly to pay in full, when due, all interest on
4 and principal of bonds and other obligations of the district, and
5 in event of accruing defaults or deficiencies an additional levy
6 may be made. The board of directors, in accordance with the
7 schedule prescribed by section 39-5-128, C.R.S. 1973, shall
8 certify to the board of county commissioners of each county
9 wherein the district has any territory the rate so fixed, with
10 directions that, at the time and in the manner required by law
11 for levying taxes for other purposes, such board of county
12 commissioners shall levy such tax upon the valuation for
13 assessment of all taxable property within the district, in
14 addition to such other taxes as may be levied by such board of
15 county commissioners. ANY REVENUE RAISED FROM A TAX LEVIED
16 PURSUANT TO THIS PARAGRAPH (h) SHALL BE PART OF THE TOTAL
17 DISTRICT PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE
18 AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO
19 SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

20 SECTION 51. 32-4-510 (1) (h) and (1) (m), Colorado Revised
21 Statutes 1973, as amended, are amended to read:

22 32-4-510. Powers of the district. (1) (h) In addition to
23 all other means of providing revenue as provided in this section,
24 during the first five years of the district's existence, to levy
25 general ad valorem taxes on all taxable property within the
26 district; but the total tax levy for the five-year period shall

1 not exceed an aggregate total of three-fourths of one mill. When
2 the district, within said period of five years, has levied taxes
3 to the total of three-fourths of one mill, or when the district
4 has been organized for a full five-year period, whichever occurs
5 first, the district shall have no further power to levy general
6 ad valorem taxes. Nothing in this part 5 shall be construed as
7 preventing the collection of the proceeds in full of any tax
8 levies authorized in this part 5, including but not limited to
9 any delinquencies, as provided in this paragraph (h) and
10 paragraph (m) of this subsection (1), and in section 32-4-511.
11 The board, if it desires to levy in any year all or any portion
12 of the mill levy tax authorized in this paragraph (h), shall, in
13 accordance with the schedule prescribed by section 39-5-128,
14 C.R.S. 1973, certify to the body having authority to levy taxes
15 within each county wherein the district has any territory the
16 rate so fixed, in order that, at the time and in the manner
17 required by law for the levying of taxes, such body having
18 authority to levy taxes shall levy such tax upon the valuation
19 for assessment of all taxable property within the district. The
20 levy and collection of taxes shall be as provided in section
21 32-4-511. ANY REVENUE RAISED FROM SUCH TAXES SHALL BE PART OF
22 THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE PURPOSE OF
23 DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
24 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
25 IN SUCH SECTION.

26 (m) To enforce the collection of rates and charges made by

1 the district to any municipality which fails to pay any such
2 rates and charges within ninety days after said rates and charges
3 become due and payable, in addition to the foregoing powers and
4 not in limitation thereof, by an action in the nature of mandamus
5 or other suit, action, or proceeding at law or in equity to
6 compel the levy without limitation as to rate or amount by the
7 governing body of the municipality and the collection of general
8 ad valorem taxes on and against all taxable property within the
9 municipality sufficient in amount to pay such delinquent rates
10 and charges, together with the expenses of collection, including
11 but not necessarily limited to reasonable penalties for
12 delinquencies, interest on the amount due from any date due at a
13 rate of not exceeding one percent per month, or fraction thereof,
14 court costs, reasonable attorneys' fees, and any other costs of
15 collection. Nothing in this part 5 shall be so construed as to
16 prevent the governing body of any municipality from levying such
17 taxes sufficient for the payment of such rates and charges as the
18 same become due and payable, nor from applying therefor any other
19 funds that may be in the treasury of the municipality and
20 available for that purpose, whether derived from any rates and
21 charges imposed for the use of or otherwise in connection with
22 its sewer system or sewer facilities, or from any other source,
23 and upon such payments being made, the general ad valorem tax
24 levy provided in this part 5 may thereupon to that extent be
25 diminished. Except to that extent, there shall be levied without
26 limitation of rate or amount by the governing body of each

1 municipality, in addition to all other taxes, direct annual
2 general ad valorem taxes on all taxable property within the
3 municipality sufficient in amount to pay said rates and charges
4 of the district promptly as the same respectively become due.
5 HOWEVER, ANY REVENUE RAISED FROM A TAX LEVIED PURSUANT TO THIS
6 PARAGRAPH (m) SHALL BE PART OF THE TOTAL MUNICIPAL PROPERTY TAX
7 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
8 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
9 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION. The levy and
10 collection of taxes shall be as provided in section 32-4-511.

11 SECTION 52. 32-5-104 (1) (f), Colorado Revised Statutes
12 1973, as amended, is amended to read:

13 32-5-104. Powers of district. (1) (f) To determine
14 annually the amount of tax, not to exceed two mills, to be levied
15 upon the taxable property of said district, to acquire, care for,
16 and maintain such cemetery for the ensuing year, and to certify
17 the same to the board of county commissioners. ANY REVENUE
18 RAISED FROM SUCH TAX SHALL BE PART OF THE TOTAL DISTRICT PROPERTY
19 TAX REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF
20 PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION
21 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

22 SECTION 53. 32-5-206 (1) (1) (I), Colorado Revised Statutes
23 1973, is amended to read:

24 32-5-206. General powers of board. (1) (1) (I) To
25 determine annually the amount of tax, not to exceed two mills, to
26 be levied upon the taxable property of said district, for the

1 purposes of the district; HOWEVER, ANY REVENUE RAISED BY SUCH TAX
2 SHALL BE PART OF THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE
3 PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH
4 CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS
5 EXCEPTED IN SUCH SECTION;

6 SECTION 54. 32-5-316, Colorado Revised Statutes 1973, as
7 amended, is amended to read:

8 32-5-316. Power to tax. For the purpose of providing
9 revenue for such districts, the board has power and authority to
10 levy and collect ad valorem taxes on and against all taxable
11 property within the district. ANY REVENUE RAISED FROM SUCH TAXES
12 SHALL BE PART OF THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE
13 PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH
14 CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS
15 EXCEPTED IN SUCH SECTION.

16 SECTION 55. 32-7-113 (1) (m), Colorado Revised Statutes
17 1973, is amended to read:

18 32-7-113. General powers. (1) (m) (I) (A) To provide for
19 the revenues and ad valorem taxes needed to finance the service
20 authority, subject to the limitations of this article, to fix,
21 and from time to time increase or decrease, and collect rates,
22 fees, tolls, and other service charges pertaining to the services
23 of the service authority, including without limitation minimum
24 charges and charges for availability of the facilities or
25 services relating thereto; to pledge such revenues for the
26 payment of securities; and to enforce the collection of such

1 revenues by civil action or by any other means authorized by law;
2 ~~(ii)~~ (B) To levy, collect, and cause to be collected ad
3 valorem taxes and other revenues, including rates, fees, tolls,
4 and charges, fixed within the boundaries of any special taxing
5 district within the service authority as provided in this
6 article;

7 ~~(iii)~~ (C) To levy, collect, and cause to be collected
8 special assessments fixed against specially benefited real
9 property in any improvement district within the service authority
10 as provided in this article;

11 (II) ANY REVENUE RAISED FROM SUCH AD VALOREM TAXES SHALL BE
12 PART OF THE TOTAL SERVICE AUTHORITY PROPERTY TAX REVENUES FOR THE
13 PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH
14 CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS
15 EXCEPTED IN SUCH SECTION;

16 SECTION 56. 32-9-119 (1) (i), Colorado Revised Statutes
17 1973, is amended to read:

18 32-9-119. Additional powers of district. (1) (i) To levy
19 and cause to be collected taxes on all taxable property within
20 the district, subject to the limitations imposed by this article
21 and the laws of the state; HOWEVER, ANY REVENUE RAISED FROM SUCH
22 TAXES SHALL BE PART OF THE TOTAL DISTRICT PROPERTY TAX REVENUES
23 FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE
24 WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973,
25 UNLESS EXCEPTED IN SUCH SECTION;

26 SECTION 57. 32-9-120 (1), Colorado Revised Statutes 1973,

1 as amended, is amended to read:

2 32-9-120. Levy of taxes - limitations. (1) Except as
3 provided in subsection (4) of this section, notwithstanding any
4 other provision of law or this article to the contrary, no
5 general ad valorem property taxes shall be levied, directly or
6 indirectly, by the district under the provisions of this article,
7 except for the payment of any annual deficit, if any, in the
8 operation and maintenance expenses of the district, such levy not
9 to exceed two mills on each dollar of valuation for assessment
10 each year, or for the payment of all other expenses of the
11 district, such levy not to exceed one-half mill on each dollar of
12 valuation for assessment each year. ANY REVENUE RAISED FROM AN
13 AD VALOREM PROPERTY TAX LEVIED PURSUANT TO THIS SECTION SHALL BE
14 PART OF THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE PURPOSE
15 OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
16 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS
17 EXCEPTED IN SUCH SECTION.

18 SECTION 58. 32-10-115 (1) (1), Colorado Revised Statutes
19 1973, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

20 32-10-115. General powers. (1) (1) (III) Any revenue
21 raised from an ad valorem property tax levied by the district
22 pursuant to this article shall be part of the total district
23 property tax revenues for the purpose of determining the amount
24 of property tax revenue which can be raised pursuant to section
25 29-1-301, C.R.S. 1973, unless excepted in such section.

26 SECTION 59. 32-11-217 (1) (c), Colorado Revised Statutes

1 1973, as amended, is amended to read:

2 32-11-217. Financial powers of district. (1) (c) To levy
3 and cause to be collected taxes on and against all taxable
4 property within the district; except that any levy in excess of
5 nine-tenths of a mill for the taxable years 1980 to 1983, and
6 five-tenths of a mill for all subsequent taxable years, shall
7 require the favorable vote of a majority of the electors of the
8 district voting on the question, subject to the limitations
9 provided in paragraph (d) of this subsection (1), by certifying,
10 on or before October 15 in each year in which the board
11 determines to levy taxes, or by such other date as provided by
12 the laws of the state, to the body having authority to levy taxes
13 within each county wherein the district has any territory, the
14 rate so fixed, with directions that, at the time and in the
15 manner required by law for levying taxes for other purposes, such
16 body having authority to levy taxes shall levy such taxes upon
17 the valuation for assessment of all taxable property within the
18 district, in addition to such other taxes as may be levied by
19 such body, as provided in this section. Not more than one-tenth
20 of a mill shall be used for engineering and operations of the
21 district, not more than four-tenths of a mill shall be used for
22 capital construction, and, for the taxable years 1980 to 1983,
23 not more than four-tenths of a mill shall be used for maintenance
24 and preservation of floodways and floodplains. ANY REVENUE
25 RAISED FROM AN AD VALOREM PROPERTY TAX LEVIED BY THE DISTRICT
26 PURSUANT TO THIS ARTICLE SHALL BE PART OF THE TOTAL DISTRICT

1 PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT
2 OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION
3 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION.

4 SECTION 60. 37-45-121, Colorado Revised Statutes 1973, is
5 amended BY THE ADDITION OF A NEW SUBSECTION to read:

6 37-45-121. Classification of taxes and assessments -
7 powers. (2) Any revenue raised from ad valorem property taxes
8 levied by a district pursuant to this article shall be part of
9 the total district property tax revenues for the purpose of
10 determining the amount of property tax revenue which can be
11 raised pursuant to section 29-1-301, C.R.S. 1973, unless excepted
12 in such section.

13 SECTION 61. 37-46-109.3 (1), Colorado Revised Statutes
14 1973, as amended, is amended to read:

15 37-46-109.3. District's levy of taxes. (1) In addition to
16 other means of providing revenue for the district, the board of
17 directors, in the name of the district, has the power to levy and
18 collect general ad valorem taxes on or against all taxable
19 property within the district, subject to the limitations provided
20 in section 37-46-109 (1). ANY REVENUE RAISED FROM AD VALOREM
21 PROPERTY TAXES LEVIED BY THE DISTRICT PURSUANT TO THIS ARTICLE
22 SHALL BE PART OF THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE
23 PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH
24 CAN BE RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS
25 EXCEPTED IN SUCH SECTION.

26 SECTION 62. 37-46-128 (1), Colorado Revised Statutes 1973,

1 as amended, is amended to read:

2 37-46-128. Annual levy limit. (1) The district has no
3 power of taxation or right to levy or assess taxes, except as
4 provided in sections 37-46-109 to 37-46-109.4, 37-46-126.5, and
5 37-46-126.6. ANY REVENUE RAISED FROM AD VALOREM PROPERTY TAXES
6 LEVIED BY THE DISTRICT PURSUANT TO THIS ARTICLE SHALL BE PART OF
7 THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE PURPOSE OF
8 DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
9 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED
10 IN SUCH SECTION. The district has no power to contract or incur
11 any obligation or indebtedness except as expressly provided in
12 this article, and then any obligation or indebtedness so
13 contracted or incurred is to be payable out of the funds derived
14 through the limited tax provided in section 37-46-109 (1) and
15 the unlimited tax provided in section 37-46-109.3 (2) to retire
16 and pay indebtedness incurred by the district by contract other
17 than the issuance of bonds and not otherwise; except that the
18 district for and in behalf of any subdistrict or improvement
19 district created under this article has the right to issue
20 obligations as expressly authorized in this article and not
21 otherwise.

22 SECTION 63. 37-47-128 (1), Colorado Revised Statutes 1973,
23 is amended to read:

24 37-47-128. Limitations on power to levy and contract. (1)
25 The district has no power of taxation or right to levy or assess
26 taxes, except an annual levy, not exceeding six-tenths of a mill

1 on each dollar of the valuation for assessment of property in
2 said district, as provided in section 37-47-109. ANY REVENUE
3 RAISED FROM AD VALOREM PROPERTY TAXES LEVIED BY THE DISTRICT
4 PURSUANT TO THIS ARTICLE SHALL BE PART OF THE TOTAL DISTRICT
5 PROPERTY TAX REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT
6 OF PROPERTY TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION
7 29-1-301, C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION. The
8 district has no power to contract or incur any obligation or
9 indebtedness except as expressly provided in this article, and
10 then any obligation or indebtedness so contracted or incurred is
11 to be payable out of the funds derived through said limited tax
12 and not otherwise, and except that said district for and in
13 behalf of any subdistrict or improvement district created under
14 this article has the right to issue obligations as expressly
15 authorized in this article and not otherwise.

16 SECTION 64. 37-48-110 (1), Colorado Revised Statutes 1973,
17 as amended, is amended to read:

18 37-48-110. Limitations on power to levy and contract. (1)
19 The district has no power of taxation or right to levy or assess
20 taxes, except an annual levy not to exceed one mill on each
21 dollar of the valuation for assessment of property in said
22 district. ANY REVENUE RAISED FROM AD VALOREM PROPERTY TAXES
23 LEVIED BY THE DISTRICT PURSUANT TO THIS ARTICLE SHALL BE PART OF
24 THE TOTAL DISTRICT PROPERTY TAX REVENUES FOR THE PURPOSE OF
25 DETERMINING THE AMOUNT OF PROPERTY TAX REVENUE WHICH CAN BE
26 RAISED PURSUANT TO SECTION 29-1-301, C.R.S. 1973, UNLESS EXCEPTED

1 IN SUCH SECTION. The district has no power to contract or incur
2 any obligation or indebtedness except as expressly provided in
3 this article, and then any obligation or indebtedness so
4 contracted or incurred is payable out of the funds derived
5 through said limited tax and not otherwise, but said district,
6 for and in behalf of any subdistrict or improvement district
7 created under this article, shall have the right and authority to
8 approve and incur subdistrict obligations and to issue warrants,
9 notes, bonds, or other evidences of said obligations, as
10 expressly authorized in this article and not otherwise, and such
11 subdistrict obligations shall never be obligations or
12 indebtednesses of the district and shall be payable only as
13 provided in this article.

14 SECTION 65. 37-90-132, Colorado Revised Statutes 1973, as
15 amended, is amended to read:

16 37-90-132. Management district - board of directors - taxes
17 - levy - limitation. The board of directors may levy and collect
18 annually taxes necessary to finance the activities of such
19 district to the amount of not more than two mills on the dollar
20 of the valuation for assessment of all taxable property within
21 the district. ANY REVENUE RAISED FROM TAXES LEVIED PURSUANT TO
22 THIS SECTION SHALL BE PART OF THE TOTAL DISTRICT PROPERTY TAX
23 REVENUES FOR THE PURPOSE OF DETERMINING THE AMOUNT OF PROPERTY
24 TAX REVENUE WHICH CAN BE RAISED PURSUANT TO SECTION 29-1-301,
25 C.R.S. 1973, UNLESS EXCEPTED IN SUCH SECTION. It shall, in
26 accordance with the schedule prescribed by section 39-5-128,

1 C.R.S. 1973, certify its mill levy to the board of county
2 commissioners of the counties wholly or partially within the
3 district, who shall extend the same on the county tax list, and
4 the same shall be collected by the county treasurer in the same
5 manner as state and county taxes. In addition, annually the
6 board of directors of the district may assess and certify a
7 special assessment on all water wells, except those wells
8 described in section 37-90-105, in the district not to exceed
9 five cents per gallon per minute of the registered pump capacity
10 of each such well. Said assessment shall be collected by the
11 county treasurer in the same manner as other special assessments.
12 It is the duty of the board to apply for and to receive from the
13 county treasurers all money to the credit of the district.

14 SECTION 66. Repeal. 30-25-201 (2), Colorado Revised
15 Statutes 1973, 1977 Repl. Vol., is repealed.

16 SECTION 67. Effective date - applicability. (1) Sections
17 5 and 6 of this act shall take effect January 1, 1981.

18 (2) Sections 1 through 4 and 7 through 66 of this act shall
19 take effect January 1, 1983, and shall apply to property tax
20 years commencing on or after said date.

21 SECTION 68. Safety clause. The general assembly hereby
22 finds, determines, and declares that this act is necessary for
23 the immediate preservation of the public peace, health, and
24 safety.

BILL 2

A BILL FOR AN ACT

1 CONCERNING A LIMITATION ON REVENUE RAISED FROM SPECIAL
2 ASSESSMENTS.

Bill Summary

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

Provides that revenue raised from assessments levied by a governmental entity be subject to a limitation so as to prevent the raising of more revenue than was raised the previous year plus a certain specified percent. Provides that such limitation be applied to the aggregate revenue from all assessments levied by the entity. Provides that no statute fixing the assessment levy or establishing a maximum levy may be construed as authorizing the entity to exceed the limitation. Requires approval of the qualified electors of the entity in order to exceed such limitation.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 29-1-301, Colorado Revised Statutes 1973, 1977
5 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW
6 SUBSECTION to read:

7 29-1-301. Levies reduced - limitation. (4) All assessment
8 levies, when applied to the total valuation for assessment of the
9 state, each of the counties, cities, and towns, and each of the

1 fire, sanitation, irrigation, drainage, conservancy, and other
2 special districts established by law, shall be so reduced as to
3 prohibit the levying of a greater amount of revenue than was
4 levied in the preceding year plus seven percent except to provide
5 for the payment of bonds and interest thereon, or for the payment
6 of pension funds by fire protection districts organized pursuant
7 to part 3 of article 5 of title 32, C.R.S. 1973, or for the
8 payment of any judgment if insurance funds are not available to
9 meet such payment, if such assessment levies are authorized to be
10 used for such payments. If an increase over said seven percent
11 is voted by the qualified electors of the entity levying the
12 assessment under the provisions of section 29-1-302, the
13 increased revenue resulting therefrom shall be included in
14 determining the seven percent limitation in the following year.
15 All assessment revenues, except such revenues as are exempted in
16 this subsection (4), raised from any assessment levied by an
17 entity authorized to levy assessments, which is subject to this
18 subsection (4), shall be combined for the purpose of determining
19 the total amount of assessment revenue which the entity is
20 allowed to raise subject to the limitation imposed by this
21 subsection (4). The seven percent limitation shall be applied to
22 such aggregate assessment revenues. No statute establishing a
23 set assessment levy or establishing a maximum assessment levy or
24 authorizing an additional assessment levy for a special purpose
25 shall be construed as authorizing the entity to exceed the seven
26 percent limitation imposed by this subsection (4).

1 SECTION 2. 29-1-302, Colorado Revised Statutes 1973, 1977
2 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW
3 SUBSECTION to read:

4 29-1-302. Increased levy - submitted to division of local
5 government - to people at election. (5) If any governmental
6 entity authorized to levy an assessment, except school boards, or
7 any officer charged with the duty of levying an assessment is of
8 the opinion that the amount of the assessment, as limited by
9 section 29-1-301, will be insufficient for the needs of such
10 entity for the current year, the question of an increased
11 assessment may be submitted to the qualified electors of such
12 entity at a general election or at a special election called for
13 that purpose in the manner provided by law for calling special
14 elections in such entity. Due notice of submission of the
15 question of whether to grant the increased levy shall be given,
16 by the appropriate official designated by law, for at least
17 thirty days in advance of the date set for the general or special
18 election by publication in some newspaper published in such
19 entity. If a majority of the votes cast at any such election is
20 in favor of the increased assessment levy named in said election
21 notice, the officers charged with levying assessments may make
22 such increased assessment levy for the year voted upon.

23 SECTION 3. Effective date. This act shall take effect
24 January 1, 1983.

25 SECTION 4. Safety clause. The general assembly hereby
26 finds, determines, and declares that this act is necessary for

- 1 the immediate preservation of the public peace, health, and
- 2 safety.

BILL 3

A BILL FOR AN ACT

1 CONCERNING OPEN SPACE-RESIDENTIAL PROPERTY.

Bill Summary

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

Provides that the first thirty-four acres of any tract of land shall be considered open space-residential for determining the actual value thereof for property tax purposes if such acres meet the definitional requirements.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 39-1-103 (7), Colorado Revised Statutes 1973, as
4 amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

5 39-1-103. Actual value determined - when. (7) (c) The
6 actual value of the first thirty-four acres of any tract of land,
7 regardless of the total acreage of such tract, shall be
8 determined pursuant to this subsection (7), provided such
9 thirty-four acres meet the requirements set forth in subsections
10 (12.3) and (12.4) of section 39-1-102.

11 SECTION 2. Applicability. This act shall apply to property
12 tax years commencing on or after January 1, 1981.

1 SECTION 3. Safety clause. The general assembly hereby
2 finds, determines, and declares that this act is necessary for
3 the immediate preservation of the public peace, health, and
4 safety.

BILL 4

A BILL FOR AN ACT

1 CONCERNING OPEN SPACE-RESIDENTIAL PROPERTY, AND PROVIDING FOR A
2 DEFINITION OF "RESIDENCE" THEREFOR.

Bill Summary

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

Provides that a "residence", for the purpose of taxing open space-residential property, means the primary home or place of abode of a person.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 39-1-102 (12.4), Colorado Revised Statutes 1973,
5 as amended, is amended to read:

6 39-1-102. Definitions. (12.4) "Portion of land used for
7 residential and related purposes" means that portion of land used
8 for open space-residential purposes which underlies a residence
9 and an area not exceeding one acre which encompasses the
10 residence. AS USED IN THIS SUBSECTION (12.4), "RESIDENCE" MEANS
11 THE PRIMARY HOME OR PLACE OF ABODE OF A PERSON. A PERSON'S
12 PRIMARY HOME OR PLACE OF ABODE IS THAT HOME OR PLACE IN WHICH HIS

1 HABITATION IS FIXED AND TO WHICH A PERSON, WHENEVER HE IS ABSENT,
2 HAS THE PRESENT INTENTION OF RETURNING AFTER A DEPARTURE OR
3 ABSENCE THEREFROM, REGARDLESS OF THE DURATION OF ABSENCE. IN
4 DETERMINING WHAT IS THE PRINCIPAL OR PRIMARY PLACE OF ABODE OF A
5 PERSON THE FOLLOWING CIRCUMSTANCES RELATING TO SUCH PERSON MAY BE
6 TAKEN INTO ACCOUNT: BUSINESS PURSUITS, EMPLOYMENT, INCOME
7 SOURCES, RESIDENCE FOR INCOME OR OTHER TAX PURPOSES, AGE, MARITAL
8 STATUS, RESIDENCE OF PARENTS, SPOUSE, AND CHILDREN, IF ANY,
9 LEASEHOLDS, SITUS OF PERSONAL AND REAL PROPERTY, AND MOTOR
10 VEHICLE REGISTRATION.

11 SECTION 2. Applicability. This act shall apply to property
12 tax years commencing on or after January 1, 1982.

13 SECTION 3. Safety clause. The general assembly hereby
14 finds, determines, and declares that this act is necessary for
15 the immediate preservation of the public peace, health, and
16 safety.

BILL 5

A BILL FOR AN ACT

1 CONCERNING APPEALS OF DECISIONS OF THE BOARD OF ASSESSMENT
2 APPEALS TO DISTRICT COURTS.

Bill Summary

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

Provides that decisions of the board of assessment appeals which are favorable to the taxpayer may be appealed if the board determines that the matter is of significant public concern rather than requiring the matter to be of statewide concern.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 39-8-108 (2), Colorado Revised Statutes 1973, as
5 amended, is amended to read:

6 39-8-108. Decision - review. (2) If the decision of the
7 board is against the petitioner, he may, within thirty days after
8 such decision, petition the district court of the county wherein
9 his property is located for judicial review thereof pursuant to
10 section 24-4-106, C.R.S. 1973. If the decision of the board is
11 against the respondent, the respondent, upon the recommendation
12 of the board that it is a matter of statewide-concern SIGNIFICANT

1 PUBLIC CONCERN and within thirty days after such decision, may
2 petition the district court of the county in which the property
3 is located for judicial review pursuant to section 24-4-106,
4 C.R.S. 1973.

5 SECTION 2. Safety clause. The general assembly hereby
6 finds, determines, and declares that this act is necessary for
7 the immediate preservation of the public peace, health, and
8 safety.

BILL 6

A BILL FOR AN ACT

1 CONCERNING THE FILING OF SCHEDULES OF PERSONAL PROPERTY WITH THE
2 COUNTY ASSESSOR.

Bill Summary

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

Changes the latest date by which the personal property schedule must be returned to the county assessor. Makes conforming amendments in connection therewith. Changes the provisions on the number of extensions which may be granted for filing the schedule, the length of an extension, and the payment which must accompany the request for an extension.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 39-5-108, Colorado Revised Statutes 1973, as
5 amended, is amended to read:

6 39-5-108. Schedule sent to taxpayer - return. As soon
7 after the assessment date as may be practicable, the assessor
8 shall mail or deliver two copies of the personal property
9 schedule to the place of business or to the residence of each
10 person known or believed to own taxable personal property located
11 in his county, or to the agent of such person. Such person or his

1 agent shall list in such schedule all taxable personal property
2 owned by him, or in his possession, or under his control, located
3 in said county on the assessment date, attaching such exhibits or
4 statements thereto as may be necessary, and shall sign and return
5 the original copy thereof to the assessor no later than the March
6 APRIL 15 next following.

7 SECTION 2. 39-5-115, Colorado Revised Statutes 1973, as
8 amended, is amended to read:

9 39-5-115. Taxpayer to furnish information. At any time
10 prior or subsequent to March APRIL 15 of each year, the assessor
11 may request any person known or believed to own taxable property
12 located in his county to furnish such information or to make
13 available for examination such records as may be required by him
14 to determine the actual value of such property.

15 SECTION 3. 39-5-116, Colorado Revised Statutes 1973, as
16 amended, is amended to read:

17 39-5-116. Failure to file schedule. If any person owning
18 taxable personal property to whom one or more personal property
19 schedules have been mailed, or upon whom the assessor or his
20 deputy has called and left one or more schedules, fails to
21 complete and return the same to the assessor by the March APRIL
22 15 next following, unless by such date such person has requested
23 an extension of filing time as provided for in this section, the
24 assessor shall impose a late filing penalty in the amount of
25 fifty dollars or, if a lesser amount, fifteen percent of the
26 amount of tax due on the valuation for assessment determined for

1 the personal property for which any delinquent schedule or
2 schedules are required to be filed. The assessor shall impose a
3 penalty in the amount of fifty dollars on any person who fails to
4 give notice of a change of location of a mobile home as required
5 by section 42-6-132 (2) (a), C.R.S. 1973, and such penalty shall
6 be added to the amount of tax due. Any person who is unable to
7 properly complete and file one or more of such schedules by March
8 APRIL 15 may request not-more-than-three-extensions AN EXTENSION
9 of time for filing each for a period of fifteen-days---Each--such
10 EITHER TEN OR TWENTY DAYS, WHICH request shall be in writing,
11 shall be signed before a notary public, and shall be accompanied
12 by payment of an extension fee in the amount of ten-dollars-for
13 each TWO DOLLARS PER DAY OF extension requested. A single request
14 for extension shall be sufficient to extend the filing date for
15 all such schedules which a person is required to file in a single
16 county. Any person who fails to file one or more schedules by
17 the end of the extension time requested shall be subject to a
18 late filing penalty as though no extension had been requested.
19 Further, if any person fails to complete and file one or more
20 schedules by March APRIL 15, or, if an extension is requested, by
21 the end of the requested extension, or includes in a filed
22 schedule any information concerning his property which is plainly
23 false, erroneous, or misleading, or fails to include in a
24 schedule any taxable property owned by him, then the assessor may
25 determine the actual value of such person's taxable personal
26 property on the basis of the best information available to and

1 obtainable by him and shall promptly notify such person or his
2 agent of such valuation. Extension fees and late filing
3 penalties shall be fees of the assessor's office. Penalties, if
4 unpaid, shall be certified to the treasurer for collection with
5 taxes levied upon the person's property.

6 SECTION 4. Applicability. This act shall apply to taxable
7 years beginning on or after January 1, 1982.

8 SECTION 5. Safety clause. The general assembly hereby
9 finds, determines, and declares that this act is necessary for
10 the immediate preservation of the public peace, health, and
11 safety.

BILL 7

A BILL FOR AN ACT

1 CONCERNING THE CLASSIFICATION OF RAILROAD PROPERTY FOR GENERAL
2 PROPERTY TAXATION.

Bill Summary

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

Provides that the real and personal property of railroad companies shall be a separate class for general property taxation. Provides that the actual value of such property shall be determined in the same manner as that used for property of public utilities and that the valuation for assessment thereof be computed consistently with the requirements of the federal "Railroad Revitalization and Regulatory Reform Act" with regard to the ratio of assessed value to the true market value. Provides for apportionment of valuation for assessment between the several counties. Provides procedures for filing property information with the property tax administrator, for inspecting records, for producing records, for notifying counties of valuation, and for the filing and hearing of complaints. Repeals or amends provisions in the article dealing with valuation and assessment of public utilities so that said article does not apply to property of railroad companies.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. Title 39, Colorado Revised Statutes 1973, as
5 amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

6 ARTICLE 4.1

Valuation and Assessment of Railroads

39-4.1-101. Legislative declaration. (1) In order to provide for the revitalization and rehabilitation of the railway system of the United States and to assist the railway system in remaining a viable competitor with other modes of transportation, the United States congress passed the "Railroad Revitalization and Regulatory Reform Act" in 1976. Such act provides, in part, that it is an unreasonable burden upon and an unreasonable discrimination against interstate commerce for certain property, as defined by the act and the interstate commerce commission, within the railway system to be assessed "at a value that has a higher ratio to the true market value" of such property "than the ratio that the assessed value of other commercial and industrial property . . . has to the true market value of the other commercial and industrial property" (49 U.S.C.A. Sec. 11503 (b)). The general assembly recognizes the legitimacy of the end sought to be accomplished through the federal act and the need for the state to participate in accomplishing such end.

(2) The general assembly finds and declares that it is necessary, reasonable, rational, and in the public interest to minimize the loss in revenue which will result when such property is assessed in accordance with the federal act. In order to minimize revenue loss, the general assembly finds that it is necessary, due to Section 3 of article X of the state constitution, and that it is reasonable and rational, due to the peculiar nature of property within the railway system as compared

1 with property of public utilities, to provide that a separate
2 class consisting of certain railway property, as provided in this
3 article, be created for the purpose of general property taxation.

4 39-4.1-102. Valuation of railroads. (1) Railroad
5 companies, which for the purposes of this article do not include
6 sleeping car companies, express companies, or private car line
7 companies, shall be a separate class of property for the purpose
8 of general ad valorem property taxation. The actual value and
9 valuation for assessment of property, real and personal, of
10 railroad companies shall be computed and apportioned as provided
11 in this section.

12 (2) For each railroad company, the administrator shall:

13 (a) Determine, as of December 31 of each year, the actual
14 value of such company as a unit or the actual value of its
15 property and plant within this state, in the manner provided in
16 section 39-4-102;

17 (b) Ascertain the total mileage of all railroad track of
18 such company, wherever situated, if the actual value of such
19 company is determined as a unit;

20 (c) Ascertain the total mileage of all railroad track of
21 such company situated within this state and in the several
22 counties thereof;

23 (d) Ascertain the total mileage of all railroad main track
24 of such company situated within this state and in the several
25 counties thereof;

26 (e) Allocate to this state, if the actual value of such

1 company is determined as a unit, that proportion of such actual
2 value that the total mileage of all railroad track of such
3 company situated within this state bears to the total mileage of
4 all railroad track of such company, wherever situated;

5 (f) Compute the valuation for assessment of such company in
6 this state as provided in section 39-1-104; except that the
7 assessment provisions of section 306 of the federal "Railroad
8 Revitalization and Regulatory Reform Act" (49 U.S.C.A. sec.
9 11503), as from time to time amended, concerning the ratio of
10 assessed value to the true market value, shall apply to the
11 computation of the valuation for assessment of all property of
12 each railroad company;

13 (g) Apportion the valuation for assessment of such company
14 within this state among the several counties of this state in the
15 proportion that the actual mileage of railroad main track within
16 each such county bears to the total mileage of all railroad main
17 track of such company within this state.

18 39-4.1-103. Schedules of property - confidential records.

19 (1) (a) No later than April 15 of each year, each railroad
20 company doing business in this state shall file with the
21 administrator, on a form provided by the administrator, a
22 statement, signed by an officer of such railroad company under
23 the penalties of perjury in the second degree, containing such
24 information concerning itself and all of its property, wherever
25 situated, as the administrator may reasonably require for the
26 purpose of determining the actual value of such railroad company

1 in this state and for apportioning the valuation for assessment
2 of such railroad company among the several counties of this
3 state.

4 (b) Such statement shall include a specific identification
5 of each and every item of property owned, leased, or used which
6 is not included in the rendition of the operating property and
7 plant and the county in which each item is located.

8 (2) All such statements filed with the administrator shall
9 be considered private documents and shall be available only to
10 the administrator and the employees of the division of property
11 taxation and to assessors.

12 39-4.1-104. Inspection of records of railroad company. The
13 division of property taxation, through the administrator, and its
14 employees, shall have the right at any time, upon demand, to
15 inspect the books, accounts, and records of any railroad company
16 doing business in this state for the purpose of verifying the
17 information contained in its filed statement and to examine under
18 oath any officer, employee, or agent of such railroad company.
19 Any person making such demand upon a railroad company on behalf
20 of the administrator shall produce and exhibit his authority to
21 make such inspection or examination.

22 39-4.1-105. Production of records. By order or subpoena,
23 the administrator may require the production of any books,
24 accounts, or records of any railroad company doing business in
25 this state, or verified copies of the same, for examination, and
26 any railroad company failing or refusing to comply with any such

1 order or subpoena shall forfeit and pay to the state the sum of
2 one hundred dollars for each day it so fails or refuses.

3 39-4.1-106. Statement of valuation to counties. No later
4 than June 1 in each year, the administrator shall advise both the
5 assessor of each county wherein property of a railroad company is
6 located and the railroad company itself of the amount of
7 valuation for assessment of such railroad company in such county,
8 and such amount shall be entered on the tax roll of such county
9 by the assessor in the same manner as though determined by him.

10 39-4.1-107. Complaint - hearing - decision. (1) Any
11 railroad company, being of the opinion that the actual value of
12 its property and plant as determined by the administrator is
13 illegal, erroneous, or not uniform with the actual value of like
14 property similarly situated, as determined by the administrator,
15 may, no later than July 1, file a petition or complaint with the
16 administrator, setting forth such illegality, error, or lack of
17 uniformity.

18 (2) Any assessor or board of county commissioners, being of
19 the opinion that the actual value of the property and plant of
20 any railroad company as determined by the administrator is
21 illegal, erroneous, or not uniform with the actual value of like
22 property similarly situated, as determined by the administrator,
23 or that the amount of valuation for assessment of any railroad
24 company has not been correctly apportioned among the counties
25 entitled thereto, may, no later than July 1, file a petition or
26 complaint with the administrator setting forth such illegality,

1 error, lack of uniformity, or incorrect apportionment.

2 (3) Upon the filing of any petition or complaint provided
3 for in this section, the administrator shall cause notice of such
4 filing to be given to the assessor and the board of county
5 commissioners of any county directly affected and to any railroad
6 company directly affected, as may appear from such petition or
7 complaint. Such notice shall be mailed at least five days prior
8 to the meeting with the administrator at which such petition or
9 complaint will be heard.

10 (4) The administrator shall, on the second Monday in July,
11 and on succeeding days if necessary, hear all such petitions and
12 complaints. In case there are several petitions or complaints
13 filed involving like questions, the same may be consolidated for
14 the purpose of hearing and determination. The administrator
15 shall hear all evidence presented and listen to arguments
16 touching upon the matters concerning which the petition or
17 complaint was filed. He shall have power to subpoena and compel
18 the attendance of witnesses and to require the production of any
19 books or records deemed necessary to arrive at a proper
20 determination of the matter. Upon good cause, any hearing may be
21 adjourned from time to time, but in no event beyond July 31.
22 Hearings conducted under this section shall be informal, and a
23 verbatim record need not be made, as required under section
24 24-4-105 (13), C.R.S. 1973.

25 (5) The administrator shall render his decision upon any
26 petition or complaint, in writing, no later than August 1 and

1 shall transmit a copy thereof to all parties affected.

2 (6) If the administrator grants the petition, in whole or
3 in part, he shall make the appropriate corrections or changes in
4 the valuation for assessment of such railroad company, or in the
5 apportionment thereof, and shall certify the same to the assessor
6 of the county affected thereby. Such decision shall control all
7 proceedings thereafter, the same as though originally certified
8 by the administrator.

9 (7) If the administrator denies the petition, in whole or
10 in part, all costs and expenses incurred in conducting the
11 hearing shall be chargeable to the petitioner and shall be
12 enforceable and collectible as in the case of other claims and
13 demands.

14 (8) Further proceedings brought by a party adversely
15 affected by the administrator's decision shall be before the
16 board of assessment appeals under the provisions of section
17 39-2-125, and no judicial review shall be available to any party
18 under the provisions of section 39-4.1-108 until the board has
19 rendered its decision.

20 39-4.1-108. Judicial review. (1) Any petitioner or any
21 other railroad company, assessor, or board of county
22 commissioners adversely affected may appeal any decision of the
23 board of assessment appeals denying a petition in whole or in
24 part to the district court for the judicial district in which the
25 property in question is located, or to the district court for the
26 city and county of Denver. No new or additional evidence may be

1 introduced in the district court unless such other railroad
2 company, assessor, or board of county commissioners adversely
3 affected has had no opportunity to present such evidence at the
4 hearing before the board of assessment appeals; otherwise, the
5 cause shall be heard on the record of the board of assessment
6 appeals, which shall be certified by it to the court in which the
7 appeal was taken. Whenever any new or additional evidence is
8 introduced, the court, in its discretion, may remand the case to
9 the board of assessment appeals for rehearing.

10 (2) An appeal may be taken to the district court at any
11 time prior to August 1 in the following year, but if the appeal
12 is taken by the railroad company actually owning the property
13 involved in the petition to the board of assessment appeals, such
14 railroad company shall pay the full amount of all taxes levied
15 upon the valuation for assessment of its property and plant to
16 the treasurer of the county in which the same is located prior
17 to taking its appeal.

18 (3) If, upon appeal to the district court, the petitioner
19 is sustained, in whole or in part, then upon presentation to the
20 treasurer to whom the taxes were paid of a certified copy of the
21 order modifying the valuation for assessment of its property and
22 plant, the treasurer shall forthwith make the appropriate refund
23 of taxes, together with interest thereon at the rate of six
24 percent per annum from the date of payment thereof, and the
25 petitioner shall also be entitled to a refund of costs incurred
26 in the hearing before the board of assessment appeals and in the

1 appeal to the court, or such portion thereof as the court may
2 decree; but if judgment is for the board of assessment appeals,
3 then the board of assessment appeals shall receive its costs from
4 the appellant.

5 SECTION 2. 39-1-104 (12)(d) and (12)(g), Colorado Revised
6 Statutes 1973, as amended, are amended, and the said 39-1-104
7 (12) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to
8 read:

9 39-1-104. Valuation for assessment. (12) (d) Agricultural
10 land, exclusive of building improvements, valued and assessed
11 pursuant to section 39-1-103 (5) and (6); and

12 (g) Producing coal mines and other lands producing
13 nonmetallic minerals; AND

14 (h) OPERATING PROPERTY AND PLANTS OF RAILROAD COMPANIES
15 ASSESSED PURSUANT TO ARTICLE 4.1 OF THIS TITLE.

16 SECTION 3. 39-4-101 (3), Colorado Revised Statutes 1973, as
17 amended, is amended to read:

18 39-4-101. Definitions. (3) "Public utility" means every
19 sole proprietorship, firm, partnership, association, company, or
20 corporation, and the trustees or receivers thereof, whether
21 elected or appointed, which does business in this state as a
22 railroad--company; AN airline company, electric company, rural
23 electric company, telephone company, telegraph company, gas
24 company, gas pipeline carrier company, domestic water company,
25 pipeline company, coal slurry pipeline, or private car line
26 company.

1 SECTION 4. 39-5-101, Colorado Revised Statutes 1973, as
2 amended, is amended to read:

3 39-5-101. Duties of assessor. The assessor shall list all
4 taxable real and personal property located within his county on
5 the assessment date, other than that comprising the property and
6 plant of public utilities AND THAT COMPRISING THE PROPERTY AND
7 PLANT OF RAILROAD COMPANIES.

8 SECTION 5. Repeal. 39-4-106 (1), Colorado Revised Statutes
9 1973, is repealed.

10 SECTION 6. Effective date - applicability. This act shall
11 take effect January 1, 1982, and shall apply to property tax
12 years commencing on or after said date.

13 SECTION 7. Safety clause. The general assembly hereby
14 finds, determines, and declares that this act is necessary for
15 the immediate preservation of the public peace, health, and
16 safety.

BILL 8

A BILL FOR AN ACT

1 CONCERNING THE STANDARD DEDUCTION UNDER THE COLORADO INCOME TAX.

Bill Summary

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

Adopts the federal zero bracket amount as the standard deduction under the Colorado income tax.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 39-22-103, Colorado Revised Statutes 1973, as
4 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

5 39-22-103. Definitions - construction of terms.

6 (6.5) "Federal zero bracket amount" means the amount set forth
7 in section 63(d) of the internal revenue code.

8 SECTION 2. 39-22-103.5 (1) (a), (1) (b), (2) (b), and (2)
9 (c), Colorado Revised Statutes 1973, as amended, are amended to
10 read:

11 39-22-103.5. Annual inflation factor - purpose.

12 (1) (a) That the income tax laws of this state, in combination

1 with economic inflation, have caused inequitable treatment of the
2 taxpayer because the application of the inflexible, statutorily
3 prescribed rates of tax standard--deduction; and personal
4 exemption to increasing personal incomes has resulted in
5 increasing the taxpayer's taxable income although the taxpayer's
6 purchasing power has remained the same or decreased;

7 (b) That it is the purpose of this section to adopt a
8 practicable method of mitigating the inequity described in
9 paragraph (a) of this subsection (1) by providing flexibility in
10 said rates of tax standard--deduction; and personal exemption
11 through the development and use of an annual inflation factor.

12 (2) (b) The general assembly shall determine the annual
13 inflation factor as a percentage, and the department of revenue
14 shall multiply said percentage by the rates of tax standard
15 deduction; and personal exemption. After the taxable year 1978,
16 the department of revenue shall multiply the annual inflation
17 factor for the current taxable year by the rates of tax standard
18 deduction; and personal exemption as adjusted by multiplication
19 by the annual inflation factor for the previous taxable years so
20 that the application of the annual inflation factor will be
21 cumulative. The rates of tax standard--deduction; and personal
22 exemption, adjusted by application of the annual inflation factor
23 as provided in this section and rounded to the nearest one
24 dollar, shall be incorporated into the income tax forms and
25 instructions of the department of revenue for each taxable year.

26 (c) From taxable year to taxable year, the application of

1 the annual inflation factor to the rates of tax standard
2 deduction; and personal exemption may cause said rates deduction;
3 and exemption to increase, remain the same, or decrease.

4 SECTION 3. 39-22-112(1), Colorado Revised Statutes 1973, as
5 amended, is amended to read:

6 39-22-112. Colorado standard deduction of a resident
7 individual. (1) The Colorado standard deduction for a resident
8 individual, or a husband and wife whose Colorado taxable income
9 is determined jointly as though one taxpayer, OR A MARRIED
10 TAXPAYER FILING SEPARATELY shall be one---thousand---dollars
11 multiplied--by--the--AIF--or;--in--the--case--of--a--married--taxpayer
12 / ~~filing--separately;--five--hundred--dollars--multiplied--by--the--AIF~~ THE
13 FEDERAL ZERO BRACKET AMOUNT APPLICABLE TO SUCH TAXPAYER, plus in
14 both-cases; the deduction for federal income tax as defined in
15 section 39-22-113 (4) (a).

16 SECTION 4. 39-22-116(2)(d), Colorado Revised Statutes 1973,
17 as amended, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

18 39-22-116. Colorado taxable income of an individual
19 resident in Colorado for a part year. (2) (d) In lieu of
20 claiming the Colorado itemized deductions, the taxpayer may
21 deduct the federal zero bracket amount applicable to the taxpayer
22 multiplied by a fraction the numerator of which is the number of
23 months of the federal taxable year for which the taxpayer was a
24 Colorado resident and the denominator of which is the number of
25 months in the entire federal taxable year.

26 SECTION 5. Applicability. This act shall apply to income

1 tax years beginning on or after January 1, 1981.

2 SECTION 6. Safety clause. The general assembly hereby
3 finds, determines, and declares that this act is necessary for
4 the immediate preservation of the public peace, health, and
5 safety.

BILL 9

A BILL FOR AN ACT

1 CONCERNING JOINT TAX RETURNS UNDER THE COLORADO INCOME TAX.

Bill Summary

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

Creates separate income tax rate schedules for married couples filing a joint return, unmarried persons, and married persons filing separate returns. Requires that married persons who file a joint federal return must file a joint Colorado return.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 39,22-104 (2), Colorado Revised Statutes 1973,
4 as amended, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

5 39-22-104. Normal tax imposed on individuals, estates, and
6 trusts. (2) (a) (I) The tax imposed by subsection (1) of this
7 section, with respect to a married couple filing a joint return,
8 shall be determined in accordance with the following table:

9 <u>If the Colorado taxable income</u>	<u>The tax is:</u>
10 <u>is:</u>	

11 Not over \$1,607 multiplied by	2 1/2% of the Colorado taxable
12	

1	the AIF	income
2		
3	Over \$1,607 multiplied by the AIF	\$40 multiplied by the AIF plus
4		
5	but not over \$3,214 multiplied by	3% of the excess Colorado
6		
7	the AIF	taxable income over the amount
8		
9		obtained by multiplying \$1,607
10		
11		by the AIF
12		
13	Over \$3,214 multiplied by the AIF	\$88 multiplied by the AIF plus
14		
15	but not over \$4,821 multiplied by	3 1/2% of the excess Colorado
16		
17	the AIF	taxable income over the amount
18		
19		obtained by multiplying \$3,214
20		
21		by the AIF
22		
23	Over \$4,821 multiplied by the AIF	\$145 multiplied by the AIF
24		
25	but not over \$6,428 multiplied by	plus 4% of the excess Colorado
26		
27	the AIF	taxable income over the amount
28		
29		obtained by multiplying \$4,821
30		
31		by the AIF
32		
33	Over \$6,428 multiplied by the AIF	\$209 multiplied by the AIF
34		
35	but not over \$8,035 multiplied by	plus 4 1/2% of the excess
36		
37	the AIF	Colorado taxable income over
38		
39		the amount obtained by
40		
41		multiplying \$6,428 by the AIF
42		
43	Over \$8,035 multiplied by the AIF	\$281 multiplied by the AIF
44		
45	but not over \$9,642 multiplied by	plus 5% of the excess Colorado
46		
47	the AIF	taxable income over the amount
48		
49		obtained by multiplying \$8,035
50		
51		by the AIF
52		

1	Over \$9,642 multiplied by the AIF	\$362 multiplied by the AIF
2		
3	but not over \$11,249 multiplied	plus 5 1/2% of the excess
4		
5	by the AIF	Colorado taxable income over
6		
7		the amount obtained by
8		
9		multiplying \$9,642
10		
11		by the AIF
12		
13	Over \$11,249 multiplied by the	\$450 multiplied by the AIF
14		
15	AIF but not over \$12,856	plus 6% of the excess Colorado
16		
17	multiplied by the AIF	taxable income over the amount
18		
19		obtained by multiplying
20		
21		\$11,249 by the AIF
22		
23	Over \$12,856 multiplied by the	\$546 multiplied by the AIF
24		
25	AIF but not over \$14,463	plus 6 1/2% of the excess
26		
27	multiplied by the AIF	Colorado taxable income over
28		
29		the amount obtained by
30		
31		multiplying \$12,856 by the AIF
32		
33	Over \$14,463 multiplied by the	\$651 multiplied by the AIF
34		
35	AIF but not over \$16,070	plus 7 1/2% of the excess
36		
37	multiplied by the AIF	Colorado taxable income over
38		
39		the amount obtained by
40		
41		multiplying \$14,463 by the AIF
42		
43	Over \$16,070 multiplied by the	\$771 multiplied by the AIF
44		
45	AIF	plus 8% of the excess Colorado
46		
47		taxable income over the amount
48		
49		obtained by multiplying
50		
51		\$16,070 by the AIF

1		
2		multiplying \$4,944 by the AIF
3		
4	Over \$6,180 multiplied by the AIF	\$216 multiplied by the AIF
5		
6	but not over \$7,416 multiplied by	plus 5% of the excess Colorado
7		
8	the AIF	taxable income over the amount
9		
10		obtained by multiplying \$6,180
11		by the AIF
12		
13		
14	Over \$7,416 multiplied by the AIF	\$278 multiplied by the AIF
15		
16	but not over \$8,652 multiplied by	plus 5 1/2% of the excess
17		
18	the AIF	Colorado taxable income over
19		
20		the amount obtained by
21		
22		multiplying \$7,416 by the AIF
23		
24	Over \$8,652 multiplied by the AIF	\$346 multiplied by the AIF
25		
26	but not over \$9,888 multiplied by	plus 6% of the excess Colorado
27		
28	the AIF	taxable income over the amount
29		
30		obtained by multiplying \$8,652
31		by the AIF
32		
33		
34	Over \$9,888 multiplied by the AIF	\$420 multiplied by the AIF
35		
36	but not over \$11,124 multiplied	plus 6 1/2% of the excess
37		
38	by the AIF	Colorado taxable income over
39		
40		the amount obtained by
41		
42		multiplying \$9,888 by the AIF
43		
44	Over \$11,124 multiplied by the	\$501 multiplied by the AIF
45		
46	AIF but not over \$12,360	plus 7 1/2% of the excess
47		
48	multiplied by the AIF	Colorado taxable income over
49		
50		the amount obtained by
51		

1 multiplying \$11,124 by the AIF
2
3 Over \$12,360 multiplied by the \$593 multiplied by the AIF
4
5 AIF plus 8% of the excess Colorado
6
7 taxable income over the amount
8
9 obtained by multiplying
10
11 \$12,360 by the AIF

12 (III) The tax imposed by subsection (1) of this section,
13 with respect to a married person filing a separate return shall
14 be determined in accordance with the following table:

15 <u>If the Colorado taxable income</u>	16 <u>is:</u>	<u>The tax is:</u>
17 Not over \$804 multiplied by the	18 AIF	2 1/2% of the Colorado taxable 19 income
20 Over \$804 multiplied by the AIF	21 but not over \$1,608 multiplied by	\$20 multiplied by the AIF
22 the AIF	23 plus 3% of the excess Colorado	plus 3% of the excess Colorado
24	25 taxable income over the amount	taxable income over the amount
26	26	obtained by multiplying \$804
27	27	by the AIF
28	28	
29	29	
30	30	
31 Over \$1,608 multiplied by the AIF	32 but not over \$2,412 multiplied by	\$44 multiplied by the AIF
33 the AIF	34 plus 3 1/2% of the excess	plus 3 1/2% of the excess
35	35 Colorado taxable income over	Colorado taxable income over
36	36	the amount obtained by
37	37	multiplying \$1,608 by the AIF
38	38	
39	39	
40	40	
41 Over \$2,412 multiplied by the AIF	42 but not over \$3,216 multiplied by	\$72 multiplied by the AIF plus
43	43	4% of the excess Colorado
44	44	

1	the AIF	taxable income over the amount
2		
3		obtained by multiplying \$2,412
4		
5		by the AIF
6		
7	Over \$3,216 multiplied by the AIF	\$104 multiplied by the AIF
8		
9	but not over \$4,020 multiplied by	plus 4 1/2% of the excess
10		
11	the AIF	Colorado taxable income over
12		
13		the amount obtained by
14		
15		multiplying \$3,216
16		
17		by the AIF
18		
19	Over \$4,020 multiplied by the AIF	\$141 multiplied by the AIF
20		
21	but not over \$4,824 multiplied by	plus 5% of the excess Colorado
22		
23	the AIF	taxable income over the amount
24		
25		obtained by multiplying \$4,020
26		
27		by the AIF
28		
29	Over \$4,824 multiplied by the AIF	\$181 multiplied by the AIF
30		
31	but not over \$5,628 multiplied by	plus 5 1/2% of the excess
32		
33	the AIF	Colorado taxable income over
34		
35		the amount obtained by
36		
37		multiplying \$4,824 by the AIF
38		
39	Over \$5,628 multiplied by the AIF	\$225 multiplied by the AIF
40		
41	but not over \$6,432 multiplied by	plus 6% of the excess Colorado
42		
43	the AIF	taxable income over the amount
44		
45		obtained by multiplying \$5,628
46		
47		by the AIF
48		
49	Over \$6,432 multiplied by the AIF	\$273 multiplied by the AIF
50		
51	but not over \$7,236 multiplied by	plus 6 1/2% of the excess

1		
2	the AIF	Colorado taxable income over
3		
4		the amount obtained by
5		
6		multiplying \$6,432 by the AIF
7		
8	Over \$7,236 multiplied by the AIF	\$326 multiplied by the AIF
9		
10	but not over \$8,040 multiplied by	plus 7 1/2% of the excess
11		
12	the AIF	Colorado taxable income over
13		
14		the amount obtained by
15		
16		multiplying \$7,236 by the AIF
17		
18	Over \$8,040 multiplied by the AIF	\$386 multiplied by the AIF
19		
20		plus 8% of the excess Colorado
21		
22		taxable income over the amount
23		
24		obtained by multiplying \$8,040
25		
26		by the AIF

27 (b) This subsection (2) shall apply to income tax years
 28 beginning on or after January 1, 1981. The annual inflation
 29 factor for the income tax year 1981 shall be applied to the
 30 tables in this subsection (2) for the 1981 income tax year, and
 31 there shall be no cumulative effect of including the annual
 32 inflation factors for previous income tax years. The annual
 33 inflation factors for the 1982 and all subsequent income tax
 34 years shall be applied to such tables for such years so that the
 35 effect of applying the annual inflation factors will be
 36 cumulative.

37 SECTION 2. 39-22-109 (3), Colorado Revised Statutes 1973,
 38 is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

1 39-22-109. Colorado taxable income of a resident
2 individual. (3) If the federal taxable income of a husband and
3 wife is determined on a joint federal return, their tax shall be
4 determined on their joint Colorado taxable income.

5 SECTION 3. 39-22-115 (3) (b), Colorado Revised Statutes
6 1973, is amended to read:

7 39-22-115. Colorado taxable income of a nonresident
8 individual. (3) (b) If the federal taxable income of a husband
9 and wife, both of whom are nonresidents, is determined on a joint
10 federal return, ~~or-if-neither-files-a-federal-return:~~ THEIR TAX
11 SHALL BE DETERMINED ON THEIR JOINT COLORADO TAXABLE INCOME.

12 ~~(i)--Their-tax-shall-be-determined-on-their--joint--Colorado~~
13 ~~taxable-income;-or~~

14 ~~(ii)--Separate--taxes--may--be--determined-on-their-separate~~
15 ~~Colorado-taxable-incomes-if-they-so-elect-and-if-they-comply-with~~
16 ~~the-requirements-of-the-executive-director:~~

17 SECTION 4. Applicability. This act shall apply to income
18 tax years beginning on or after January 1, 1981.

19 SECTION 5. Safety clause. The general assembly hereby
20 finds, determines, and declares that this act is necessary for
21 the immediate preservation of the public peace, health, and
22 safety.

BILL 10

A BILL FOR AN ACT
CONCERNING A DECREASE IN THE STATE INCOME TAX.

Bill Summary

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

Decreases the tax rate on Colorado taxable income by replacing the current amounts of taxable income in each income tax bracket with higher amounts of taxable income over a two-year period. Specifies that the annual inflation factor for rates of tax for 1981 and 1982 will not be cumulative but will be cumulative for 1983 and thereafter; retains a cumulative annual inflation factor for the percentage standard deduction or low-income allowance and personal exemption.

-
- 1 Be it enacted by the General Assembly of the State of Colorado:
2 SECTION 1. 39-22-103.5 (2) (b), Colorado Revised Statutes
3 1973, as amended, is amended, and the said 39-22-103.5 (2) is
4 further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:
5 39-22-103.5. Annual inflation factor - purpose.
6 (2) (b) The general assembly shall determine the annual
7 inflation factor as a percentage, and the department of revenue
8 shall multiply said percentage by the rates of tax, standard
9 deduction, and personal exemption. After the taxable year 1978,

1 the department of revenue shall multiply the annual inflation
2 factor for the current taxable year by the rates-of-tax; standard
3 deduction and personal exemption as adjusted by multiplication by
4 the annual inflation factor for the previous taxable years so
5 that the application of the annual inflation factor will be
6 cumulative. The rates of tax, standard deduction, and personal
7 exemption, adjusted by application of the annual inflation factor
8 as provided in this section and rounded to the nearest one
9 dollar, shall be incorporated into the income tax forms and
10 instructions of the department of revenue for each taxable year.

11 (b.1) For the income tax year 1979, the department of
12 revenue shall multiply the rate of tax for 1978, as adjusted by
13 multiplication by the annual inflation factor for 1978, by the
14 annual inflation factor for 1979 so that the application of the
15 annual inflation factor will be cumulative. For the income tax
16 year 1980, the department of revenue shall multiply the rate of
17 tax for 1979, as adjusted by multiplication by the annual
18 inflation factors for 1978 and 1979, by the annual inflation
19 factor for 1980 so that application of the annual inflation
20 factor will be cumulative. For the income tax year 1981, the
21 department of revenue shall multiply the rate of tax prescribed in
22 section 39-22-104 (2) (a) by the annual inflation factor for
23 1981, and there shall be no cumulative effect of including the
24 annual inflation factors for previous income tax years. For the
25 income tax year 1982, the department of revenue shall multiply
26 the rate of tax prescribed in section 39-22-104 (2) (b) by the

1 annual inflation factor for 1982, and there shall be no
2 cumulative effect of including the annual inflation factors for
3 previous income tax years. For the income tax year 1983 and each
4 income tax year thereafter, the department of revenue shall
5 multiply the annual inflation factor for the current income tax
6 year by the rate of tax as adjusted by multiplication by the
7 annual inflation factor for previous income tax years commencing
8 on or after January 1, 1982, so that application of the annual
9 inflation factor will be cumulative.

10 SECTION 2. 39-22-104 (2) and (3) (a), Colorado Revised
11 Statutes 1973, as amended, are amended, and the said 39-22-104
12 (3) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to
13 read:

14 39-22-104. Normal tax imposed on individuals, estates, and
15 trusts. (2) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
16 JANUARY 1, 1981, BUT BEFORE JANUARY 1, 1982, the tax imposed by
17 subsection (1) of this section shall be determined in accordance
18 with the following table:

19 <u>If the Colorado taxable income</u>	20 <u>is:</u>	21 <u>The tax is:</u>
22 Not over \$1,000.00	\$1,400.00	23 3% of the Colorado taxable
24 multiplied by the		25 income
26 1981 AIF		
27 Over \$1,000.00	\$1,400.00	28 \$30.00 \$42.00 multiplied by
29 multiplied by the 1981 AIF but		30 the 1981 AIF plus 3 1/2% of
31 not over \$2,000.00		32 the excess Colorado taxable

1	\$2,800.00 multiplied by the	income over the amount
2		
3	1981 AIF	obtained by multiplying
4		
5		\$1,000.00 \$1,400.00 by the
6		
7		1981 AIF
8		
9	Over \$2,000.00 \$2,800.00	\$65.00 \$91.00 multiplied by
10		
11	multiplied by the 1981 AIF but	the 1981 AIF plus 4% of the
12		
13	not over \$3,000.00 \$4,200.00	excess Colorado taxable income
14		
15	multiplied by the 1981 AIF	over the amount obtained by
16		
17		multiplying \$2,000.00 \$2,800.00
18		
19		by the 1981 AIF
20		
21	Over \$3,000.00 \$4,200.00	\$105.00 \$147.00 multiplied by
22		
23	multiplied by the 1981 AIF but	the 1981 AIF plus 4 1/2% of
24		
25	not over \$4,000.00 \$5,600.00	the excess Colorado taxable
26		
27	multiplied by the 1981 AIF	income over the amount
28		
29		obtained by multiplying
30		
31		\$3,000.00 \$4,200.00 by the
32		
33		1981 AIF
34		
35	Over \$4,000.00 \$5,600.00	\$150.00 \$210.00 multiplied by
36		
37	multiplied by the 1981 AIF but	the 1981 AIF plus 5% of the
38		
39	not over \$5,000.00 \$7,000.00	excess Colorado taxable income
40		
41	multiplied by the 1981 AIF	over the amount obtained by
42		
43		multiplying \$4,000.00 \$5,600.00
44		
45		by the 1981 AIF
46		
47	Over \$5,000.00 \$7,000.00	\$200.00 \$280.00 multiplied by
48		
49	multiplied by the 1981 AIF but	the 1981 AIF plus 5 1/2% of
50		
51	not over \$6,000.00 \$8,400.00	the excess Colorado taxable

1		
2	multiplied by the 1981 AIF	income over the amount
3		
4		obtained by multiplying
5		
6		\$5,000-00 \$7,000.00 by the
7		
8		1981 AIF
9		
10	Over \$6,000-00 \$8,400.00	\$255-00 \$357.00 multiplied by
11		
12	multiplied by the 1981 AIF but	the 1981 AIF plus 6% of the
13		
14	not over \$7,000-00 \$9,800.00	excess Colorado taxable income
15		
16	multiplied by the 1981 AIF	over the amount obtained by
17		
18		multiplying \$6,000-00 \$8,400.00
19		
20		by the 1981 AIF
21		
22	Over \$7,000-00 \$9,800.00	\$315-00 \$441.00 multiplied by
23		
24	multiplied by the 1981 AIF but	the 1981 AIF plus 6 1/2% of
25		
26	not over \$8,000-00 \$11,200.00	the excess Colorado taxable
27		
28	multiplied by the 1981 AIF	income over the amount
29		
30		obtained by multiplying
31		
32		\$7,000-00 \$9,800.00 by the
33		
34		1981 AIF
35		
36	Over \$8,000-00 \$11,200.00	\$380-00 \$532.00 by the 1981
37		
38	multiplied by the 1981 AIF but	AIF plus 7% of the excess
39		
40	not over \$9,000-00 \$12,600.00	Colorado taxable income over
41		
42	multiplied by the 1981 AIF	the amount obtained by
43		
44		multiplying \$8,000-00 \$11,200.00
45		
46		by the 1981 AIF
47		
48	Over \$9,000-00 \$12,600.00	\$450-00 \$630.00 multiplied by
49		
50	multiplied by the 1981 AIF but	the 1981 AIF plus 7 1/2% of
51		

1	not over \$10,000.00 \$14,000.00	the excess Colorado taxable
2		
3	multiplied by the 1981 AIF	income over the amount
4		
5		obtained by multiplying
6		
7		\$9,000.00 \$12,600.00 by the
8		
9		1981 AIF
10		
11	Over \$10,000.00 \$14,000.00	\$525.00 \$735.00 multiplied by
12		
13	multiplied by the 1981 AIF	the 1981 AIF plus 8% of the
14		
15		excess Colorado taxable income
16		
17		over the amount obtained by
18		
19		multiplying \$10,000.00 \$14,000.00
20		
21		by the 1981 AIF
22		

23 (b) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1,
 24 1982, BUT BEFORE JANUARY 1, 1983, THE TAX IMPOSED BY SUBSECTION
 25 (1) OF THIS SECTION SHALL BE DETERMINED IN ACCORDANCE WITH THE
 26 FOLLOWING TABLE:

27	<u>IF THE COLORADO TAXABLE INCOME</u>	<u>THE TAX IS:</u>
28	<u>IS:</u>	
29		
30	NOT OVER \$1,600.00 MULTIPLIED	3% OF THE COLORADO TAXABLE
31		
32	BY THE 1982 AIF	INCOME
33		
34	OVER \$1,600.00 MULTIPLIED BY	\$48.00 MULTIPLIED BY THE 1982
35		
36	THE 1982 AIF BUT NOT OVER	AIF PLUS 3 1/2% OF THE EXCESS
37		
38	\$3,200.00 MULTIPLIED BY THE	COLORADO TAXABLE INCOME OVER
39		
40	1982 AIF	THE AMOUNT OBTAINED BY
41		
42		MULTIPLYING \$1,600.00
43		
44		BY THE 1982 AIF

1		
2	OVER \$3,200.00 MULTIPLIED BY	\$104.00 MULTIPLIED BY THE 1982
3		
4	THE 1982 AIF BUT NOT OVER	AIF PLUS 4% OF THE EXCESS
5		
6	\$4,800.00 MULTIPLIED BY THE	COLORADO TAXABLE INCOME OVER
7		
8	1982 AIF	THE AMOUNT OBTAINED BY
9		
10		MULTIPLYING \$3,200.00 BY THE
11		
12		1982 AIF
13		
14	OVER \$4,800.00 MULTIPLIED BY	\$168.00 MULTIPLIED BY THE 1982
15		
16	THE 1982 AIF BUT NOT OVER	AIF PLUS 4 1/2% OF THE EXCESS
17		
18	\$6,400.00 MULTIPLIED BY THE	COLORADO TAXABLE INCOME OVER
19		
20	1982 AIF	THE AMOUNT OBTAINED
21		
22		BY MULTIPLYING
23		
24		\$4,800.00 BY THE
25		
26		1982 AIF
27		
28	OVER \$6,400.00 MULTIPLIED BY	\$240.00 MULTIPLIED BY THE 1982
29		
30	THE 1982 AIF BUT NOT OVER	AIF PLUS 5% OF THE EXCESS
31		
32	\$8,000.00 MULTIPLIED BY THE	COLORADO TAXABLE INCOME OVER
33		
34	1982 AIF	THE AMOUNT OBTAINED BY
35		
36		MULTIPLYING \$6,400.00 BY THE
37		
38		1982 AIF
39		
40	OVER \$8,000.00 MULTIPLIED BY	\$320.00 MULTIPLIED BY THE 1982
41		
42	THE 1982 AIF BUT NOT OVER	AIF PLUS 5 1/2% OF THE EXCESS
43		
44	\$9,600.00 MULTIPLIED BY THE	COLORADO TAXABLE INCOME OVER
45		
46	1982 AIF	THE AMOUNT OBTAINED BY
47		
48		MULTIPLYING \$8,000.00 BY THE
49		
50		1982 AIF

1		
2	OVER \$9,600.00 MULTIPLIED BY	\$408.00 MULTIPLIED BY THE 1982
3		
4	THE 1982 AIF BUT NOT OVER	AIF PLUS 6% OF THE EXCESS
5		
6	\$11,200.00 MULTIPLIED BY THE	COLORADO TAXABLE INCOME OVER
7		
8	1982 AIF	THE AMOUNT OBTAINED BY
9		
10		MULTIPLYING \$9,600.00 BY THE
11		1982 AIF
12		
13		
14	OVER \$11,200.00 MULTIPLIED BY	\$504.00 MULTIPLIED BY THE 1982
15		
16	THE 1982 AIF BUT NOT OVER	AIF PLUS 6 1/2% OF THE EXCESS
17		
18	\$12,800.00 MULTIPLIED BY THE	COLORADO TAXABLE INCOME OVER
19		
20	1982 AIF	THE AMOUNT OBTAINED BY
21		
22		MULTIPLYING \$11,200.00 BY THE
23		1982 AIF
24		
25		
26	OVER \$12,800.00 MULTIPLIED BY	\$608.00 MULTIPLIED BY THE
27		
28	THE 1982 AIF BUT NOT OVER	1982 AIF PLUS
29		
30	\$14,400.00 MULTIPLIED BY THE	7% OF THE EXCESS COLORADO
31		
32	1982 AIF	TAXABLE INCOME OVER THE AMOUNT
33		
34		OBTAINED BY MULTIPLYING
35		
36		\$12,800.00 BY THE 1982 AIF
37		
38	OVER \$14,400.00 MULTIPLIED BY	\$720.00 MULTIPLIED BY THE 1982
39		
40	THE 1982 AIF BUT NOT OVER	AIF PLUS 7 1/2% OF THE EXCESS
41		
42	\$16,000.00 MULTIPLIED BY THE	COLORADO TAXABLE INCOME OVER
43		
44	1982 AIF	THE AMOUNT OBTAINED BY
45		
46		MULTIPLYING \$14,400.00 BY THE
47		1982 AIF
48		
49		
50	OVER \$16,000.00 MULTIPLIED BY	\$840.00 MULTIPLIED BY THE 1982
51		

1 THE 1982 AIF AIF PLUS 8% OF THE EXCESS
2
3 COLORADO TAXABLE INCOME OVER
4
5 THE AMOUNT OBTAINED BY
6
7 MULTIPLYING \$16,000.00 BY THE
8
9 1982 AIF

10 (3) (a) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
11 JANUARY 1, 1981, BUT BEFORE JANUARY 1, 1982, there shall be
12 allowed as a credit against the tax computed in accordance with
13 subsection (2) of this section an amount calculated by dividing
14 the Colorado taxable income by the divisor two hundred; except
15 that no such credit shall be allowed on Colorado taxable income
16 in excess of nine TWELVE thousand SIX HUNDRED dollars multiplied
17 by the 1981 AIF. ~~if the taxpayer claims credit for taxes paid to~~
18 ~~another state, the credits provided by this subsection (3) shall~~
19 ~~apply to the tax before the credit as provided in section~~
20 ~~39-22-108 has been taken.~~

21 (II) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1,
22 1982, BUT BEFORE JANUARY 1, 1983, THERE SHALL BE ALLOWED AS A
23 CREDIT AGAINST THE TAX COMPUTED IN ACCORDANCE WITH SUBSECTION (2)
24 OF THIS SECTION AN AMOUNT CALCULATED BY DIVIDING THE COLORADO
25 TAXABLE INCOME BY THE DIVISOR TWO HUNDRED; EXCEPT THAT NO SUCH
26 CREDIT SHALL BE ALLOWED ON COLORADO TAXABLE INCOME IN EXCESS OF
27 FOURTEEN THOUSAND FOUR HUNDRED DOLLARS MULTIPLIED BY THE 1982
28 AIF.

29 (c) If the taxpayer claims credit for taxes paid to another

1 state, the credits provided by this subsection (3) shall apply to
2 the tax before the credit as provided in section 39-22-108 has
3 been taken.

4 SECTION 3. Safety clause. The general assembly hereby
5 finds, determines, and declares that this act is necessary for
6 the immediate preservation of the public peace, health, and
7 safety.

BILL 11

A BILL FOR AN ACT

1 CONCERNING THE SURTAX ON DIVIDENDS AND INTEREST, AND PROVIDING
2 FOR THE REPEAL THEREOF.

Bill Summary

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

Repeals the surtax on income derived from dividends and interest.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. Repeal. 39-22-106, Colorado Revised Statutes
5 1973, as amended, is repealed.

6 SECTION 2. Applicability. This act shall apply to income
7 tax years commencing on or after January 1, 1981.

8 SECTION 3. Safety clause. The general assembly hereby
9 finds, determines, and declares that this act is necessary for
10 the immediate preservation of the public peace, health, and
11 safety.

BILL 12

A BILL FOR AN ACT

1 CONCERNING AN INCOME TAX CREDIT IN RELATION TO PERSONS WHO ARE
2 MENTALLY RETARDED.

Bill Summary

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

Changes the income tax exemption for a mentally retarded dependent to a credit against income taxes. Provides for a refund if the credit, when added to certain other credits, exceeds taxes due. Maintains the same standard for determining mental retardation.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 39-22-114 (1), Colorado Revised Statutes 1973,
5 as amended, is amended to read:

6 39-22-114. Colorado personal exemptions of a resident
7 individual. (1) A resident individual shall be entitled to a
8 Colorado exemption of eight hundred fifty dollars multiplied by
9 the AIF for each exemption for which he is entitled to a
10 deduction for the taxable year for federal income tax purposes.
11 ~~A-resident-individual-who-claims-as-a-dependent-any-person-who-is~~

1 mentally--retarded--shall--be--allowed--an--additional---Colorado
2 exemption--of--eight--hundred-fifty-dollars-multiplied-by-the-AIF
3 for-each-such-dependent:---For-the--purposes--of--this--subsection
4 (1);--any--person-who-has-an-intelligence-quotient-(I:Q-)-of-less
5 than-seventy-five-shall-be-deemed-to-be--mentally--retarded:---in
6 initially--claiming--an--exemption--for--mental--retardation;--the
7 taxpayer--shall--submit--with--his--return--a--certificate--of--a
8 physician--or--psychologist--licensed-to-practice-in-this-state-as
9 evidence-of-such-condition:

10 SECTION 2. Part 1 of article 22 of title 39, Colorado
11 Revised Statutes 1973, as amended, is amended BY THE ADDITION OF
12 A NEW SECTION to read:

13 39-22-128. Credit for mentally retarded dependent.
14 (1) With respect to the income taxes imposed by this article,
15 there shall be allowed to each resident individual who claims as
16 a dependent any person who is mentally retarded a credit or
17 refund, for each such dependent, of eighty-four dollars
18 multiplied by the appropriate AIF. For the 1981 income tax year,
19 the eighty-four dollars shall be multiplied by only the 1981 AIF,
20 and there shall be no cumulative effect of including the annual
21 inflation factors for previous income tax years. For the income
22 tax year 1982 and each income tax year thereafter the department
23 of revenue shall multiply the annual inflation factor for the
24 current income tax year by eighty-four dollars as adjusted by
25 multiplication by the annual inflation factor for previous income
26 tax years commencing on or after January 1, 1981, so that

1 application of the annual inflation factor will be cumulative.

2 (2) For the purposes of this section, any person who has an
3 intelligence quotient (I.Q.) of less than seventy-five shall be
4 deemed to be mentally retarded. In initially claiming a credit
5 or refund for mental retardation, the taxpayer shall submit with
6 his return a certificate of a physician or psychologist licensed
7 to practice in this state as evidence of such condition.

8 (3) The credit or refund provided by this section shall
9 apply to income tax years commencing on or after January 1, 1982.

10 (4) The provisions of section 39-22-121, so far as they are
11 applicable, shall apply to the credit or refund provided by this
12 section.

13 SECTION 3. 39-22-121 (1), (2), and (3)(a), Colorado Revised
14 Statutes 1973, as amended, are amended to read:

15 39-22-121. Procedures to claim tax credit or refund.

16 (1) A tax credit or refund allowed by section 39-22-120,
17 39-22-123, 39-22-124, 39-22-125, or 39-22-126, OR 39-22-128 shall
18 be paid from the reserve for refunds created by section
19 39-22-622. Claimants meeting all qualification requirements for
20 an entire taxable year shall be entitled to a credit or refund
21 allowable pursuant to section 39-22-120, 39-22-123, 39-22-124,
22 39-22-125, or 39-22-126.

23 (2) A credit or refund allowed by section 39-22-120,
24 39-22-123, 39-22-124, 39-22-125, or 39-22-126, OR 39-22-128 shall
25 be aggregated with any other credits allowed by any of said
26 sections and claimed on income tax returns provided for in this

1 article or, in the case of an individual not having Colorado
2 taxable income, on such forms or returns for refunds as
3 prescribed by the executive director. Such aggregate amount
4 shall first be allowed as a credit against the taxes imposed by
5 this article reduced by all credits allowed under this article,
6 other than the credits provided by sections 39-22-120, 39-22-123,
7 39-22-124, 39-22-125, and 39-22-126, AND 39-22-128. Any excess
8 of such aggregate amount over such reduced tax shall be deemed to
9 be an overpayment of taxes imposed by this article and shall be
10 refunded as provided in section 39-21-108.

11 (3) (a) If two or more persons, other than husband and
12 wife, are entitled to a credit or refund allowed by section
13 39-22-120, 39-22-123, 39-22-124, 39-22-125, or 39-22-127, OR
14 39-22-128, it may be claimed by either or any of such persons
15 meeting the qualifications therefor or may be divided between
16 them, as they may elect. When two or more persons claim the
17 credit or refund for the same residence, the executive director
18 is authorized to determine the proper allocation of such credit
19 or refund.

20 SECTION 4. Safety clause. The general assembly hereby
21 finds, determines, and declares that this act is necessary for
22 the immediate preservation of the public peace, health, and
23 safety.

BILL 13

A BILL FOR AN ACT

1 CONCERNING ESTIMATED INCOME TAXES.

Bill Summary

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

Currently, regarding estimated income taxes, an individual must file a declaration of estimated tax with the department of revenue if his income tax is expected to exceed his income tax credits by two hundred dollars. In the case of corporations, the figure is one thousand dollars. The bill increases such figures.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 39-22-605 (1) and (6), Colorado Revised Statutes
4 1973, as amended, are amended to read:

5 39-22-605. Declaration and payment of estimated tax by
6 individuals. (1) Every individual subject to taxation under the
7 provisions of this article shall make a declaration of estimated
8 tax if the tax imposed by this article can reasonably be expected
9 to exceed the credits allowed by this article by ~~two~~ FIVE hundred
10 dollars or more.

11 (6) All of the provisions of this section shall also apply

1 to nonresident or part-year resident taxpayers whose tax
2 liability after credit for withholding tax may reasonably be
3 expected to exceed two FIVE hundred dollars for the taxable year.

4 SECTION 2. 39-22-606 (1), (8) (b), and (10), Colorado
5 Revised Statutes 1973, as amended, are amended to read:

6 39-22-606. Declaration and payment of estimated tax by
7 corporation. (1) (a) Every corporation subject to taxation
8 under the provisions of this article and article 29 of this title
9 shall make a declaration of estimated tax if the taxes imposed by
10 section 39-22-301 and article 29 of this title for the taxable
11 year can reasonably be expected to exceed one TWO thousand FIVE
12 HUNDRED dollars.

13 (b) For the purposes of this section, "estimated tax" means
14 the amount of tax, as defined in subsection (10) of this section,
15 over the sum of one TWO thousand FIVE HUNDRED dollars and any
16 amounts expected to be withheld under section 39-29-111.

17 (8) (b) The tax shown on the return of a corporation for
18 the preceding taxable year reduced by one TWO thousand FIVE
19 HUNDRED dollars, if the return showing liability for the tax was
20 filed by the corporation for the preceding taxable year and such
21 preceding year was a taxable year of twelve months.

22 (10) For the purposes of this section, "tax" means the
23 excess of the taxes imposed by section 39-22-301 and article 29
24 of this title over the sum of one TWO thousand FIVE HUNDRED
25 dollars.

26 SECTION 3. Effective date - applicability. This act shall

1 take effect January 1, 1982, and shall apply to income tax years
2 commencing on or after said date.

3 SECTION 4. Safety clause. The general assembly hereby
4 finds, determines, and declares that this act is necessary for
5 the immediate preservation of the public peace, health, and
6 safety.

APPENDICES

APPENDIX A
ASSESSMENT PERCENTAGES FOR
REAL AND PERSONAL PROPERTY IN COLORADO

<u>Type of Property</u>	<u>Assessment Percentages</u>
<u>BASE YEAR PROPERTY</u>	
1. <u>All property</u> except that otherwise prescribed by statute 39-1-104 (1)	30% of base year value
2. Open Space-Residential 39-1-104 (1) 39-1-103	30% Actual value based on a sliding-scale formula specified in 39-1-103 which results in a real assessment percentage of 30% for the first residential portion of land (not to exceed one acre), 15% for second through fifth acres, and 7.5% for remaining acres up to, but less than, 30 acres.
3. Possessory Interest 39-1-104 (1) 39-3-112	30% if assessable (39-3-112).
4. Rehabilitation or modernization on residential buildings more than thirty years old 39-5-105 (2)	Deferred for five years unless ownership changes in a manner which is not by descent or inheritance.
5. Rehabilitation or modernization on commercial buildings thirty or more years old 39-5-105 (3)	Deferred for five years unless ownership changes in a manner which is not by descent or inheritance.
6. Senior Citizens Homes 39-1-104 (1) 39-3-101 (1) (g)	30% of taxable portion (39-3-101 (1) (g)).

Type of Property

Assessment
Percentages

NON-BASE YEAR PROPERTY

- | | |
|---|---|
| 7. Agricultural Equipment
39-1-104 (7) | 10% 1979
5% 1980 and each year thereafter. |
| 8. Agricultural Lands
39-1-104 (1)
39-1-103 (5) | 30% Actual value of agricultural lands, exclusive of building improvements thereon, is determined by consideration of the earning or productive capacity of such lands during a reasonable period of time, capitalized at a rate of 11 1/2% (39-1-103 (5)). |
| 9. Agricultural Products
39-5-111 (2) | Exempt when still owned by grower or producer and retained until fully paid for, or placed in storage for feed, seed, or marketing. |
| 39-5-111 (3) | 5% when purchased from grower or producer and held for re-sale. |
| 10. Agricultural Supplies
39-1-104 (8) | 5% |
| 11. Freeport Merchandise
39-1-104 (2) | 5% |
| 12. Livestock
39-5-109 (6) (b) | 9% 1979 of average value per head per month of livestock owned during previous year.
7% 1980
5% 1981 and each year thereafter. |
| 13. Mobile Homes
39-1-104 (1)
39-5-203 | 30% Actual value shall not exceed 75% of the retail delivered price when new, less household furnishings and depreciation (39-5-203). |
| 14. Oil and Gas Leaseholds and Lands
39-7-102 (1) Production | 87 1/2% of the gross value or selling price of the oil or gas produced, saved, and sold during preceding calendar year. |
| 39-7-102 (2) Secondary recovery, tertiary recovery, or recycling projects which conserve and avoid waste of oil | 75% of the gross value or selling price of the oil or gas produced, saved, and sold during preceding calendar year. |

<u>Type of Property</u>	<u>Assessment Percentages</u>
15. Producing Mines 39-6-106 (2)	25% of gross proceeds or 100% of net proceeds, whichever is greater.
16. Public Utilities 39-1-104 (1) 39-4-102	30% Actual value is determined by formula set forth in 39-4-102. <u>1/</u>
17. Stocks of Merchandise 39-5-109 (5) (b) <u>2/</u>	5%

-
- 1/ The property tax administrator determines the actual value of the operating property and plant of each public utility as a unit, giving consideration to the following factors and assigning such weight to each of such factors as in his judgment will secure a just value of such public utility as a unit:
- (a) The tangible property comprising its plant, whether the same is situated within or outside of Colorado, exclusive of any tangible property situated outside of Colorado which is not directly connected with the business in which such public utility is engaged within Colorado;
 - (b) Its intangibles, such as special privileges, franchises, contract rights and obligations, and rights-of-way;
 - (c) Its gross and net operating revenues during a reasonable period of time not to exceed the most recent five-year period, capitalized at indicative rates;
 - (d) The average market value of its outstanding securities during the preceding calendar year, if such market value is determinable.

If, in the judgment of the administrator, the books and records of any public utility accurately reflect its tangible property, its intangibles, and its earnings within Colorado during the most recent five-year period, the administrator may determine from such books and records the actual value of its property and plant within Colorado and need not determine the entire value of its property and plant both within and outside of Colorado.

- 2/ Supplies as stocks of merchandise are either supplies that are consumed in the making of the finished product, classified as industrial merchandise, or supplies that are used as parts, sold and billed directly to the customer.

APPENDIX B

LOCAL GOVERNMENT MILL LEVY LIMITATIONS

<u>Counties 1/</u>		
<u>Service or Fund</u>	<u>Statute Section</u>	<u>Maximum Mill Levy</u>
Rodent & Predatory Animal Control	35-7-202	May levy taxes for this purpose, but cannot expend more than \$20,000 a year.
Fire Fund	30-10-513	May levy a special tax on property for purpose of creating a fund. Such fund cannot exceed \$10,000/year.
County Recreation District	30-20-703	1 mill. If district comprises entire county, monies must be appropriated from general fund and no special levy is authorized.
Law Enforcement Authorities	30-11-406	3 mills
County Hospitals	25-3-301	3 mills - counties with population of 3,000 or more. 5 mills - counties of less than 3,000.
Pest Control District	35-5-111	2 mills on real property.
Disposal District	30-20-203	0.5 mills
Purchase of Services for Handicapped and Mentally Retarded	27-11-103	0.5 mills

1/ Excludes limitations on county general funds and social service budgets.

Judgment Against County	30-25-104 24-10-113	10 mills. Must levy 10 mills if lesser levy will not discharge judg- ment.
Public Works Fund	30-25-202	3 mills. Special levy in excess of 3 mills may be submitted to the people.
Library	24-90-112	1.5 mills. May be in- creased up to 2.5 mills upon a vote of the peo- ple.

Municipalities

<u>Service or Fund</u>	<u>Statute Section</u>	<u>Maximum Mill Levy</u>
Public Works Fund	31-15-302	If levy is in excess of 2 mills, the governing body may submit the question to the voters.
Park Fund (cities only)	31-25-215	1.5 mills
Downtown Development Authority	31-15-707	3 mills
Public Concerts	31-15-901	0.6 mills
Judgment Against Mu- nicipality	13-60-101 24-10-113	10 mills. Must levy 10 mills if lesser levy will not discharge judgment.
Library	24-90-112	1.5 mills. May be in- creased up to 2.5 mills upon a vote of the peo- ple.
Appropriations to Associated Charity Organizations	31-15-901	Appropriations cannot exceed \$5,000/year.

Special Districts

<u>Type of District</u>	<u>Statute Section</u>	<u>Maximum Mill Levy</u>
Metropolitan Recreation	32-2-115, 116	4 mills
Metropolitan Water	32-4-406	6 mills
Metropolitan Sewage Disposal	32-4-510	0.75 mills within first five years of organization. No levies allowed after the first five years. No limitation in cases of delinquencies.
Cemetery	32-5-104, 105	2 mills. If district embraces entire county, monies are appropriated from general fund and no special tax is allowed.
Hospital	32-5-206	2 mills. No limitation if bonded indebtedness falls within certain bounds.
Fire Protection	32-5-317	8 mills maximum, excluding bonded debt and pension obligations, but can be raised up to 10 mills upon vote of the people. Any increase approved between 8 and 10 mills terminates after two years, unless re-submitted and approved by a vote of the people.
Regional Service Authority	32-7-112, 118	Maximum determined by voters. Levy in excess of maximum must also be approved by voters.
	32-7-135	4 mills for improvements in local improvement district.
	32-7-143	For assumption of services in Denver Metro area following limits are in effect, unless voters approve an increase: - 0.2 mills for planning;

		<ul style="list-style-type: none"> - 2.5 mills for urban drainage and flood control; - no mill levy for performance of duties of Metro Denver Sewage Disposal District No. 1.
Regional Transportation District (RTD)	32-9-120	<p>2 mills for operation and maintenance expenses;</p> <p>0.5 mills for other expenses. Can exceed these limits, up to 2.5 mills to pay bonded indebtedness and contracts, but must be eliminated if voters ratify sales tax increase to fund rail system.</p>
Three Lakes Water and Sanitation	32-10-121, 122	10 mills. Additional levies, not to exceed 10 mills, may be made to pay indebtedness.
Urban Drainage and Flood Control	32-11-217	<p>0.1 mill for engineering and operations.</p> <p>0.4 mills - capital construction.</p> <p>0.4 mills - maintenance of flood plains (1980-83).</p> <p>0.5 mills - operations and maintenance expenses.</p> <p>1 mill - capital improvements.</p> <p>1 mill - security for payment of assessment bonds.</p> <p>2.5 mills - maximum annual non-debt levy.</p> <p>Any levy in excess of 0.9 mills for 1980 to 1983, or 0.5 mills thereafter, must be submitted to electorate.</p>
Mine Drainage	34-51-117	50 mills on all mining

claims within district. A levy on all ores in the district, not to exceed 10 percent of net sales price, may also be used in lieu of, or in combination with, regular levy.

Water Conservancy

37-5-102

1 mill - preliminary fund.

37-45-122

Class A (tax levied on all property within a Class A district):

i) Formed prior to April 22, 1957, maximum is 0.5 mills prior to delivery of water and 1 mill thereafter.

ii) Formed subsequent to April 22, 1957:

- Assessed valuation, \$20 million or less. Maximum is 1.5 mills prior to delivery and 3 mills thereafter. Maximum may be increased to 9 mills upon vote.

- Assessed valuation, \$20,000,001-\$50,000,000. Maximum is 1 mill prior to delivery and 2 mills thereafter. Maximum may be increased to 6 mills upon vote.

- Assessed valuation greater than \$50 million. Maximum is 0.5 mill prior to delivery and 1 mill thereafter. Maximum may be increased to 3 mills upon vote.

37-45-126

Additional levies exceeding limits may be authorized by board to cover defaults and

		deficiencies, but such additional levy cannot exceed 0.5 mills or impose on Class A property, payments in excess of 25 percent of anticipated revenues from other sources.
	37-45-137	After March 15 of any year, any land excluded from the district is not liable for more than 0.5 mill levy for that year.
Colorado River Conservation District	37-46-109	0.5 mills - administrative costs.
		0.2 mills - construction costs.
	37-46-126.3	5 mills - for the sub-district's expenses and construction costs. The seven percent limitation on increases in annual revenue does not apply until the fifth year of the sub-district's existence.
	37-46-127	5 mills - for subdistrict's maintenance assessment. Can be increased by court order.
Southwestern Water Conservation District	37-47-109	0.6 mills - administrative costs.
Rio Grande Water Conservation District	37-48-107, 110	1 mill
	37-48-145	5 mills - for additional subdistrict preliminary assessment. Shall not be exceeded unless petition and court order creating the subdistrict provided for a higher rate.
Ground Water Management	37-90-132	2 mills. Special assessment on wells may also be levied.

APPENDIX C
COLORADO GENERAL ASSEMBLY

OFFICERS
SEN. FRED E. ANDERSON
Chairman
REP. JOHN G. HAMLIN
Vice Chairman

STAFF
LYLE C. KYLE
Director

DAVID F. MORRISSEY
Assistant Director



LEGISLATIVE COUNCIL

ROOM 48 STATE CAPITOL
DENVER, COLORADO 80203
838-3521

AREA CODE 303
November 26, 1980

MEMBERS
SEN. J. ROBERT ALLSHOUSE
SEN. REGIS F. GROFF
SEN. BARBARA S. HOLME
SEN. DAN D. NOBLE
SEN. DONALD A. SANDOVAL
SEN. L. DUANE WOODARD
REP. W. H. "BILL" BECKER
REP. ROBERT F. BURFORD
REP. STEVEN J. DURHAM
REP. CHARLES B. "CHUCK" HOWE
REP. BOB LEON KIRSCHT
REP. PHILLIP MASSARI

Senator Ruth Stockton, Chairman
Joint Budget Committee
341 State Capitol Building
Denver, CO 80203

Dear Senator Stockton:

The interim Committee on Finance has reviewed the process currently used to compile the Tax Profile Study and Statistics of Income data file at the Department of Revenue. The 20,000 return sample of income tax returns is currently compiled biennially for use by private consultants contracted by the Legislative Council to publish the two reports.

The committee has found that because of the annual effects of indexing and other legislative changes to the tax structure, more accurate fiscal notes and revenue projections would be generated by virtue of compiling the data file annually rather than biennially. Statistics on corporate income tax liability could also be compiled by a full-time staff.

The cost of employing seven full-time employees to compile the data file annually would be approximately \$66,000 in personal services, \$4,000 for operating expenses, and \$2,600 for capital outlay, according to the Department of Revenue. The total increase in the Department's budget for such purpose is about \$72,600.

The interim Committee on Finance voted at its October 22 meeting to recommend to the Joint Budget Committee that the Department of Revenue be allowed to increase its budget by \$72,600 for the purpose of compiling the income tax return sample data file annually rather than biennially.

Very truly yours,

Representative Carl Bledsoe,
Chairman

Senator Les Fowler, Vice-Chairman

APPENDIX D

DR 1001 (Rev. 7/80)

STATE OF COLORADO DEPARTMENT OF REVENUE

CITY AND/OR COUNTY SALES TAXES COLLECTED BY THE STATE

LOCALITY	CURRENT %	CURRENT % EFFECTIVE DATE	VENDOR'S FEE	USE TAX	LOCALITY	CURRENT %	CURRENT % EFFECTIVE DATE	VENDOR'S FEE	USE TAX
Alamosa County	2	1-1-79	3 1/3	NO	Kersey	2	7-1-80	3 1/3	NO
Antonito	2	1-1-78	3	NO	Kremmling	4	1-1-80	3 1/3	NO
Archuleta County	1	1-1-69	3 1/3	NO	La Jara	1	1-1-72	3	NO
Aspen	2	7-1-73	3 1/3	NO	Lake County	1	7-1-72	3 1/3	NO
Ault	2	7-1-77	0	YES	Lakewood	2	1-1-72	1	YES
Avon	3	1-1-80	0	NO	La Plata County	1	7-1-76	3 1/3	NO
Basalt	2	1-1-71	3 1/3	YES	Larkspur	2	7-1-80	3 1/3	NO
Bayfield	1	1-1-71	0	NO	La Salle	1	7-1-78	3 1/3	NO
Bennett	2	7-1-74	3 1/3	NO	Limon	2	1-1-79	3 1/3	YES
Bent County	1	7-1-71	3 1/3	NO	Lochbuie	2	7-1-75	NONE	NO
Berthoud	2	1-1-71	3 1/3	YES	Louisville	2	7-1-76	3 1/3	NO
Black Hawk	4	1-1-78	3 1/3	YES	Loveland	2	1-1-75	3 1/3	YES
Breckenridge	2	1-1-76	3 1/3	NO	Lyons	2	1-1-71	3 1/3	YES
Brighton	2	1-1-77	3 1/3	YES	Manassa	1	7-1-77	3 1/3	NO
Broomfield	2	1-1-80	NONE	YES	Mancos	1	1-1-69	NONE	NO
Brush	2	7-1-80	3 1/3	YES	Manitou Springs	3	7-1-80	3 1/3	YES
Buena Vista	1	1-1-73	3 1/3	NO	Marble	2	7-1-76	3 1/3	NO
Canon City	2	1-1-76	3 1/3	YES	Meeker	1	1-1-72	3 1/3	YES
Carbondale	2	7-1-71	3 1/3	YES	Milliken	2	7-1-80	3 1/3	NO
Castle Rock	1	1-1-77	3 1/3	YES	Mineral County	1	7-1-71	3 1/3	NO
Center	1	1-1-79	3 1/3	NO	Minturn	4	7-1-78	3 1/3	NO
Central City	4	7-1-77	3 1/3	YES	Moffat County	2	7-1-75	3 1/3	NO
Chaffee County	1	7-1-75	3	NO	Monte Vista	1	1-1-75	3 1/3	NO
Clear Creek County	1	7-1-76	3 1/3	NO	Morrison	2	7-1-73	3 1/3	NO
Collbran	1	1-1-77	3 1/3	NO	Mt. Crested Butte	3	7-1-78	3 1/3	NO
Costilla County	1	7-1-69	NONE	NO	Mountain View	2	11-1-72	3 1/3	NO
Creede	1	1-1-77	3 1/3	NO	Naturita	2	7-1-80	3 1/3	YES
Crested Butte	3	1-1-74	3 1/3	NO	Nederland	2	1-1-70	3 1/3	NO
Cripple Creek	1	7-1-72	NONE	NO	Norwood	2	7-1-80	3 1/3	NO
Dacono	1	7-1-73	3 1/3	NO	Nucia	1	7-1-72	3 1/3	NO
Debeque	2	1-1-77	3 1/3	NO	Oak Creek	2	1-1-80	3 1/3	NO
Dol Norte	1	7-1-78	3 1/3	YES	Olathe	2	1-1-79	3 1/3	NO
Delta	2	1-1-79	3 1/3	YES	Ouray	3	1-1-80	3 1/3	NO
Delta County	1	7-1-70	3 1/3	NO	Pallisade	1	1-1-70	3 1/3	NO
Dillon	2	7-1-76	3 1/3	NO	Paonia	1	7-1-78	3 1/3	NO
Dolores	1	1-1-69	3 1/3	NO	Parachute	2	1-1-78	NONE	NO
Dove Creek	1	1-1-70	3 1/3	NO	Pitkin County	2	7-1-69	3 1/3	NO
Eagle	2	1-1-71	3 1/3	NO	Pitkin, Town of	2	7-1-75	NONE	NO
Eaton	2	1-1-77	3 1/3	NO	Platteville	2	7-1-76	3 1/3	NO
Empire	3	7-1-79	3 1/3	YES	Rangely	1	1-1-73	3 1/3	NO
Erie	2	1-1-78	3 1/3	YES	Rico	1	1-1-73	NONE	NO
Estes Park	2	7-1-71	3 1/3	NO	Ridgeway	2	1-1-77	3 1/3	NO
Evans	2	1-1-76	3 1/3	YES	Rio Grande County	1	7-1-69	3 1/3	NO
Fairplay	2	1-1-74	3 1/3	NO	Romeo	1	7-1-80	3 1/3	NO
Federal Heights	2	1-1-73	3 1/3	YES	Saguache	1	1-1-73	3 1/3	NO
Florence	2	1-1-78	3 1/3	YES	San Luis	2	7-1-80	3 1/3	NO
Fort Lupton	2	7-1-77	3 1/3	NO	Sedgwick County	1	7-1-79	3 1/3	YES
Fort Morgan	2	1-1-76	3 1/3	YES	Severance	2	7-1-80	3 1/3	**YES
Fountain	2	7-1-80	NONE	YES	Sheridan	3	7-1-74	3 1/3	NO
Fraser	2	7-1-72	3 1/3	NO	Silt	2	1-1-76	3 1/3	NO
Frisco	2	7-1-79	3 1/3	NO	Silverthorne	2	7-1-76	3 1/3	YES
Fruita	2	1-1-76	3 1/3	YES	Silverton	3	7-1-77	3	NO
Garden City	1	7-1-79	3 1/3	NO	Snowmass Village	2	7-1-78	NONE	NO
Georgetown	3	7-1-75	2	YES	Springfield	2	7-1-78	3 1/3	NO
Glenwood Springs	2	12-1-75	2	YES	Steamboat Springs	4	1-1-79	3 1/3	YES
Granada	2	1-1-80	3 1/3	YES	Sterling	1	1-1-75	3 1/3	YES
Granby	2	1-1-72	3 1/3	YES	Summit County	2	7-1-71	3 1/3	NO
Grand Lake	3	7-1-75	3 1/3	NO	Telluride	2	1-1-69	NONE	YES
Green Mountain Falls	2	1-1-77	2	NO	Trinidad	2	1-1-73	3 1/3	YES
Gunnison	2	1-1-80	5	YES	Vail	4	7-1-74	NONE	NO
Gunnison County	1*	7-1-78	3 1/3	NO	Walsenburg	1	7-1-72	3 1/3	YES
Gypsum	2	1-1-77	NONE	NO	Ward	2	7-1-78	3 1/3	NO
Hayden	2	1-1-73	3 1/3	NO	Westcliffe	2	1-1-79	3 1/3	NO
Hinsdale County	2	1-1-73	3 1/3	NO	Windsor	1	1-1-71	3 1/3	NO
Holly	1	7-1-78	3 1/3	NO	Winter Park	4	7-1-79	3 1/3	NO
Holyoke	1	1-1-79	3 1/3	YES	Woodland Park	2	1-1-77	3 1/3	YES
Hot Sulphur Springs	2	1-1-73	3 1/3	NO	Wray	1	1-1-79	3 1/3	YES
Hotchkiss	1	7-1-77	NONE	NO	Yuma	1	1-1-78	3 1/3	NO
Huerfano County	1	7-1-68	3 1/3	NO	RTD*	1/2	1-1-74	3 1/3	NO
Idaho Springs	3	7-1-78	3 1/3	YES					
Ignacio	1	1-1-71	3 1/3	NO					
Jackson County	2	7-1-79	3 1/3	NO					
Jefferson County	1/2	7-1-73	3 1/3	NO					
Johnstown	2	1-1-71	3 1/3	NO					
Julesburg	1	7-1-78	3 1/3	YES					
Keenesburg	1	1-1-79	3 1/3	NO					

*REGIONAL TRANSPORTATION DISTRICT: This includes the counties of Denver, Boulder, Jefferson, Adams and Arapahoe Counties West of Box Elder Creek and the Northeast portion of Douglas County.

**BUILDING MATERIALS ONLY

See reverse side of this page for list of city sales taxes NOT collected by the State.

NOTE: CITIES AND COUNTIES WHICH ARE STATE COLLECTED AND HAVE A USE TAX PROVISION CAN HAVE USE TAX ON ONLY TWO ITEMS: BUILDING MATERIALS AND MOTOR VEHICLES. ONLY THE USE TAX ON LEASED VEHICLES IS COLLECTED BY THE DEPARTMENT OF REVENUE.

CITY SALES TAXES NOT COLLECTED BY THE STATE

LOCALITY	CURRENT %	CURRENT % EFFECTIVE DATE	VENDOR'S FEE
Arvada	2	1-1-74	3
Aurora	3	12-1-74	1½
Boulder	2	8-1-64	1½
Cherry Hills Village	2	1-1-68	None
Colorado Springs	2	1-1-72	3
Commerce City	2	3-31-71	2
Cortez	2	11-1-74	5
Denver	3	10-1-69	2
Durango	1	4-1-62	5
Edgewater	2½	1-1-80	3
Englewood	3	3-22-68	1.6
Fort Collins	2	4-1-73	3
Glendale	3	5-1-79	3 1/3
Golden	2	8-1-79	2½
Grand Junction	2	1-1-76	5
Greeley	2	8-1-76	3
Greenwood Village	3	7-1-72	None
Lafayette	2	8-1-67	5
La Junta	1	1-1-78	None
Lamar	3	6-1-80	5
Littleton	3	1-1-62	2½
Longmont	2	1965	3
Montrose	2	11-2-71	3 1/3
Northglenn	3	7-1-75	1
Pueblo	3	1-1-72	3.3
Rifle	2	12-1-73	5
Thornton	3	1-1-75	4
Westminster	3	2-1-76	2½
Wheatridge	2	1-1-76	3 1/3

The percentage of tax shown for those cities not collected by the State are correct according to the latest available information. Since we do not collect these taxes, any change which might occur from time to time is not always reported to us. It is suggested that you contact the local entity for the latest tax information.