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**0275 Committees on: School Finance and Property Taxation, Exceptional Children**

**Report to the Colorado General Assembly:**

**RECOMMENDATIONS FOR 1983  
COMMITTEE ON:**

**SCHOOL FINANCE AND  
PROPERTY TAXATION  
EXCEPTIONAL CHILDREN**



**COLORADO LEGISLATIVE COUNCIL**

**RESEARCH PUBLICATION NO. 275  
December, 1982**

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recommendations for 1983

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Between sessions, the interim legislative committees concentrate on specific study assignments approved by resolution of the General Assembly or directed by the council. Committee documents, data, and reports are prepared with the aid of the council's professional staff.

During sessions, the council staff provides support services to the various committees of reference and furnishes individual legislators with facts, figures, arguments, and alternatives.

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*Colorado, General Assembly, Legislative Council, Committee  
" on School Finance and Property Taxation .*

**COLORADO LEGISLATIVE COUNCIL  
"  
RECOMMENDATIONS FOR 1983**

**COMMITTEES ON:**

**School Finance and Property Taxation  
Exceptional Children**

**Legislative Council  
Report to the  
Colorado General Assembly**

**Research Publication No. 275  
December, 1982**

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To Members of the Fifty-fourth Colorado General Assembly:

Submitted herewith are the final reports of the Committee on School Finance and Property Taxation and the Committee on Exceptional Children. Both committees were appointed by the Legislative Council pursuant to Senate Joint Resolution No. 19, 1982 session.

At its meeting of November 29, the Legislative Council approved motions to transmit these reports to the Fifty-fourth General Assembly.

Respectfully submitted,

/s/ Representative John G. Hamlin  
Chairman  
Colorado Legislative Council

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## SUMMARY OF COMMITTEE ACTIVITIES AND RECOMMENDATIONS

During the 1982 interim, the Committee on School Finance and Property Taxation was directed to focus its attention on the following major issues:

(1) the current status of Colorado's system of financing elementary and secondary education; and

(2) statutory changes necessary to conform Colorado property tax laws to the recently enacted constitutional amendment (H.C.R. 1005) ratified by the voters at the November 2, 1982 general election.

In addition to these items, the committee studied the state supreme court decision in the Lujan case and also examined the problems created by the mill levy limitations imposed on local units of government.

### Recommendations

The committee held a total of six meetings during the interim and attempted to divide its time equally between the subjects of school finance and property taxation. As a result of its study, the committee recommends a total of seventeen bills. Bills 1 through 4 provide state financial assistance to schools for maintaining existing programs or establishing new programs. Bills 5 through 8 are recommendations from the Citizens' Committee on Property Taxation and are designed to make general improvements in the property tax statutes. Bill 9 is a suggestion from members of the Board of Assessment Appeals relating to the board's number of hearing days. Bills 10 through 16 are changes necessitated by or related to the adoption of House Concurrent Resolution No. 1005. Bill 17 addresses the problem of mill levy limitations. The bills are briefly summarized below.

#### School Finance

Bill 1 increases the state's funding share for special education. Cost -- \$5.5 million for 1983-84.

Bill 2 provides state funding to all 181 school districts for capital expenditures. There was some committee disagreement on the best method to allocate funds for capital needs. One system which was favored by some members was to provide capital outlay assistance to the low-wealth districts. This position is outlined in the minority report to the committee's final report. Cost for both alternatives -- \$7.7 million for 1983-84.

Bill 3 increases state funding for pupil transportation. Cost -- \$5.8 million for 1983-84.

Bill 4 provides state financial awards to schools which achieve excellence. Cost -- \$400,000 for 1983-84.

### Property Taxation

Bill 5 accelerates the property tax base year and reassessment cycle so that beginning in 1986 all property will be reassessed every two years.

Bill 6 provides state financial assistance to counties for computerization of their property tax system. Maximum cost -- \$472,500 each fiscal year for 1983-84, 1984-85, and 1985-86.

Bill 7 clarifies the duties of the Board of Assessment Appeals and the State Board of Equalization.

Bill 8 excludes from the local government revenue-raising limitation any cost of a property reappraisal conducted or ordered by the state, or any payment to the state for excess school finance payments made to any school district as a result of the under valuation of property.

Bill 9 increases the number of hearing days allowed to the Board of Assessment Appeals.

Bill 10 makes technical changes in the property tax statutes to conform with H.C.R. 1005. Such changes include alteration of the assessment ratio, repayment to the state of excess school finance payments, the appointment of the property tax administrator, and appeals on property classification.

Bill 11 contains definitions which are required by or related to H.C.R. 1005.

Bill 12 makes changes in the State Board of Equalization necessitated by H.C.R. 1005.

Bill 13 contains additional conforming amendments to H.C.R. 1005, such as changing the current seven factors for determining valuation to three factors and exempting certain properties from taxation.

Bill 14 makes changes in the taxation of mobile homes to conform to H.C.R. 1005.

Bill 15 changes residential property assessment from 30 percent to 21 percent and all other property from 30 percent to 29 percent, as required by the constitution. As a result of these changes, special treatment of certain types of property is also removed.

Bill 16 creates a method for determining the value of multiple use properties.

Bill 17 repeals certain mill levy limitations on counties, municipalities, and special districts.

## BACKGROUND REPORT

### Charge

The 1982 interim Committee on School Finance and Property Taxation was directed by Senate Joint Resolution No. 19 to study the following issues related to the state's system of financing schools and the current property tax structure:

#### School Finance

- the monitoring of the progress of school finance litigation both in Colorado and in other states; 1/
- alternative school financing systems;
- the current provisions on the capital reserve fund and the bond redemption fund;
- general concepts of accountability;
- the current limitations on the counting of pupils enrolled in full-day kindergarten programs;
- an assessment of the effects of House Bill 1286, 1982 session, on the state's school districts;

#### Property Tax

- a review of the statutes relating to the assessment and taxation of property contained in articles 1 through 13 of title 39, Colorado Revised Statutes 1973; and
- an examination of the possible statutory revisions necessary should House Concurrent Resolution No. 1005 be adopted by the electorate in November, 1982. 2/

1/ After Senate Joint Resolution No. 19 was adopted by the General Assembly, the Colorado Supreme Court upheld the constitutionality of the state's system of financing public schools (Lujan v. Colorado State Board of Education). Background information on the Lujan case may be found in the 1979 and 1980 reports of the interim Committee on School Finance, Legislative Council Publication Nos. 243 and 257, respectively.

2/ House Concurrent Resolution No. 1005, which amends certain state constitutional provisions on property taxation, was adopted at the 1982 general election.



## Activities

### Areas of Concentration

The committee met six times during the interim, attempting to divide its time equally between school finance and property taxation. In addressing its charge, the committee narrowed its study to the topics outlined below.

- 1) A review and analysis of the implications of the Colorado Supreme Court decision in the case of Lujan v. Colorado State Board of Education.
- 2) the establishment of funding formulas in which the state can assist local school districts for capital expenditures, special education, and transportation costs.
- 3) An examination of the problems caused by not allowing schools to retain general fund year-end balances.
- 4) The creation of a state program which would reward schools for excellence;
- 5) An examination of the provisions of House Concurrent Resolution No. 1005 and the possible statutory changes which would be required if the resolution was adopted.
- 6) A review of the statutes on the assessment and taxation of property.
- 7) The repeal of mill levy limitations on counties, municipalities, and special districts.

### Lujan v. Colorado State Board of Education and Capital Financing of Schools

The committee's first meeting was devoted to a legal briefing by members of the Legislative Drafting Office on the state supreme court's decision in the Lujan case. The briefing consisted of a history of this litigation and a review of the holding of the court, with special emphasis on the possible implications of the court's decision. Although Colorado's system of financing public education was ruled to be constitutional, one item which the court identified for possible improvement was the lack of any state assistance to school districts for capital outlay. During the second and third committee meetings testimony was presented by officials of the Department of Education, representatives from the Colorado Association of School Executives, and school superintendants on the capital needs of schools. In addition, a representative from the Education Commission of the States outlined school capital financing methods used by other states. One of the committee's legislative proposals

involves providing state assistance to Colorado's school districts in financing their capital expenditures.

### Funding of Special Education and School Transportation Costs

In addition to capital expenditures, the committee considered other areas in which the state could provide financial assistance to local school districts. At the committee's second and fourth meetings, Department of Education officials indicated that severe budgetary constraints were being placed on school districts because of the increasing costs of special education and transportation. The problem is further exacerbated by state underfunding of these programs. Increasing program costs plus state underfunding forces schools to seek additional revenue through increases in property taxes and to divert funds from other programs to cover costs incurred for special education and transportation. New funding formulas suggested by the committee will increase the state's share of financing for both special education and school transportation.

### Year-end Balances of School Districts

At the third committee meeting, a proposal was offered to permit school districts to retain their general fund year-end balances. Currently, it is thought that the existence of year-end balances is looked upon with disfavor by the State School District Budget Review Board in granting revenue increases to school districts. The purpose of the proposal is to statutorily recognize the legitimacy of these balances which, if absent, can have a negative influence on school bond ratings. No formal legislative proposal was made on this issue.

### Schools of Excellence Program

The concept of establishing a schools of excellence program was discussed by the committee during its fourth and fifth meetings. The intent of the program is to place Colorado in the forefront of educational quality by providing a state award to those schools which meet certain criteria of excellence. The establishment of the schools of excellence program is one of the committee's legislative recommendations.

### House Concurrent Resolution No. 1005

Throughout the interim, the committee reviewed the provisions of the constitutional amendment on property taxation -- House Concurrent Resolution No. 1005. Because of the adoption of the resolution in the 1982 general election, the committee's final recommendations contain several bill drafts which clarify certain provisions of the amendment and which also amend the statutes in order to eliminate any conflicts with the constitutional amendment. The issues which the committee addressed in this area are:

- changes involving the Board of Assessment Appeals;
- changes involving the State Board of Equalization;
- the taxation of mobile homes;
- technical changes to the property tax statutes;
- preferential treatment of certain types of property;
- the "open space" concept currently employed in the assessment of land used for residential and related purposes;
- the taxation of multi-use property; and
- the definition or redefinition of various property tax terms.

#### A Review of the Current Property Tax Statutes

In addition to the statutory changes the committee proposed in relation to House Concurrent Resolution No. 1005, some time was devoted during each of the six committee meetings to other changes, independent of the constitutional amendment, which would improve the property tax statutes. These potential changes focused on the following issues:

- improving the property tax assessment and appeals process;
- providing state assistance to counties to computerize the property assessment process;
- changing the property reassessment cycle from a four-year cycle to a two-year cycle;
- clarifying certain responsibilities and duties of the Board of Assessment Appeals and the State Board of Equalization involving appeals of classes and subclasses of property;
- establishing a separate public utilities board of assessment appeals;
- excluding from the local government revenue-raising limitation any property reassessment ordered by the state;
- increasing the allowable hearing days of the Board of Assessment Appeals; and
- examining the current method of assessment used in the valuation of railroad cars and sand and gravel reserves.

## Other Topics Involving Property Taxation

The interim meetings also afforded the committee an opportunity to learn about statewide reassessment of property, public relations information available through the Division of Property Taxation, and changes in the notice of valuation forms. Max Arnold of Max Arnold and Associates presented a slide show for the committee to explain the reassessment of property his firm conducted in Idaho. The slide show was designed to explain the reassessment project to the citizens of Idaho. In Colorado, members of the Division of Property Taxation described the type of information which the division is distributing to the public and the methods which are being employed to disseminate this information. The division currently has several brochures available on property taxation based upon the different classifications of property. Representatives from the Division of Property Taxation also briefed the committee on improvements in the notice of valuation form which is mailed to all taxpayers. The new form is designed to help the taxpayer gain a better understanding of the assessment/valuation process.

## Mill Levy Limitations

One issue which was discussed by the committee during its last meeting was the problem caused by the current mill levy limitations imposed on counties, cities, and special districts. The major problem involves those local units of government which are at their mill levy limitation but which need additional funds for the operation of their services. In many cases the problem is compounded because the property tax base of the governmental unit is either stagnant or decreasing. The interim committee discussed which specific limitations should be repealed and which provisions should remain intact. The committee did not make any recommendation on the seven percent spending limitation imposed on local units of government.

## RECOMMENDATIONS

### School Finance

#### State Funding of the "Exceptional Children's Education Act" (ECEA) -- Bill 1

Current law specifies that the state is to fund eighty percent of the total approved costs for school district special education programs. According to statistics prepared by the Department of Education, the total approved cost of special education was \$98.1 million for the 1981-82 school year. Of this amount \$78.3 million was eligible for reimbursement by the state. However, the state contributed only \$39.6 million (approximately 50.6%) thus forcing local school districts to fund the remaining \$38.7 million. The committee determined that this \$38.7 million in state underfunding of

special education has created major problems for school districts by forcing them to request increases in property taxes and to use funds from other programs to subsidize special education. For 1982-83, the Department of Education estimates that the state is funding only 53.5% of the costs eligible for reimbursement by the state.

Bill 1 attempts to address the problem by increasing the state's funding percentage for special education by five percent each year over a five-year period according to the following schedule:

<u>Fiscal Year</u>	<u>Percentage of Total Approved Costs Eligible for Reimbursement</u>	<u>Bill 1 State's Funding Percentage of Eligible Costs</u>	<u>State Funding Percentage of Total Approved Costs</u>
Current			
1982-83	80.0%	53.5%	42.8%
1983-84	80.0%	60 %	48.0%
1984-85	80.0%	65 %	52.0%
1985-86	80.0%	70 %	56.0%
1986-87	80.0%	75 %	60.0%
1987-88	80.0%	80 %	64.0%
and each fiscal year thereafter			

According to calculations made by the Department of Education, the state's share of funding special education would increase from \$42.1 million in fiscal year 1982-83 (approximately 53.5% of the total eligible cost) to \$86.2 million in fiscal year 1987-88 (approximately 80% of the total eligible cost). The increased cost to the state for fiscal year 1983-84 would be approximately \$5.5 million.

State Funding of School District Capital Reserve Funds -- Bill 2

In spite of the fact that the Colorado Supreme Court upheld the constitutionality of the state's system of financing public schools in the Lujan case, the court warned that "(T)his decision should not be read to indicate that we find Colorado's school finance system to be without fault or not requiring further legislative improvements." 3/ One area which the court highlighted as needing revision was the funding of school district capital expenditures, specifically the state limitations on capital reserve funds and bond redemption funds and the lack of state funding to assist local school districts for capital outlays.

3/ Lujan v. Colorado State Board of Education, Supreme Court of Colorado decision rendered May 24, 1982, No. 79SA276, page 40.

Testimony indicated that demand for new facilities, increases in maintenance costs, and increases in the number of buses and other capital items required by schools are placing severe budgetary pressures on school districts.

Various alternatives were presented to the committee which would help school districts raise revenues for capital needs. Among the suggestions were creating a state bonding authority, allowing the limitations on capital reserve funds and bonded indebtedness to increase, and providing some type of state mill levy equalization for capital reserves.

The committee's recommendation is encompassed in Bill 2. Bill 2 provides state aid to equalize one mill of a school district's capital reserve fund levy at the general equalization program support level for the 1984 budget year. The approximate cost to the state of this equalization would be \$7.7 million in fiscal year 1983-84 and \$15.5 million in fiscal year 1984-85. All school districts would receive some state assistance for capital expenditures under this proposal. In addition, Bill 2 allows for an increase from the current statutory limit of four mills to not more than six mills for a school district's capital reserve fund mill levy if approved by the voters of the district.

A minority report on alternative mechanisms for providing state support for school district capital reserve fund is appended to this report.

### State Aid for School District Transportation Expenses -- Bill 3

State financial aid to school districts for providing pupil transportation is presently at forty cents for each mile traveled and twenty-five percent of any costs when the school district's operating expenditures for pupil transportation exceed the state reimbursement of forty cents for each mile traveled.

According to statistics from the Department of Education, the net current operating expenditures for pupil transportation has increased from \$36.7 million in the school year 1979-80 to a projected level of \$46.9 million in 1982-83. The state's percentage of cost reimbursement to local districts actually declined in the fiscal year 1982-83 (50.8%) compared with the previous fiscal year 1981-82 (55.2%).

Bill 3 increases the current state funding formula applied to pupil transportation from forty cents per mile and twenty-five percent of the school district's excess cost of transportation to fifty cents per mile and thirty-five percent of the excess cost. According to Department of Education figures, this new reimbursement formula will cost the state approximately \$5.8 million in fiscal year 1983-84.

## Schools of Excellence Program -- Bill 4

One indication of the quality of Colorado's school system is reflected in the number of students who are well above the national average in scoring on both the ACT and SAT tests. Because the state has such a good educational base, the committee concluded that the next step toward continual school improvement is the schools of excellence program.

Research has been completed at the elementary school level which shows that there are certain indicators which are capable of measuring the quality of any elementary school. Using this as a starting point, Bill 4 establishes a schools of excellence program to foster excellence in public elementary schools. The Department of Education is responsible for the establishment and administration of the schools of excellence program. The program is completely voluntary and the standards for excellence must be achievable with reasonable effort by any school within the state. In order to participate in the program, a school must submit a letter of intent and develop a plan for educational improvement. The plan which is developed by the school is based upon thirteen indicators of quality which are related to excellence. These indicators of quality are based on such general categories as student achievement and satisfaction in learning; school leadership; instructional and institutional characteristics; and a school's accountability, accreditation, and planning process. 4/

Once the principal of a school believes his school has met the criteria for excellence, a team composed of various educational representatives reviews the school and either recommends that the school is qualified for a grant under the program or that the school must take additional steps prior to any program qualification. Once a school has been designated as an excellent school, the school is eligible to receive twenty-five dollars per pupil of average daily attendance. Any school which qualifies as an excellent school must be reviewed at least once every three years in order for this designation to continue.

The Department of Education has estimated that initially \$300,000 to \$400,000 would be needed for establishment of the schools of excellence program. This money would cover such items as additional personnel and a year of orientation for the schools. In terms of the awards given to the elementary schools, the Department of Education projects that no school would qualify during the first year of the program but that during the second year perhaps one-third of all state elementary schools could qualify at a cost of between \$2.5 and \$3 million. If all elementary schools in the state qualified for a state grant under the schools of excellence program, the maximum cost would be approximately \$8 million.

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4/ A complete list of criteria embodied in Bill 4 is contained in Appendix "A".

## Property Taxation

### Changes in the Valuation Reassessment Cycle Used in Property Taxation -- Bill 5

Currently, property is valued using a "base year" concept. This means that the current value of a piece of property is based upon what it was worth in some prior year. In 1977, the General Assembly adopted House Bill 1452 which froze the level of value for assessment purposes on various classes of property at the 1973 base year level. The purpose of this legislation was to protect property owners, especially in the residential class, from experiencing large increases in their property tax due to the tremendous increase in housing values during much of the 1970's. In 1983 the base year is expected to be 1977 for purposes of determining the actual value of property.

The purpose in accelerating the base year and shortening the reassessment cycle is to provide a more current value of the property, to promote better taxpayer understanding of the assessment of his property, and to reduce the impact of the shifts between base years.

The interim committee recommends Bill 5, which accelerates the base year level of value and the reassessment cycle according to the following schedule:

<u>Assessment Year</u>	<u>Base Year Level of Value</u>
1983 through 1985	1977
1986 through 1987	1983
1988 and thereafter	two-year cycle

Beginning January 1, 1986, the bill requires that all real property including producing mines, oil and gas leaseholds and lands, public utilities, agricultural lands, and producing coal mines and other lands producing nonmetallic minerals be incorporated into the schedule set forth above. Also effective January 1, 1986, rail property will not be a separate class of property, but will be treated as a public utility.

### State Assistance to Counties for Computerization of the Property Assessment Process -- Bill 6

Because of the complexity of the property taxation system, more and more counties are using some type of automated data system to assist them in administrative and appraisal functions. Most of the larger counties have acquired computer systems to help them with property taxation, while most of the smaller counties have not as yet utilized computers. A proposal to assist counties in either acquiring a computer system or enhancing an existing system used in property



taxation was discussed by the 1981 interim Committee on Property Tax Laws and Mobile Home Taxation and was introduced in bill form during the 1982 legislative session, but was not adopted.

The committee concluded that by extending the use of computers used for property taxation, efforts for statewide equalization and assistance of county assessors in establishing valuations for assessments will be enhanced. If the reassessment cycle is shortened as is recommended in Bill 5, computerization will be even more desirable.

In order to achieve these goals, Bill 6 provides state aid to counties to computerize the property assessment process. Beginning July of 1983 and for the next two fiscal years, a county is eligible to receive up to one-half the cost of property tax computerization, but cannot receive more than \$7,500 during each fiscal year for this computerization. The property tax administrator is responsible for administering the program, including a review of all applications from counties for computer assistance. In order to qualify for state assistance, a county must:

- provide matching money to be used in computerization;
- agree to use the money for either acquiring a computer system or changing an existing system, but not for operating costs; and
- agree to use the money first for automation of the administrative function and secondly for automation of the appraisal function.

If a county receives funding under this program and then violates any of the terms of the agreement, the property tax administrator may request the Department of Revenue to withhold distribution of that county's tax revenues by an amount which the county has received for computerization.

Any moneys provided by the state or a county for this program are exempt from any spending or revenue-raising limitation.

#### Appeals Involving Classes and Subclasses of Property -- Bill 7

In an attempt to clarify the duties, responsibilities, and powers of the Board of Assessment Appeals and the State Board of Equalization, the committee recommends adoption of Bill 7. Under Bill 7, the Board of Assessment Appeals would hear only individual tax appeals, while the State Board of Equalization would hear class action appeals, make equalization decisions, and order reappraisals of classes and subclasses of property.

Excluding from the Local Government Revenue-Raising Limitation the Cost of Any State Property Reappraisal -- Bill 8

Bill 8 provides that any local governmental expense incurred in a reappraisal ordered or conducted by the state is excluded from the seven percent revenue-raising limitation. In addition, if any reappraisal shows that excess state assistance was given to a county for school finance because of the undervaluation of taxable property in that county, the required payment to the state of any of this excess state equalization money is also exempt from the seven percent revenue-raising limitation.

Increasing the Number of Compensable Hearing Days for Members of the Board of Assessment Appeals -- Bill 9

Members of the Board of Assessment Appeals appeared before the interim committee to request more hearing days for which they could receive compensation. According to their testimony, the need for additional hearing days is necessitated by the significant increase in appeals filed with the board as the following statistics indicate:

<u>Year</u>	<u>Number of Hearing Days</u>	<u>Number of Cases Heard</u>
1980	44	155
1981	117	475
1982 (as of November 30)	109	828

Caseloads are expected to grow as the change in base year becomes effective and more taxpayers use the appeals process.

Although the board has attempted to make such internal changes as case consolidation and increased use of stipulations in order to facilitate their workload, board members indicated that extending the statutory time for hearing appeals will ensure equitable treatment for all taxpayers.

Bill 9 extends from 120 to 160 the number of days for which members of the Board of Assessment Appeals may receive compensation.

Implementation of Certain Provisions of Amendment No. 1 -- Bill 10

Because of the approval of Amendment No. 1 (House Concurrent Resolution 1005) by the electorate at the November general election, various portions of the statutes governing property taxation need to be amended to be in conformance with, and to implement the provisions of the constitution.

Bill 10 provides the statutory framework within which the General Assembly is to periodically alter the assessment ratio of residential

property so that the percentage of the state's total assessed value which residential property comprises will remain unchanged during future reassessments.

Another constitutional provision which is placed into statute by Bill 10 concerns the reappraisal of classes of property found to be improperly valued by the assessment study, and the repayment to the state of excess school finance distributions made because of the improper valuations. The new statutory language contained in Bill 10 is primarily a restatement of the language contained in the new constitutional provision.

Finally, in keeping with H.C.R. 1005, Bill 10 strikes a provision which requires the property tax administrator to be appointed by the director of the Department of Local Affairs and specifies that the appointment and removal are the responsibility of the State Board of Equalization. Additionally, a statute setting forth grounds for appeals of assessments to county boards of equalization is amended to strike the seven factor formula and substitute the three factors embodied in the constitution, and allows the classification of the property to be appealed to a county board.

#### Definitions of Terminology Used in Property Taxation -- Bill 11

Bill 11 contains statutory definitions of property tax terms which are either required by or related to House Concurrent Resolution 1005. The following terms are defined, among which are properties exempt from taxation by the constitution: "agricultural and livestock products," "agricultural equipment," "agricultural land," "farm," "ranch," "inventories of merchandise," "livestock," "residential real property," and "land on which a residential dwelling unit is located."

"Land on which a dwelling unit is located" includes land up to 35 acres upon which a dwelling unit could be placed if permitted by land use regulations, excluding agricultural land.

#### Concerning the State Board of Equalization -- Bill 12

One area that the committee determined to be in conflict with the recently adopted H.C.R. 1005 concerned statutory provisions governing the State Board of Equalization.

Generally, Bill 12 provides for the appointment of the members of the board by the Speaker of the House, President of the Senate, and the Governor, and provides for the terms, removal from office, and a per diem allowance for the members and for the political composition of the board. The bill also provides that:

- 1) appeals concerning whole classes of property be heard by the State Board of Equalization rather than the Board of Assessment Appeals (BAA);

- 2) State Board of Equalization orders for reappraisal of classes and subclasses be based upon the annual valuation for assessment study in lieu of the board's review of abstracts of assessment, decisions of the BAA, and the property tax administrator's recommendations;
- 3) the board issue orders provided for by the reappraisal and school finance enforcement procedure spelled out in the constitution; and
- 4) classes be reappraised whenever the annual assessment study shows that the statutes have not been complied with and that excess state school finance distributions be repaid with an additional mill levy.

Statutory Conformance -- Other Provisions of Amendment No. 1 -- Bill 13

Bill 13 is another in a series of bills which makes various amendments to the statutes to conform them to the newly added property tax provisions of the state constitution. The bill repeals the seven factors currently applied to the value determination of property (location and desirability, functional use, current replacement cost new, less depreciation, comparison with other properties of known or recognized value, market value in the ordinary course of trade, earning or productive capacity, and appraisal for loan purposes) and replaces them with the constitutionally prescribed cost, market, and income approaches.

Currently, the director of research of the Legislative Council is responsible for contracting with a private person a study to determine whether the county assessors have used the methods required by law to value property. Bill 13 stipulates that for each property tax year beginning January 1, 1985, this study is to include the aggregate valuation for assessment of each county for the year in which the study is conducted.

As required by the constitution, Bill 13 exempts the following properties from taxation:

- 1) inventories of merchandise;
- 2) livestock;
- 3) agricultural and livestock products; and
- 4) agricultural equipment.

Because stocks of merchandise are exempt from property taxation, Bill 13 removes the requirement that the county assessor notify the county treasurer of the valuation for assessment of stocks of merchandise temporarily located in the county and the requirement that the county treasurer collect the appropriate taxes. Also, in relation to the property tax exemption of stocks of merchandise, Bill 13 removes the provisions which make it a crime to fail to pay the tax on mobile homes while listed as stocks of merchandise.

Taxation of Mobile Homes -- Bill 14

Changes in the taxation of mobile homes are necessitated by the adoption of House Concurrent Resolution 1005.

Bill 14 provides that the actual value of mobile homes is to be determined through the use of manuals prepared by the Division of Property Taxation and is to be based on the appropriate market, cost, and income approaches to value. Under Bill 14 the reassessment cycle, base years, and levels of value used in determining the actual value of real property applies to mobile homes. The bill makes conforming amendments relating to the maximum value, household furnishings, and depreciation of mobile homes.

Value Determination for the Purpose of Property Taxation -- Bill 15

The purpose of Bill 15 is to make further conforming statutory amendments necessitated by the recently adopted property tax constitutional amendment. The changes incorporated by Bill 15 are outlined in the right-hand column:

Before the Passage of  
House Concurrent  
Resolution 1005

After the Passage of  
House Concurrent  
Resolution 1005

Assessed Value

Residential property, beginning January of 1983, was to be valued at thirty percent of actual value.

Residential property is to be valued at twenty-one percent of actual value.

With some exceptions, commercial, industrial, public utility, and agricultural property was assessed at thirty percent of actual value.

The valuation of all classes of property other than residential is to be valued at twenty-nine percent of actual value.

Certain types of property have been given special treatment in the determination of their actual value, for instance, open-space residential, severed mineral interests, alternative energy devices, property used to produce alcohol for use in motor vehicles, works of art, alternative energy devices, and private reservoirs.

The special treatment of all these properties is to be removed and they will be assessed at twenty-nine percent of actual value; except, open space residential land, by definition, would be considered as residential property.

## Allocation of Value -- Multiple Use Properties -- Bill 16

With certain exceptions, residential, commercial, industrial, and agricultural property is presently assessed at thirty percent of its actual value. However, House Concurrent Resolution 1005 requires that residential property be valued at twenty-one percent of its actual value while the valuation of all other classes of property would be at twenty-nine percent of actual value.

The different assessment percentages between residential and other types of property create problems in determining the actual value of those properties which have multiple uses, for example a building which is being used for both commercial and residential purposes.

Bill 16 attempts to solve this problem by establishing a value determination formula for multiple use properties. According to this formula, an improvement with multiple uses would be portioned between property classes based upon square footage. Once the square footage of each property class has been determined, the actual value of each portion of the improvement is determined by the application of the appropriate appraisal approaches. The final step in assessment of the building is the application of the appropriate assessment ratio to the actual value of each portion.

The determination of which class the land underlying a multiple use structure shall be is based upon either the primary use or zoned use of the land. If neither of these is determinable, the land is portioned in the same ratio as the actual value of each allocated part of the improvement bears to the improvement's actual value. Bill 16 prohibits more than thirty-five acres from being classified as residential.

The methods for determining the actual value of multiple use properties contained in Bill 16 are based upon the property tax statutes of Arizona.

## Limitations on the Fiscal Powers of Taxing Authorities -- Bill 17

Testimony from representatives of local units of government, especially special districts, indicated that the existing mill levy limitations imposed on counties, cities, and special districts are preventing these governmental entities from providing adequate services to their constituencies. The mill levy limitation problem is especially acute for those governmental units whose property tax base is either remaining constant or declining.

The interim committee reviewed the mill levy limitations imposed on counties, municipalities, and special districts and recommends that the levies on the following governmental entities be repealed:

Counties

county hospitals  
pest control  
disposal district  
purchase of services for  
the handicapped and  
mentally retarded  
county library  
county recreation  
law enforcement  
public works

Municipalities

public works fund  
park fund  
municipal utility  
works  
library  
public concerts and  
entertainments  
downtown development

Special Districts

library  
cemetery  
park and recreation  
metropolitan water  
metropolitan sewage  
disposal  
hospital  
fire protection  
mine drainage  
ground water  
management

No committee action was taken on the mill levy limitations of the following governmental entities:

Counties

rodent and  
predatory animal  
control  
fire fund  
county debt limit  
judgment against  
county  
social services

Municipalities

associated charity  
organizations  
judgment against  
municipality  
municipal debt  
limit  
fireman's pension  
fund  
police pension  
fund

Special Districts

water conservancy  
regional service  
regional transporta-  
tion district  
three lakes water  
and sanitation  
urban drainage and  
flood control  
Colorado river  
conservation  
district  
Southwestern water  
conservation  
district  
Rio Grande water  
conservation  
district

In addition to mill levy limitations, the committee also discussed the effects of the seven percent revenue-raising limitation on local expenditures, but makes no recommendation on this issue.

## MINORITY REPORT

by Senators Stewart and Holme

During the committee's deliberations on Bill 2, two alternative proposals for state support of school district capital reserve funds were advanced by Senators Stewart and Holme. Both proposals provide for state aid on a sliding scale with the districts having the lowest assessed valuations per pupil receiving more proportionate state aid than districts having higher assessed valuations per pupil. Both proposals provide that the lower a district's assessed value per pupil, the more mills are equalized at the general equalization program support level. With limited state resources, Senators Stewart and Holme felt it better to concentrate state dollars in lower wealth districts, rather than distribute it throughout all the state's districts. The formula to determine the number of mills to be equalized for each district is shown below.

$$\text{Mills to be Equalized} = \frac{\text{Phaseout amount established by law}}{\text{district's assessed value per mill per pupil}}$$

Under this formula, a phaseout amount would be set by bill each year. One proposal advanced by Senators Stewart and Holme established the phaseout amount at \$30.34 per mill per pupil, which is the estimated statewide average assessed valuation per mill per pupil for 1983. Under this proposal, if a district had an assessed value per mill per pupil of \$15.17 the number of mills to be equalized would be calculated as follows.

$$\text{Mills to be Equalized} = \frac{\$30.34 \text{ (phaseout amount)}}{\$15.17 \text{ (assessed value per mill per pupil)}}$$

$$\text{Mills to be Equalized} = (2) - 1$$

$$\text{Mills to be Equalized} = 1$$

A second proposal established the phaseout amount at \$42.50 per mill per pupil. Borrowing from the previous example, a school district with an assessed value of \$15.17 per mill per pupil would be entitled to have its millage equalized by the state as follows.

$$\text{Mills to be Equalized} = \frac{\$42.50 \text{ (phaseout amount)}}{\$15.17 \text{ (assessed value per mill per pupil)}}$$

$$\text{Mills to be Equalized} = (2.80) - 1$$

$$\text{Mills to be Equalized} = 1.80$$

Both proposals specify that no more than four mills can be equalized.



The following table compares the costs of the two proposals with the cost of Bill 2.

	<u>Proposal 1</u>	<u>Proposal 2</u>	<u>Bill 2</u>
1983-84 Appropriation	\$3.8 million	\$ 7.5 million	\$ 7.7 million
1984-85 Appropriation	\$7.7 million	\$15.2 million	\$15.5 million

BILL 1

A BILL FOR AN ACT

1 CONCERNING STATE FUNDING OF THE "EXCEPTIONAL CHILDREN'S  
2 EDUCATIONAL ACT", AND MAKING AN APPROPRIATION IN  
3 CONNECTION THEREWITH.

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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 general assembly shall fund certain specified percentages of the reimbursable costs of the "Exceptional Children's Education Act". Provides for yearly increases in such percentages.

---

4 Be it enacted by the General Assembly of the State of Colorado:  
5 SECTION 1. 22-20-114 (3) (a), Colorado Revised Statutes  
6 1973, as amended, is amended, and the said 22-20-114 is  
7 further amended BY THE ADDITION OF A NEW SUBSECTION, to read:  
8 22-20-114. Reimbursable costs of programs. (3) (a) in  
9 ~~the--event~~ Appropriations shall be ~~insufficient~~ SUFFICIENT to  
10 cover reimbursements provided for in subsection ~~(1)~~ (6) of  
11 this section. ~~all---approved---reimbursements;---except---for~~

1 Maintenance in a family care home which shall always be fully  
2 reimbursed. ~~shall--be--prorated--on-the-basis-of-total-claims~~  
3 ~~submitted-in-proportion-to-funds-available-for--reimbursement-~~

4 (6) (a) For the fiscal year beginning July 1, 1983, and  
5 for each succeeding fiscal year thereafter, the general  
6 assembly shall appropriate amounts sufficient to fund no less  
7 than the following percentages of the reimbursements provided  
8 in subsection (1) of this section:

9 (I) For the fiscal year beginning July 1, 1983, sixty  
10 percent;

11 (II) For the fiscal year beginning July 1, 1984,  
12 sixty-five percent;

13 (III) For the fiscal year beginning July 1, 1985,  
14 seventy percent;

15 (IV) For the fiscal year beginning July 1, 1986,  
16 seventy-five percent; and

17 (V) For the fiscal year beginning July 1, 1987, and each  
18 succeeding fiscal year thereafter, eighty percent.

19 (b) Amounts determined according to paragraph (a) of  
20 this subsection (6) exceeding fifty percent of the  
21 reimbursements provided in subsection (1) of this section  
22 shall be appropriated from the special reserve fund created in  
23 section 24-75-201.1, C.R.S. 1973.

24 SECTION 2. Appropriation. In addition to any other  
25 appropriation, there is hereby appropriated, out of any moneys  
26 in the special reserve fund created in section 24-75-201.1,

1 Colorado Revised Statutes 1973, not otherwise appropriated,  
2 for the fiscal year commencing July 1, 1983, to the department  
3 of education, the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), or so  
4 much thereof as may be necessary, for the implementation of  
5 this act.

6 SECTION 3. Effective date. This act shall take effect  
7 July 1, 1983.

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

BILL 2

A BILL FOR AN ACT

1 CONCERNING SCHOOL DISTRICT CAPITAL RESERVE FUNDS, AND MAKING  
2 AN APPROPRIATION IN CONNECTION THEREWITH.

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Bill Summary

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

Provides for state equalization support for school district capital reserve funds. Provides that the support level shall be based on the general equalization program support level used in the "Public School Finance Act of 1973". Sets forth the eligibility requirements for participation in such support. Provides for a proportional sharing of such support if the state appropriation is inadequate to totally fund such support. Provides that any unexpended balance revert to the state's general fund at the end of the state's fiscal year. Allows for an increase in the maximum mill levy which may be imposed for a district's capital reserve fund if approved by the voters of the district. Appropriates money from the special reserve fund that is used for tax relief, highways, and water projects.

---

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

4 SECTION 1. 22-50-111 (1), Colorado Revised Statutes  
5 1973, as amended, is amended to read:

6 22-50-111. State public school fund. (1) There is

1 hereby created in the office of the state treasurer a fund to  
2 be known as the "state public school fund". There shall be  
3 credited to said fund the net balance of the public school  
4 income fund existing as of December 31, 1973, and all  
5 distributions from the state public school income fund  
6 thereafter made, the state's share of all moneys received from  
7 the federal government pursuant to the provisions of section  
8 34-63-102, C.R.S. 1973, and such additional moneys as shall be  
9 appropriated by the general assembly which are necessary to  
10 meet the total state's share of equalization support,  
11 contingency reserve, special contingency reserve, small  
12 attendance centers, aid to school districts with high  
13 concentrations of children from low-income families, aid to  
14 school districts with increasing enrollments, and aid to  
15 instructional television, AND SUPPORT FOR SCHOOL DISTRICT  
16 CAPITAL RESERVE FUNDS.

17 SECTION 2. Article 50 of title 22, Colorado Revised  
18 Statutes 1973, as amended, is amended BY THE ADDITION OF A NEW  
19 SECTION to read:

20 22-50-119. School district capital reserve fund support.  
21 (1) For each school district budget year beginning with the  
22 school district budget year which commences January 1, 1984,  
23 the state support level for a school district's capital  
24 reserve fund shall be the general equalization program support  
25 level for the year specified in section 22-50-105 (1) (a) for  
26 each pupil of attendance entitlement in the district for one

1 mill levied for the district's capital reserve fund for  
2 collection in each such budget year.

3 (2) The property tax levy for the capital reserve fund  
4 of a district eligible under this section shall be subject to  
5 the limits of section 22-40-102 (4).

6 (3) Any district otherwise eligible under this article  
7 shall be eligible for state support under this section if:

8 (a) The amount of revenue per pupil of attendance  
9 entitlement which the district is entitled to receive from a  
10 one-mill levy, assuming one hundred percent collection of such  
11 levy, is less than the capital reserve support level; and

12 (b) The district has levied a property tax for its  
13 capital reserve fund for the budget year.

14 (4) Beginning January 1, 1984, for each budget year,  
15 state support for each pupil of attendance entitlement for one  
16 mill actually levied for the district's capital reserve fund  
17 shall be:

18 (a) The capital reserve support level; minus

19 (b) The amount of property tax revenue received from a  
20 one-mill levy for the budget year in the district, assuming  
21 one hundred percent collection of such levy, for each pupil of  
22 attendance entitlement in the district.

23 (5) The general assembly annually shall make a separate  
24 appropriation to the state public school fund to cover the  
25 state's share of the estimated cost of additional support to  
26 be provided districts pursuant to the provisions of this

1 section. If the amount of the appropriation made is less than  
2 the total amount determined to be the state's actual share of  
3 support to be provided all eligible districts pursuant to the  
4 provisions of this section, then the amount to be distributed  
5 to any district shall be in the same proportion as the amount  
6 of the appropriation made bears to such total amount  
7 determined to be the state's actual share. Any unexpended  
8 balance of the appropriation shall revert to the state general  
9 fund at the end of the state's fiscal year.

10 (6) Upon determination of the amount to be paid to each  
11 eligible district, and during the first quarter of the state's  
12 fiscal year, by order upon the state treasurer, the state  
13 board shall direct payment of the amount which each eligible  
14 district is entitled to receive for the next ensuing budget  
15 year of the district to the treasurer of any district which  
16 has elected under law to withdraw its funds from the custody  
17 of the county treasurer or, in any other case, to the  
18 treasurer of the county in which the district is located, who  
19 shall forthwith credit or pay over such amount to the capital  
20 reserve fund of each said district.

21 SECTION 3. 22-40-102 (4), Colorado Revised Statutes  
22 1973, is amended to read:

23 22-40-102. Certification - tax revenues.

24 (4) (a) EXCEPT AS PROVIDED IN PARAGRAPHS (b) TO (e) OF THIS  
25 SUBSECTION (4), the levy for the capital reserve fund shall  
26 not exceed four mills in any year.



1           (b) THE BOARD OF EDUCATION OF ANY SCHOOL DISTRICT, AT A  
2 SPECIAL ELECTION CALLED FOR THE PURPOSE, SHALL SUBMIT TO THE  
3 REGISTERED QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF  
4 INCREASING THE MAXIMUM MILL LEVY FOR THE CAPITAL RESERVE FUND  
5 TO NOT MORE THAN SIX MILLS.

6           (c) ANY SUCH SPECIAL SCHOOL ELECTION SHALL BE HELD ON OR  
7 BEFORE THE SECOND TUESDAY IN DECEMBER, AND DUE NOTICE THEREOF  
8 SHALL BE GIVEN ONCE A WEEK FOR AT LEAST TWO WEEKS NEXT  
9 PRECEDING SUCH ELECTION BY PUBLICATION IN SOME NEWSPAPER  
10 PUBLISHED OR HAVING GENERAL CIRCULATION WITHIN THE BOUNDARIES  
11 OF THE DISTRICT, OR, IF NO SUCH NEWSPAPER IS PUBLISHED OR  
12 GENERALLY CIRCULATED, NOTICE OF SUCH ELECTION SHALL BE GIVEN  
13 BY POSTING SUCH NOTICE IN EACH SCHOOL IN THE DISTRICT AND IN  
14 THE COUNTY COURTHOUSE FOR AT LEAST TWO WEEKS PRIOR TO THE  
15 ELECTION.

16           (d) (I) EXCEPT AS PROVIDED IN PARAGRAPH (c) OF THIS  
17 SUBSECTION (4), ANY ELECTION CALLED PURSUANT TO THIS  
18 SUBSECTION (4) SHALL BE CONDUCTED AS A SPECIAL SCHOOL ELECTION  
19 UNDER THE APPLICABLE PROVISIONS OF ARTICLE 31 OF THIS TITLE  
20 INsofar AS PRACTICABLE.

21           (II) ALL REGISTERED ELECTORS OF THE DISTRICT, AS DEFINED  
22 IN SECTION 22-31-101, SHALL BE ELIGIBLE TO VOTE IN SUCH  
23 ELECTION.

24           (III) NOTWITHSTANDING THE PROVISIONS OF SECTION  
25 22-31-119 (3), ABSENT VOTERS' BALLOTS SHALL BE MADE AVAILABLE  
26 AT THE ADMINISTRATION OFFICES OF THE SCHOOL DISTRICT

1 CONDUCTING SUCH ELECTION AT LEAST TEN DAYS PRECEDING BUT NOT  
2 AFTER THE CLOSE OF BUSINESS ON THE SECOND DAY IMMEDIATELY  
3 PRECEDING THE DATE SUCH ELECTION WILL BE CONDUCTED.

4 (e) IF A MAJORITY OF THE VOTES CAST AT ANY SUCH ELECTION  
5 ARE IN FAVOR OF THE QUESTION, THE MILL LEVY OF THE DISTRICT  
6 FOR THE CAPITAL RESERVE FUND SHALL BE AS SO APPROVED BY THE  
7 REGISTERED ELECTORS OF THE DISTRICT, AND TAXES MAY BE LEVIED  
8 FOR THE CAPITAL RESERVE FUND OF THE DISTRICT AS SO APPROVED.

9 SECTION 4. The introductory portion to 22-45-103 (1) (c)  
10 (I), Colorado Revised Statutes 1973, is amended to read:

11 22-45-103. Funds. (1) (c) (I) Capital reserve fund.  
12 The revenues from a tax levy for capital outlay purposes AND  
13 MONEYS RECEIVED PURSUANT TO SECTION 22-50-119 shall be  
14 recorded in the capital reserve fund. Such revenues may be  
15 supplemented by gifts, donations, and tuition receipts.  
16 Expenditures from the fund shall be limited to long-range  
17 future programs and shall be made only for the following  
18 purposes:

19 SECTION 5. Appropriation. In addition to any other  
20 appropriation, there is hereby appropriated, out of any moneys  
21 in the special reserve fund created in section 24-75-201.1,  
22 Colorado Revised Statutes 1973, not otherwise appropriated,  
23 for the fiscal year beginning July 1, 1983, to the department  
24 of education, the sum of \_\_\_\_\_ dollars  
25 (\$ ), or so much thereof as may be necessary, for the  
26 implementation of this act.

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

BILL 3

A BILL FOR AN ACT

1 CONCERNING STATE AID FOR SCHOOL DISTRICT TRANSPORTATION  
2 EXPENSES, AND MAKING AN APPROPRIATION IN CONNECTION  
3 THEREWITH.

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Bill Summary

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

Increases the amount of state aid to school districts to meet transportation expenses.

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

5 SECTION 1. The introductory portion to 22-51-104 (1) and  
6 22-51-104 (1) (a) and (1) (b), Colorado Revised Statutes 1973,  
7 as amended, are amended to read:

8 22-51-104. Methods of determining reimbursement  
9 entitlement. (1) For financial aid in providing pupil  
10 transportation, for entitlement periods ending on June 30,  
11 1980 1983, and thereafter, each school district shall have a  
12 reimbursement entitlement, to be determined as follows:

13 (a) Forty FIFTY cents for each mile actually traveled by

1 vehicles operated by or for the school district in providing  
2 pupil transportation during the entitlement period;

3 (b) Twenty-five THIRTY-FIVE percent of any amount by  
4 which the school district's current operating expenditures for  
5 pupil transportation during the entitlement period exceeded  
6 the school district's reimbursement entitlement under the  
7 provisions of paragraph (a) of this subsection (1); and

8 SECTION 2. Appropriation. In addition to any other  
9 appropriation, there is hereby appropriated, out of any moneys  
10 in the special reserve fund created in section 24-75-201.1,  
11 Colorado Revised Statutes 1973, not otherwise appropriated, to  
12 the public school transportation fund, for the fiscal year  
13 beginning July 1, 1983, for use by the department of  
14 education, the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), or so much  
15 thereof as may be necessary, for the implementation of this  
16 act.

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

BILL 4

A BILL FOR AN ACT

1 CONCERNING SCHOOLS OF EXCELLENCE, AND MAKING AN APPROPRIATION  
2 THEREFOR.

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Bill Summary

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

Establishes the "Schools of Excellence Act" to foster excellence in public-supported elementary schools. Provides that the department of education shall administer the established program and shall develop indicators for standards of participation by eligible schools. Sets forth the procedure to be followed by a school wishing to become qualified for a grant under the program.

Makes an appropriation for the purposes of establishing and administering the act. Directs appropriations to be made in future years to fund the program.

---

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

4 SECTION 1. Title 22, Colorado Revised Statutes 1973, as  
5 amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

6 ARTICLE 26

7 Schools of Excellence

8 22-26-101. Short title. This article shall be known and

1 may be cited as the "Schools of Excellence Act".

2 22-26-102. Legislative declaration. It is the purpose  
3 of this article to foster excellence in public-supported  
4 schools of this state by providing financial incentives for  
5 the development of school improvement plans and for the  
6 achievement of goals established pursuant to those plans.

7 22-26-103. Definitions. As used in this article, unless  
8 the context otherwise requires:

9 (1) "Board" means the board of education of a district.

10 (2) "Commissioner" means the commissioner of education.

11 (3) "Department" means the department of education.

12 (4) "District" means a Colorado school district  
13 organized and existing pursuant to law but does not include a  
14 junior college district.

15 (5) "Eligible school" means a state-supported elementary  
16 school in which kindergarten through sixth grades, or any  
17 combination thereof, are taught.

18 (6) "Indicator" means a characteristic of a school which  
19 affects its quality.

20 (7) "State board" means the state board of education.

21 22-26-104. Schools of excellence program -  
22 administration - department of education. (1) There is  
23 hereby established a schools of excellence program, referred  
24 to in this article as the "program", to be administered by the  
25 department. The state board shall have the authority to adopt  
26 reasonable rules and regulations for the administration of

1 this article and the program established pursuant thereto.

2 (2) The state board shall establish standards of  
3 qualification for participation in the program by eligible  
4 schools, which standards shall be achievable with reasonable  
5 effort by the eligible school. The program shall be voluntary  
6 and shall not affect the accreditation or availability of  
7 funds under the "Public School Finance Act of 1973" for any  
8 eligible school.

9 (3) The standards for participation shall be based upon  
10 indicators of quality schools established by the state board  
11 and shall include, but shall not be limited to, the following  
12 indicators:

- 13 (a) Curricular congruence;
- 14 (b) Assessment plans and procedures;
- 15 (c) Leadership of the principal;
- 16 (d) High expectations;
- 17 (e) Schoolwide norms, values, practices, and policies;
- 18 (f) School climate factors;
- 19 (g) Monitoring and feedback of student progress;
- 20 (h) Time on task;
- 21 (i) Organization and management of the instructional  
22 setting;
- 23 (j) Instructional effectiveness;
- 24 (k) Parent and community involvement;
- 25 (l) Accountability, accreditation, and planning  
26 processes;



1 (m) The percentage of students who can read and write at  
2 the elementary level.

3 22-26-105. Application and qualification. (1) In order  
4 to participate in the program, the principal of an eligible  
5 school shall first submit a letter of intent. Upon the  
6 approval of the letter by the board and the superintendent of  
7 the district, the superintendent shall submit the letter of  
8 intent to the department.

9 (2) Officials of the eligible school shall then conduct  
10 an internal study to determine conformance with the indicators  
11 established by the state board and to develop, with the  
12 involvement of the school improvement committee, an action  
13 plan detailing how the school shall improve its performance  
14 relative to the indicators.

15 (3) When the principal has determined that his eligible  
16 school has achieved the levels of excellence established by  
17 the state board and is ready for visitation by a departmental  
18 review team, he shall notify the superintendent and shall  
19 provide the superintendent with a plan and budget for  
20 expending any grant moneys which may be awarded under the  
21 program.

22 (4) When the superintendent has determined that an  
23 eligible school in the district has achieved the levels of  
24 excellence necessary to qualify for a grant under the program,  
25 he shall notify the board and the department and shall submit  
26 to the department the plan and budget for expending any grant

1 moneys which may be awarded under the program.

2 22-26-106. Certification - awarding of grants. (1) At  
3 the request of the superintendent, the department shall  
4 appoint a team to review the application of an eligible school  
5 and the school's eligibility to participate in the program.  
6 The review team shall include representatives from the  
7 department and, to the extent possible, representatives from  
8 other school districts, boards of cooperative services, and  
9 institutions of higher education and such other  
10 representatives as are necessary to provide integrity and  
11 objectivity to the review process.

12 (2) Upon completion of its review, the review team shall  
13 either define additional steps to be taken by the school prior  
14 to qualification for the program or shall recommend to the  
15 commissioner that the school is qualified for a grant under  
16 the program.

17 (3) The commissioner shall review the recommendations of  
18 the review team and shall refer those schools meeting the  
19 applicable criteria to the state board for designation as  
20 schools of excellence and thereby qualified to receive an  
21 annual grant equal to twenty-five dollars per pupil of average  
22 daily attendance, as defined by section 22-50-102(3), in the  
23 eligible school, but in no case shall any such qualified  
24 school receive less than \_\_\_\_\_ dollars.

25 22-26-107. Grant not to supplant other moneys. Any  
26 moneys made available to an eligible school pursuant to the

1 provisions of this article shall not supplant moneys made  
2 available to the school pursuant to the "Public School Finance  
3 Act of 1973" or pursuant to the taxing authority of the  
4 district.

5 22-26-108. Continuing eligibility for grants. (1) Each  
6 year, the superintendent of a district shall submit to the  
7 department a list of those schools which desire to continue in  
8 the program and applications from those schools, approved by  
9 the boards, for consideration by the department.

10 (2) The department shall conduct a review of qualified  
11 schools in the program no less often than once every three  
12 years. Such review shall be conducted in a manner approved by  
13 the state board, but in no case shall a school be denied  
14 continued qualification under the program unless a review team  
15 which has a composition similar to the review team making the  
16 initial review of the eligible school has determined that the  
17 school no longer meets the criteria for qualification in the  
18 program and is therefore not qualified for the subsequent  
19 year's grant.

20 SECTION 2. Appropriation. (1) In addition to any other  
21 appropriation, there is hereby appropriated, out of any moneys  
22 in the state treasury not otherwise appropriated, to the  
23 department of education, for the fiscal year commencing July  
24 1, 1983, the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), or so  
25 much thereof as may be necessary, for the establishment and  
26 administration of this act and for conducting the necessary

1 orientation program for any interested school district which  
2 desires to enter the schools of excellence program, with  
3 special attention given to districts with low property tax  
4 assessments relative to their school funding requirements.

5 (2) Beginning July 1, 1984, and each fiscal year  
6 thereafter for such time as the general assembly deems it  
7 necessary in order to achieve the intents and purposes of this  
8 act, the general assembly shall appropriate such moneys to the  
9 department of education as is necessary for administration of  
10 the schools of excellence program and for the funding of  
11 grants authorized under the program.

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

BILL 5

A BILL FOR AN ACT

1 CONCERNING THE VALUATION REASSESSMENT CYCLE USED IN PROPERTY  
2 TAXATION, AND RELATING TO THE DURATION OF THE  
3 REASSESSMENT CYCLE, THE BASE YEAR CYCLE, AND THE LEVEL OF  
4 VALUE USED IN CONNECTION THEREWITH AND TO THE  
5 APPLICABILITY THEREOF.

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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 reassessment cycle in determining actual value for property taxes from a four-year to a two-year cycle. Also changes the base years and the years whose levels of value are used in determining actual value. Makes conforming amendments regarding the manuals and associated data to be prepared by the property tax administrator and regarding the state board of equalization. Provides that the base year level of value and the reassessment cycle shall apply to all real property beginning January 1, 1986, including producing mines, oil and gas leaseholds and lands, public utilities, agricultural lands, and producing coal mines and other lands producing nonmetallic minerals. Effective January 1, 1986, when all real property is treated as base year property, the provisions which provided that rail transportation property be a separate class of property are repealed, and such property is treated as a public utility.

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

1 SECTION 1. 39-1-104 (10), (11), and (16), Colorado  
2 Revised Statutes 1973, 1982 Repl. Vol., are amended, and the  
3 said 39-1-104 is further amended BY THE ADDITION OF A NEW  
4 SUBSECTION, to read:

5 39-1-104. Valuation for assessment. (10) (a) For the  
6 years 1983 through ~~1986~~ 1985, the 1977 level of value and the  
7 manuals and associated data published for the year 1977 by the  
8 administrator and approved by the advisory committee to the  
9 administrator shall be utilized for determining actual value  
10 of real property in any county of the state as reflected in  
11 the abstract of assessment for each such year.

12 (b) During the years 1983 through ~~1986~~ 1985, in  
13 preparation for its implementation in the year ~~1987~~ 1986, the  
14 respective assessors shall conduct revaluations of all taxable  
15 real property utilizing the ~~1981~~ 1984 level of value and the  
16 manuals and associated data published for the year ~~1981~~ 1984  
17 by the administrator and approved by the advisory committee to  
18 the administrator.

19 (10.1) (a) Beginning with the property tax year which  
20 commences January 1, 1986, a reassessment cycle shall be  
21 instituted with each cycle consisting of two full calendar  
22 years. At the beginning of each reassessment cycle the base  
23 year and level of value to be used during the reassessment  
24 cycle in the determination of actual value of real property in  
25 any county of the state as reflected in the abstract of  
26 assessment for each year in the reassessment cycle shall

1 advance by two years over what was used in the previous  
2 reassessment cycle; except that the base year and the level of  
3 value to be used for the years 1986 and 1987 shall advance by  
4 seven years over what was used for the years 1983 through  
5 1985, so that for the years 1986 and 1987 the 1984 level of  
6 value is used.

7 (b) During the two years of each reassessment cycle, in  
8 preparation for implementation in the succeeding reassessment  
9 cycle, the respective assessors shall conduct revaluations of  
10 all taxable real property utilizing the level of value for the  
11 year which will be used to determine actual value in such  
12 succeeding reassessment cycle and the manuals and associated  
13 data published for the year which will be used to determine  
14 actual value in such succeeding reassessment cycle.

15 (11) (a) It is the intent of the general assembly, as  
16 manifested in subsections (9), and (10), AND (10.1) of this  
17 section, that ~~every--four--years~~ WHEN A CHANGE OCCURS IN  
18 REASSESSMENT CYCLES AS PRESCRIBED IN SAID SUBSECTIONS new  
19 manuals and associated data will be published by the  
20 administrator, after approval by the advisory committee to the  
21 administrator, and that said manuals and associated data and  
22 the level of value for the year which said manuals and  
23 associated data are published shall be utilized by assessors  
24 in the manner described in subsections (9), and (10), AND  
25 (10.1) of this section for determining the actual value of  
26 real property in each county of the state.

1           (b) (I) The provisions of subsections (9), and (10), AND  
2 (10.1) of this section are not intended to prevent the  
3 assessor from taking into account, in determining actual value  
4 during the intervening years between base years, any unusual  
5 conditions in or related to any real property which would  
6 result in an increase or decrease in actual value. For the  
7 purposes of this paragraph (b), an unusual condition which  
8 could result in an increase or decrease in actual value is  
9 limited to the installation of an on-site improvement, THE  
10 addition to or remodeling of a structure, A change of use of  
11 the land, the creation of a condominium ownership of real  
12 property as recognized in the "Condominium Ownership Act",  
13 article 33 of title 38, C.R.S. 1973, ANY new regulations  
14 restricting or increasing the use of the land, or a  
15 combination thereof, ANY detrimental acts of nature, and ANY  
16 damage due to accident, vandalism, fire, or explosion. When  
17 taking into account such unusual conditions which would  
18 increase or decrease the actual value of a property, the  
19 assessor must relate such changes to the base year level of  
20 values as if the conditions had existed at that time.

21           (II) The creation of a condominium ownership of real  
22 property by the conversion of an existing structure shall be  
23 taken into account as an unusual condition as provided for in  
24 subparagraph (I) of this paragraph (b) by the assessor, when  
25 at least fifty-one percent of the condominium units, as  
26 defined in section 38-33-103 (1), C.R.S. 1973, in a multiunit



1 property subject to condominium ownership have been sold and  
2 conveyed to bona fide purchasers and deeds have been recorded  
3 therefor.

4 (16) Effective January 1, 1983, during the first year of  
5 each successive four-year period OF YEARS described in  
6 subsections (9) to (11) of this section, the director of  
7 research of the legislative council shall contract with a  
8 private person for a study to be conducted as set forth in  
9 this subsection (16). The study shall be conducted in all  
10 counties of the state to determine whether or not the assessor  
11 of each county has, in fact, used all manuals, factors,  
12 formulas, and other directives required by law to arrive at  
13 the valuation for assessment of each and every class of real  
14 and personal property in the county. The person conducting  
15 the study shall sample each class of property in a  
16 statistically valid manner, and the aggregate of such sampling  
17 shall equal at least one percent of all properties in each  
18 county of the state. The sampling shall show that the various  
19 areas, ages of buildings, economic conditions, and uses of  
20 properties have been sampled. Such study shall be completed,  
21 and a final report of the findings and conclusions thereof  
22 shall be submitted to the general assembly and the state board  
23 of equalization by September 1 of the year in which the study  
24 is conducted.

25 SECTION 2. 39-1-104 (12) (h), Colorado Revised Statutes  
26 1973, 1982 Repl. Vol., is amended, and the said 39-1-104 is

1 further amended BY THE ADDITION OF THE FOLLOWING NEW  
2 SUBSECTIONS, to read:

3 39-1-104. Valuation for assessment. (12) (h) For  
4 property tax years 1982 through 1986 1985, rail transportation  
5 property, as defined in section 39-4.1-102 (2), assessed  
6 pursuant to article 4.1 of this title.

7 (12.1) Subsection (12) of this section and this  
8 subsection (12.1) are repealed effective January 1, 1986.

9 (12.2) (a) For property tax years commencing on or after  
10 January 1, 1986, the requirement stated in subsections (9) to  
11 (11) of this section that the actual value of real property be  
12 determined according to a specified year's level of value and  
13 manuals and associated data published by the administrator for  
14 said specified year and approved by the advisory committee to  
15 the administrator shall apply to the assessment of all classes  
16 of real property, including but not limited to the following  
17 classes of real property:

18 (I) Producing mines;  
19 (II) Oil and gas leaseholds and lands;  
20 (III) Operating property and plants of public utilities;  
21 (IV) Agricultural land; and  
22 (V) Producing coal mines and other lands producing  
23 nonmetallic minerals.

24 (b) This subsection (12.2) shall take effect January 1,  
25 1986.

26 SECTION 3. 39-4-101 (2.5) and (3), Colorado Revised

1 Statutes 1973, 1982 Repl. Vol., are amended to read:

2 39-4-101. Definitions. (2.5) "Public utility" means,  
3 for property tax years 1982 through ~~1986~~ 1985, every sole  
4 proprietorship, firm, partnership, association, company, or  
5 corporation, and the trustees or receivers thereof, whether  
6 elected or appointed, which does business in this state as an  
7 airline company, electric company, rural electric company,  
8 telephone company, telegraph company, gas company, gas  
9 pipeline carrier company, domestic water company selling at  
10 retail, pipeline company, or coal slurry pipeline. This  
11 subsection (2.5) is repealed, effective ~~December--31,--1986~~  
12 JANUARY 1, 1986.

13 (3) "Public utility" means, for property tax years  
14 commencing on or after January 1, ~~1987~~ 1986, every sole  
15 proprietorship, firm, partnership, association, company, or  
16 corporation, and the trustees or receivers thereof, whether  
17 elected or appointed, which does business in this state as a  
18 railroad company, airline company, electric company, rural  
19 electric company, telephone company, telegraph company, gas  
20 company, gas pipeline carrier company, domestic water company  
21 selling at retail, pipeline company, coal slurry pipeline, or  
22 private car line company.

23 SECTION 4. 39-4-102 (3) (a) and (3) (b), Colorado  
24 Revised Statutes 1973, 1982 Repl. Vol., are amended to read:

25 39-4-102. Valuation of public utilities. (3) (a) For  
26 property tax years 1982 through ~~1986~~ 1985, there shall be

1 applied to the actual value of each public utility an  
2 equalization factor to adjust the actual value for the current  
3 year of assessment as determined by the administrator pursuant  
4 to subsections (1) and (2) of this section to the public  
5 utility's level of value in 1981.

6 (b) For property tax years commencing on or after  
7 January 1, ~~1987~~ 1986, there shall be applied to the actual  
8 value of each public utility an equalization factor to adjust  
9 the actual value for the current year of assessment as  
10 determined by the administrator pursuant to subsections (1)  
11 and (2) of this section to the public utility's level of value  
12 in the APPROPRIATE year which is ~~specified~~ PRESCRIBED in  
13 section 39-1-104 ~~(9)-and-(10)~~ (10.1) and which is used to  
14 determine the actual value of properties which are subject to  
15 said ~~subsections~~ SUBSECTION (10.1).

16 SECTION 5. 39-4-106 (7) (b) and (8) (b), Colorado  
17 Revised Statutes 1973, 1982 Repl. Vol., are amended to read:

18 39-4-106. Valuation of utilities - apportionment.  
19 (7) (b) This subsection (7) is effective January 1, 1987  
20 1986.

21 (8) (b) This subsection (8) is effective January 1, 1987  
22 1986.

23 SECTION 6. 39-4.1-110, Colorado Revised Statutes 1973,  
24 1982 Repl. Vol., is amended to read:

25 39-4.1-110. Repeal. This article is repealed, effective  
26 ~~December 31; -1986~~ JANUARY 1, 1986.

1 SECTION 7. 39-9-103 (7) and (8), Colorado Revised  
2 Statutes 1973, 1982 Repl. Vol., are amended, and the said  
3 39-9-103 is further amended BY THE ADDITION OF THE FOLLOWING  
4 NEW SUBSECTIONS, to read:

5 39-9-103. Duties of state board - enforcement.

6 (7) (a) For abstracts of assessment certified to the state  
7 board of equalization in the years 1983 through ~~1986~~ 1985, the  
8 state board of equalization shall determine whether the  
9 aggregate valuation for assessment for any class or subclass  
10 of agricultural building improvements or residential improved  
11 or unimproved property or commercial improved or unimproved  
12 property or industrial improved or unimproved property was the  
13 result of application and use of the 1977 level of value and  
14 the 1977 manuals and associated data published by the  
15 administrator and approved by the advisory committee to the  
16 administrator to determine actual value of the properties in  
17 said class or subclass.

18 (b) For abstracts of assessment certified to the state  
19 board of equalization in the years 1983 through ~~1986~~ 1985, the  
20 state board of equalization shall order an increase or  
21 decrease in the aggregate valuation for assessment for any  
22 class or subclass of agricultural building improvements or  
23 residential improved or unimproved property or commercial  
24 improved or unimproved property or industrial improved or  
25 unimproved property which was not valued in accordance with  
26 the 1977 level of value and the 1977 manuals and associated

1 data published by the administrator and approved by the  
2 advisory committee to the administrator.

3 (7.1) (a) Beginning with the property tax year which  
4 commences January 1, 1986, for abstracts of assessment  
5 certified to the state board of equalization in each of the  
6 years in each of the reassessment cycles established in  
7 section 39-1-104 (10.1), the state board of equalization shall  
8 determine whether the aggregate valuation for assessment for  
9 any class or subclass of real property was the result of  
10 application and use of the appropriate level of value and the  
11 manuals and associated data published by the administrator and  
12 approved by the advisory committee to the administrator to  
13 determine actual value of the properties in said class or  
14 subclass.

15 (b) For abstracts of assessment certified to the state  
16 board of equalization in each of the years in each of the  
17 reassessment cycles established in section 39-1-104 (10.1),  
18 the state board of equalization shall order an increase or  
19 decrease in the aggregate valuation for assessment for any  
20 class or subclass of real property which was not valued in  
21 accordance with the appropriate level of value and the manuals  
22 and associated data published by the administrator and  
23 approved by the advisory committee to the administrator.

24 (8) It is the intent of the general assembly, as  
25 manifested in subsections (6) and (7) of this section, that  
26 the state board of equalization, in reviewing the aggregate

1 valuation for assessment of classes and subclasses of the  
2 properties specified in subsections (6) and (7) of this  
3 section and in ordering increases or decreases in the  
4 aggregate valuation for assessment of said properties, shall  
5 be bound by the level of value and manuals and associated data  
6 published by the administrator and approved by the advisory  
7 committee to the administrator for the applicable year  
8 specified in section 39-1-104 (9) to (11). THIS SUBSECTION  
9 (8) IS REPEALED, EFFECTIVE JANUARY 1, 1986.

10 (9) For property tax years commencing on or after  
11 January 1, 1986, it is the intent of the general assembly, as  
12 manifested in subsection (7.1) of this section, that the state  
13 board of equalization, in reviewing the aggregate valuation  
14 for assessment of classes and subclasses of real property and  
15 in ordering increases or decreases in the aggregate valuation  
16 for assessment of said properties, shall be bound by the level  
17 of value and manuals and associated data published by the  
18 administrator and approved by the advisory committee to the  
19 administrator for the applicable year specified in section  
20 39-1-104 (9) to (11).

21 SECTION 8. Safety clause. The general assembly hereby  
22 finds, determines, and declares that this act is necessary  
23 for the immediate preservation of the public peace, health,  
24 and safety.

BILL 6

A BILL FOR AN ACT

1 CONCERNING STATE FINANCIAL ASSISTANCE TO COUNTIES FOR THE  
2 AUTOMATION OF THE ASSESSMENT DUTIES OF COUNTY ASSESSORS,  
3 AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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Bill Summary

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

Provides for the establishment of a program to provide state moneys to counties to computerize the property assessment process. Provides that the property tax administrator shall administer the program. Requires that, in order to participate, a county must provide an equal match of county moneys and follow the priorities set forth. Limits such state moneys to one-half of the actual cost, not to exceed a specified amount each year. Allows the property tax administrator to request the department of revenue to withhold distribution of that department's tax revenues to counties violating the terms for the use of the state moneys as set forth in the county's application. Requires the department to withhold such revenues upon such request. Provides that the state moneys are tax relief and exempt from the state general fund spending limit. Provides that the county moneys are exempt from the local government revenue-raising limit. Appropriates moneys for administrative expenses and for distribution purposes.

---

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



1 SECTION 1. Article 2 of title 39, Colorado Revised  
2 Statutes 1973, 1982 Repl. Vol., is amended BY THE ADDITION OF  
3 A NEW SECTION to read:

4 39-2-109.5 Computers for property assessment - state  
5 assistance. (1) During the fiscal year beginning July 1,  
6 1983, and during the two fiscal years immediately following  
7 such fiscal year, the administrator shall establish and  
8 administer a program for the distribution during such fiscal  
9 years of state moneys made available for the implementation of  
10 this section. Such state moneys shall be used by counties for  
11 the purpose of automating the assessment duties of assessors  
12 through the use of data processing as provided in this  
13 section. Such moneys shall be used only for the purpose of  
14 meeting the cost of acquiring a data processing system or  
15 changing an existing data processing system to make it more  
16 efficient and shall not be used for the purpose of meeting the  
17 cost of operating a data processing system. Any state moneys  
18 which are undistributed at the end of any fiscal year shall  
19 revert to the state general fund.

20 (2) Any county may apply to the administrator for state  
21 moneys under this section. The administrator shall develop  
22 application forms which shall require the inclusion of such  
23 information as the administrator deems necessary, including  
24 but not limited to a detailed explanation of the use of the  
25 moneys and the period of time within which the moneys are to  
26 be used. The administrator shall review each application and

1 may disapprove applications which in the judgment of the  
2 administrator do not promote the objective of this section or  
3 are unreasonable. Upon the request of any assessor or board  
4 of county commissioners, the administrator shall make  
5 recommendations on data processing systems to aid the county  
6 in automating the assessment duties of the assessor or in  
7 securing state moneys under this section.

8 (3) No state moneys under this section shall be  
9 distributed to any county until and unless the county:

10 (a) Provides an equal amount of county moneys to be used  
11 for the same purpose for which state moneys are to be used;  
12 and

13 (b) Agrees to use such state and county moneys  
14 consistently with the following priorities, as applicable:

15 (I) First, the automation of the assessor's  
16 administrative function;

17 (II) Second, the automation of the assessor's appraisal  
18 function.

19 (4) In any fiscal year, no county may receive an amount  
20 of state moneys that is more than is actually necessary to pay  
21 for one-half of the cost of the county's undertaking; however,  
22 in no case shall any county receive in any fiscal year more  
23 than seven thousand five hundred dollars.

24 (5) State moneys received under this section may be used  
25 only for the purposes specified in the application and must be  
26 used within the period of time specified in the application.

1 The administrator shall monitor the use of the state moneys.  
2 If the administrator finds a county is in violation of this  
3 subsection (5), the administrator may request the executive  
4 director of the department of revenue to withhold, and upon  
5 such request the executive director shall withhold, from the  
6 county out of any tax revenues to be distributed to the county  
7 by the department of revenue an amount which is equal to the  
8 amount of the state moneys distributed to the county under  
9 this section during the fiscal year.

10 (6) State moneys appropriated for distribution under  
11 this section shall be deemed to be tax relief and shall not be  
12 considered when determining the state's general fund spending  
13 limitation provided for in section 24-75-201.1, C.R.S. 1973.  
14 The appropriation of such moneys shall be from the special  
15 reserve fund created in section 24-75-201.1, C.R.S. 1973. The  
16 revenue-raising limitation imposed by section 29-1-301, C.R.S.  
17 1973, shall not apply to revenue raised to provide county  
18 funds for use pursuant to this section.

19 SECTION 2. 39-2-109 (1), Colorado Revised Statutes 1973,  
20 1982 Repl. Vol., is amended BY THE ADDITION OF A NEW PARAGRAPH  
21 to read:

22 39-2-109. Duties, powers, and authority. (1) (i) To  
23 administer the program set forth in section 39-2-109.5 for the  
24 distribution of state moneys to counties for the automation of  
25 the assessment duties of assessors.

26 SECTION 3. 29-1-301 (1), Colorado Revised Statutes 1973,

1 1977 Repl. Vol., as amended, is amended to read:

2 29-1-301. Levies reduced - limitation. (1) All  
3 statutory tax levies when applied to the total valuation for  
4 assessment of the state, each of the counties, cities, and  
5 towns not chartered as home rule except as provided in this  
6 subsection (1), each of the fire, sanitation, irrigation,  
7 drainage, conservancy, and other special districts established  
8 by law, and for the 1983 property tax year cities and towns  
9 chartered as home rule shall be so reduced as to prohibit the  
10 levying of a greater amount of revenue than was levied in the  
11 preceding year plus seven percent, except to provide for the  
12 payment of bonds and interest thereon, for the payment of any  
13 contractual obligation which has been approved by a majority  
14 of the qualified electors of the taxing authority, or for the  
15 payment of pension funds by fire protection districts  
16 organized pursuant to article 1 of title 32, C.R.S. 1973, OR  
17 FOR THE PAYMENT OF THE COUNTY'S PORTION OF THE COST OF  
18 AUTOMATING THE ASSESSMENT DUTIES OF THE COUNTY ASSESSOR  
19 PURSUANT TO SECTION 39-2-109.5, C.R.S. 1973, or except as  
20 provided in subsection (1.3) of this section. The inclusion  
21 for the 1983 property tax year of cities and towns chartered  
22 as home rule is in furtherance of the compelling and urgent  
23 statewide policy of insuring reasonable property tax revenues.

24 SECTION 4. Appropriation. (1) In addition to any other  
25 appropriation, there is hereby appropriated, out of any moneys  
26 in the state treasury not otherwise appropriated, to the

1 department of local affairs for allocation to the division of  
2 property taxation, for the fiscal year beginning July 1, 1983,  
3 the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), or so much thereof as  
4 may be necessary, for the administrative expenses incurred in  
5 implementing this act, including the funding of one full-time  
6 equivalent employee for said purpose.

7 (2) In addition to any other appropriation, there is  
8 hereby appropriated, out of any moneys in the special reserve  
9 fund created in section 24-75-201.1, Colorado Revised Statutes  
10 1973, not otherwise appropriated, to the department of local  
11 affairs for allocation to the division of property taxation,  
12 for the fiscal year beginning July 1, 1983, the sum of  
13 \_\_\_\_\_ dollars (\$ \_\_\_\_\_), or so much thereof as may be  
14 necessary, for distribution to counties pursuant to section  
15 39-2-109.5, Colorado Revised Statutes 1973.

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

BILL 7

A BILL FOR AN ACT

1 CONCERNING APPEALS INVOLVING CLASSES AND SUBCLASSES OF  
2 PROPERTY FOR PROPERTY TAX PURPOSES.

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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 state board of equalization rather than the board of assessment appeals shall hold hearings involving classes and subclasses of property. Removes the authority to hold such hearings from the board of assessment appeals in order that such board only have authority to hold hearings on individual property. Provides that complaints filed with the property tax administrator questioning the appraisal or valuation of classes and subclasses be filed by him, if justified, with and heard by the state board of equalization rather than the board of assessment appeals and, in the case of such complaints, authorizes such state board rather than the board of assessment appeals to order a reappraisal. Authorizes such state board rather than the board of assessment appeals to hold hearings on complaints filed by the property tax administrator or a tax-levying authority concerning the valuation for assessment of classes and subclasses when a reappraisal has not been conducted or ordered. Makes conforming amendments.

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

4 SECTION 1. 39-1-103 (8) (d), Colorado Revised Statutes

1 1973, 1982 Repl. Vol., is amended to read:

2 39-1-103. Actual value determined - when. (8) (d) In  
3 no event shall a sales ratio be established or utilized for  
4 any class or subclass of property unless and until there have  
5 been at least thirty such coded, typical sales or at least  
6 five percent of all properties in such class or subclass  
7 within the county have been sold and verified by the assessor  
8 as coded, typical sales, whichever amount is greater. When  
9 such minimum requirement has not been met but typical sales  
10 within any such class or subclass indicate that valuations in  
11 the class or subclass are too high or too low, such fact shall  
12 be reported to the board STATE BOARD OF EQUALIZATION, which  
13 board may order an independent appraisal study in such county.

14 SECTION 2. 39-2-109 (1) (b), Colorado Revised Statutes  
15 1973, 1982 Repl. Vol., is amended to read:

16 39-2-109. Duties, powers, and authority. (1) (b) To  
17 assist and cooperate in the administration of all laws  
18 concerning the valuing of taxable property, the assessment of  
19 same, and the levying of property taxes; ~~and to advise the~~  
20 ~~state board of equalization; not later than the first day of~~  
21 ~~July of each year; of any complaints filed by him or upon~~  
22 ~~petition of any tax levying authority of this state with the~~  
23 ~~board of assessment appeals concerning the valuation for~~  
24 ~~assessment of one or more classes or subclasses of property in~~  
25 ~~any county of the state;~~

26 SECTION 3. 39-2-111, Colorado Revised Statutes 1973,

1 1982 Repl. Vol., is amended to read:

2 39-2-111. Complaints. The administrator shall examine  
3 all complaints filed with him wherein it is alleged that a  
4 class or subclass of taxable property in a county has not been  
5 appraised or valued as required by law or has been improperly  
6 or erroneously valued or that the property tax laws have in  
7 any manner been evaded or violated. Complaints shall be in  
8 writing and may be filed only by a taxing authority in a  
9 county or by any taxpayer. Complaints may be filed only with  
10 respect to property located in the county in which the taxing  
11 authority levies taxes or in which the taxpayer owns taxable  
12 property. If the administrator finds the complaint is  
13 justified, he may use his findings as the basis for  
14 petitioning the board STATE BOARD OF EQUALIZATION for an order  
15 of reappraisal pursuant to section 39-2-114.

16 SECTION 4. 39-2-114, Colorado Revised Statutes 1973,  
17 1982 Repl. Vol., is amended to read:

18 39-2-114. Reappraisal - when - procedures. (1) Whenever  
19 the administrator petitions the board STATE BOARD OF  
20 EQUALIZATION for its order of reappraisal of any class or  
21 subclass of taxable property for the following taxable year,  
22 the administrator shall send a copy of such petition to the  
23 assessor of the county in which such class or subclass of  
24 taxable property is located. The petition of reappraisal  
25 shall include the reasons for such reappraisal, and the  
26 administrator has the duty to establish to the satisfaction of



1 the board STATE BOARD OF EQUALIZATION the need for such  
2 reappraisal. The board STATE BOARD OF EQUALIZATION shall  
3 conduct a hearing on such petition, at which hearing the  
4 assessors shall attend and shall give such testimony and  
5 present such evidence as the board STATE BOARD OF EQUALIZATION  
6 may require.

7 (2) At the hearing on the petition for reappraisal, the  
8 affected county assessor shall have the opportunity to appear,  
9 to produce testimony and evidence, and to cross-examine  
10 witnesses. The decision of the board--of--assessment--appeals  
11 STATE BOARD OF EQUALIZATION shall be delivered in writing no  
12 later than the close of business on the last working day in  
13 September.

14 (3) If such reappraisal is ordered by the board-of  
15 ~~assessment-appeals~~ STATE BOARD OF EQUALIZATION, the property  
16 tax administrator shall direct the staff of the division of  
17 property taxation, working jointly with the assessor of such  
18 county, to reappraise such property, and the value so  
19 determined shall be the actual value of the taxable property  
20 in such county for the next taxable year. The results of the  
21 reappraisal shall be filed with the property tax administrator  
22 no later than the close of business on the last working day in  
23 May of the year in which the reappraised values shall be  
24 effective, and a copy thereof shall be filed with the  
25 assessor.

26 (4) The affected assessor, board of county

1 commissioners, town, city, school district, or special  
2 district, or any taxpayer resident therein, or any of them,  
3 may appeal the reappraised value to the board-of-assessment  
4 appeals STATE BOARD OF EQUALIZATION by petition filed with  
5 said--board THE STATE BOARD OF EQUALIZATION no later than the  
6 tenth day of June next following. Upon appeal, the assessor  
7 and any other petitioner shall have the right to appear,  
8 produce testimony and evidence, and cross-examine witnesses.

9 (5) The board--of--assessment--appeals STATE BOARD OF  
10 EQUALIZATION may affirm, rescind, or modify the reappraised  
11 values appealed, and shall enter its written order thereof no  
12 later than the first day of July next following.

13 SECTION 5. 39-2-115 (2) and (3), Colorado Revised  
14 Statutes 1973, 1982 Repl. Vol., are amended to read:

15 39-2-115. Review of abstracts of assessment -  
16 recommendations. (2) Upon receipt of the abstracts of  
17 assessment from the assessors of the several counties of the  
18 state, the administrator shall examine and review each such  
19 abstract. If he finds from the abstract of any county that  
20 any or all of the various classes or subclasses of real and  
21 personal property located in such county have not been valued  
22 for assessment by the use of all manuals, factors, formulas,  
23 and other directives required by law, the administrator shall  
24 determine the amount of increase or decrease in valuation for  
25 assessment of such class or subclass necessary to conform to  
26 such requirements and shall file a complaint with the board

1 STATE BOARD OF EQUALIZATION specifying the amount recommended  
2 to be added to or deducted from the valuation for assessment  
3 of such class or subclass of property in such county for the  
4 following taxable year.

5 (3) No later than the second Monday in September of each  
6 year, the property tax administrator shall transmit the  
7 abstracts of assessment of the several counties to the state  
8 board of equalization together with his recommendations. and  
9 ~~copies--of--any--orders--or--decisions--of--the--board--of--assessment~~  
10 ~~appeals:~~

11 SECTION 6. 39-2-128, Colorado Revised Statutes 1973,  
12 1982 Repl. Vol., is amended to read:

13 39-2-128. Board of assessment appeals may issue orders.

14 The board of assessment appeals may issue such orders as it  
15 deems necessary to ascertain facts and to carry out its  
16 decisions, and any such order directed to a county assessor or  
17 a county board of equalization shall be enforceable in the  
18 district court of the county upon application of the property  
19 tax administrator. ~~Any-such-orders-regarding-the-valuation-of~~  
20 ~~classes-or-subclasses-of-property-shall-be-subject--to--review~~  
21 ~~by-the-state-board-of-equalization:~~

22 SECTION 7. 39-9-103 (2), Colorado Revised Statutes 1973,  
23 1982 Repl. Vol., is amended to read:

24 39-9-103. Duties of state board - enforcement. (2) The  
25 ~~decisions--of--the--board--of--assessment--appeals--may--be--reversed~~  
26 ~~or--modified--by--the--state--board--of--equalization--only--with~~

1 regard--to-valuation-of-classes-or-subclasses-of-property;-and  
2 such-action-shall-be-taken-only-if-a-written-appeal--has--been  
3 lodged--with--the--state--board--of-equalization-by-one-of-the  
4 parties-to-the-proceedings--before--the--board--of--assessment  
5 appeals: THE STATE BOARD OF EQUALIZATION SHALL CONDUCT  
6 HEARINGS ON PETITIONS FILED BY THE ADMINISTRATOR FOR THE  
7 REAPPRAISAL OF ONE OR MORE CLASSES OR SUBCLASSES OF TAXABLE  
8 PROPERTY PURSUANT TO SECTION 39-2-114. THE STATE BOARD OF  
9 EQUALIZATION SHALL ALSO CONDUCT HEARINGS UPON COMPLAINTS FILED  
10 BY THE ADMINISTRATOR, UPON HIS OWN MOTION OR UPON PETITION BY  
11 ANY TAX-LEVYING AUTHORITY IN THIS STATE, CONCERNING VALUATION  
12 FOR ASSESSMENT OF ONE OR MORE CLASSES OR SUBCLASSES OF TAXABLE  
13 PROPERTY IF A REAPPRAISAL HAS NOT BEEN CONDUCTED OR ORDERED  
14 PURSUANT TO THE PROVISIONS OF SECTION 39-2-114. Decisions of  
15 the state board of equalization shall be subject to judicial  
16 review as provided in section 24-4-106, C.R.S. 1973.

17 SECTION 8. Repeal. 39-2-125 (1) (d) (I), Colorado  
18 Revised Statutes 1973, 1982 Repl. Vol., is repealed.

19 SECTION 9. Safety clause. The general assembly hereby  
20 finds, determines, and declares that this act is necessary  
21 for the immediate preservation of the public peace, health,  
22 and safety.

BILL 8

A BILL FOR AN ACT

1 CONCERNING EXCLUSIONS FROM THE LOCAL GOVERNMENT  
2 REVENUE-RAISING LIMITATION.

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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 cost of a reappraisal of property ordered by or conducted by the state board of equalization be excluded from the seven percent local government revenue-raising limitation. Provides that any payment to the state for excess state equalization payments to school districts which excess is due to the undervaluation of taxable property also be excluded.

---

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

4 SECTION 1. 29-1-301 (1), Colorado Revised Statutes 1973,  
5 1977 Repl. Vol., as amended, is amended to read:

6 29-1-301. Levies reduced - limitation. (1) All  
7 statutory tax levies when applied to the total valuation for  
8 assessment of the state, each of the counties, cities, and  
9 towns not chartered as home rule except as provided in this  
10 subsection (1), each of the fire, sanitation, irrigation,

1 drainage, conservancy, and other special districts established  
2 by law, and for the 1983 property tax year cities and towns  
3 chartered as home rule shall be so reduced as to prohibit the  
4 levying of a greater amount of revenue than was levied in the  
5 preceding year plus seven percent, except to provide for the  
6 payment of bonds and interest thereon, for the payment of any  
7 contractual obligation which has been approved by a majority  
8 of the qualified electors of the taxing authority, or for the  
9 payment of pension funds by fire protection districts  
10 organized pursuant to article 1 of title 32, C.R.S. 1973, FOR  
11 THE PAYMENT OF EXPENSES INCURRED IN THE REAPPRAISAL OF CLASSES  
12 OR SUBCLASSES ORDERED BY OR CONDUCTED BY THE STATE BOARD OF  
13 EQUALIZATION, OR FOR THE PAYMENT TO THE STATE OF EXCESS STATE  
14 EQUALIZATION PAYMENTS TO SCHOOL DISTRICTS WHICH EXCESS IS DUE  
15 TO THE UNDERVALUATION OF TAXABLE PROPERTY, or except as  
16 provided in subsection (1.3) of this section. The inclusion  
17 for the 1983 property tax year of cities and towns chartered  
18 as home rule is in furtherance of the compelling and urgent  
19 statewide policy of insuring reasonable property tax revenues.

20 SECTION 2. Applicability. This act shall apply to local  
21 government fiscal years commencing on or after January 1,  
22 1984.

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

BILL 9

A BILL FOR AN ACT  
CONCERNING COMPENSATION OF MEMBERS OF THE BOARD OF ASSESSMENT  
APPEALS.

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Bill Summary

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

Increases the number of days for which members of the board of assessment appeals may receive compensation.

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

SECTION 1. 39-2-123 (3), Colorado Revised Statutes 1973, 1982 Repl. Vol., is amended to read:

39-2-123. Board of assessment appeals created - members - compensation. (3) Members of the board shall be compensated on a per diem allowance basis which shall be set by the governor after consultation with the executive director of the department of local affairs and shall be reimbursed for their actual and necessary expenses. Per diem compensation, not to exceed one hundred twenty SIXTY days in any calendar

year, shall be paid only when the board is in session or when any member thereof conducts a hearing pursuant to section 39-2-127. The board shall be in session when it determines that it is necessary, or as directed by the executive director of the department of local affairs.

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



BILL 10

A BILL FOR AN ACT

1 CONCERNING PROPERTY TAXATION.

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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 general assembly shall make determinations regarding and adjustments to the valuation for assessment ratio of residential real property as required by the state constitution. Puts into the statutes the constitutional provisions on the reappraisal of classes which were not appraised consistent with the law as shown by the valuation for assessment study and on the state payments for school finance to counties in which classes were not appraised consistent with the law and on the repayment by such counties of excess state payments for school finance. Makes changes in the provisions on the position of the property tax administrator. Provides that the classification of taxable property may be appealed to a county board of equalization.

---

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

3 SECTION 1. Article 1 of title 39, Colorado Revised  
4 Statutes 1973, 1982 Repl. Vol., is amended BY THE ADDITION OF  
5 THE FOLLOWING NEW SECTIONS to read:

6 39-1-104.2. Adjustment of ratio of valuation for  
7 assessment for residential real property. The general

1 assembly shall make the determinations and adjustments  
2 relating to valuation for assessment of taxable property as  
3 required by section 3 (1) (b) of article X of the state  
4 constitution. The general assembly shall make such statutory  
5 changes in the ratio of valuation for assessment for  
6 residential real property as are required consistent with said  
7 section and the determinations made pursuant to said section.

8 39-1-105.5. Reappraisal ordered based on valuation for  
9 assessment study - state school finance payments.

10 (1) (a) (I) If the study conducted pursuant to section  
11 39-1-104 (16) during the property tax year which commences  
12 January 1, 1983, shows that an assessor did not comply with  
13 the property tax provisions of the Colorado constitution or  
14 the statutes or did not determine the actual value or the  
15 valuation for assessment of any class or classes of taxable  
16 property consistent with such provisions, the state board of  
17 equalization shall, prior to the end of 1983, order the  
18 assessor to reappraise such class or classes. Such  
19 reappraisal shall be conducted during the property tax year  
20 which commences January 1, 1984, and shall be the valuation  
21 for assessment of such class or classes for such property tax  
22 year. Such reappraisal shall be performed at the expense of  
23 the county.

24 (II) If the study conducted pursuant to section 39-1-104  
25 (16) during the property tax year which commences January 1,  
26 1984, shows that the assessor failed to reappraise such class

1 or classes or failed in the reappraisal to meet the objections  
2 of the state board of equalization, the state board of  
3 equalization shall cause a reappraisal of such class or  
4 classes to be performed. Such reappraisal shall be performed  
5 during the property tax year which commences January 1, 1985.  
6 The general assembly shall make an appropriation to meet the  
7 cost of such reappraisal; however, the board of county  
8 commissioners of the county shall, upon certification by the  
9 state board of equalization of such cost, reimburse the state  
10 for such cost if the reappraisal caused to be performed shows  
11 that the assessor did not value or assess such class or  
12 classes consistent with the provisions of the Colorado  
13 constitution or the statutes.

14 (III) The reappraisal caused to be performed pursuant to  
15 subparagraph (II) of this paragraph (a) during the property  
16 tax year which commences January 1, 1985, shall be the  
17 county's abstract for assessment with regard to such  
18 reappraised class or classes for the property tax year which  
19 commences January 1, 1985. The state board of equalization  
20 shall order the board of county commissioners to levy, and the  
21 board of county commissioners shall levy, in 1985 for  
22 collection in 1986 an additional property tax on all taxable  
23 property in the county. Such additional levy shall be in an  
24 amount which is sufficient to reimburse the state for the  
25 excess state equalization payments made to school districts  
26 within the county during 1985. The board of county

1 commissioners shall reimburse the state for such excess state  
2 equalization payments. Such excess shall be that amount of  
3 the state equalization payments actually paid by the state to  
4 the county during 1985 based on the incorrect 1984 valuation  
5 for assessment which amount exceeds the state equalization  
6 payments the state would have paid during 1985 had the 1984  
7 valuation for assessment been determined by the assessor  
8 consistent with the provisions of the Colorado constitution  
9 and the statutes.

10 (b) (I) Pursuant to section 39-1-104 (16) (b), for each  
11 property tax year beginning with the property tax year which  
12 commences January 1, 1985, the annual study shall, in addition  
13 to other requirements, determine and set forth the aggregate  
14 valuation for assessment of each county for the year in which  
15 the study is conducted.

16 (II) (A) If the valuation for assessment of a county as  
17 reflected in its abstract for assessment for any property tax  
18 year beginning with the property tax year commencing January  
19 1, 1985, is more than five percent below the valuation for  
20 assessment for such county as determined by the study  
21 conducted during the same property tax year, the state board  
22 of equalization shall cause to be performed a reappraisal of  
23 any class or classes which the study shows were not appraised  
24 consistent with the property tax provisions of the Colorado  
25 constitution or the statutes. Such reappraisal shall be  
26 performed during the next following year and shall be at the

1 expense of the county. Such reappraisal shall become the  
2 county's valuation for assessment with regard to the  
3 reappraised class or classes for the year in which such  
4 reappraisal is performed.

5 (B) Even though a county's aggregate valuation for  
6 assessment as reflected in its abstract for assessment for any  
7 property tax year beginning with the property tax year  
8 commencing January 1, 1985, is not more than five percent  
9 below the valuation for assessment for such county as  
10 determined by the study conducted during the same property tax  
11 year, the state board of equalization shall cause to be  
12 performed a reappraisal of any class or classes which the  
13 study shows were not appraised consistent with the property  
14 tax provisions of the Colorado constitution or the statutes.  
15 Such reappraisal shall be performed during the next following  
16 year and shall be at the expense of the county. Such  
17 reappraisal shall become the county's valuation for assessment  
18 with regard to the reappraised class or classes for the year  
19 in which such reappraisal is performed.

20 (III) Whenever a reappraisal is ordered pursuant to  
21 subparagraph (II) of this paragraph (b), state equalization  
22 payments to school districts within the county during the year  
23 in which the reappraisal is performed shall be based upon the  
24 valuation for assessment as reflected in the county's abstract  
25 for assessment for the year prior to the year in which the  
26 reappraisal is performed. The state board of equalization

1 shall order the board of county commissioners to levy, and the  
2 board of county commissioners shall levy, an additional  
3 property tax on all taxable property within the county. Such  
4 additional property tax shall be levied at the same time as  
5 other property taxes are levied during the year in which the  
6 reappraisal is performed. Such additional property tax shall  
7 be in an amount which is sufficient to reimburse the state for  
8 the excess state equalization payments made to school  
9 districts within the county during the year in which the  
10 reappraisal is performed. The county's board of county  
11 commissioners shall reimburse the state for such excess state  
12 equalization payments. Such excess shall be that amount of  
13 the state equalization payments actually paid by the state to  
14 the county during the year in which the reappraisal is  
15 performed based on the valuation for assessment as reflected  
16 in the county's abstract for assessment for the immediately  
17 prior year which amount exceeds what the state would have paid  
18 during the year in which the reappraisal is performed had such  
19 payments been based on the valuation for assessment as  
20 determined by the study conducted in the year immediately  
21 preceding the year in which the reappraisal is performed. In  
22 addition, the additional property tax shall be sufficient to  
23 pay to the state, and the board of county commissioners shall  
24 pay to the state, interest on such excess at a rate of  
25 \_\_\_\_\_ percent for \_\_\_\_\_.

26 (IV) If the valuation for assessment of a county as

1 reflected in its abstract for assessment for any property tax  
2 year beginning with the property tax year commencing January  
3 1, 1985, is more than five percent below the valuation for  
4 assessment for such county as determined by the study  
5 conducted during the same property tax year and if the state  
6 board of equalization fails to order a reappraisal, state  
7 equalization payments to school districts within the county  
8 during the year next following the year in which the study was  
9 performed shall be based upon the valuation for assessment for  
10 the county as reflected in the county's abstract for  
11 assessment for the year in which the study was conducted. At  
12 the same time as other property taxes are levied during the  
13 year in which such state equalization payments are made, the  
14 county's board of county commissioners shall levy an  
15 additional property tax on all taxable property within the  
16 county. Such additional property tax shall be in an amount  
17 sufficient to reimburse the state for the difference between  
18 the amount the state actually paid in state equalization  
19 payments during the year following the year in which the study  
20 was performed and what the state would have paid during such  
21 year had the state equalization payments been based on the  
22 valuation for assessment as determined by the study. The  
23 county's board of county commissioners shall reimburse the  
24 state for such difference.

25 SECTION 2. 39-2-101, Colorado Revised Statutes 1973,  
26 1982 Repl. Vol., is amended to read:

1           39-2-101. Division created - property tax administrator.

2       There is hereby created the division of property taxation in  
3       the department of local affairs, the head of which shall be  
4       the property tax administrator, which office is hereby created  
5       BY SECTION 15 OF ARTICLE X OF THE STATE CONSTITUTION. The  
6       property-tax administrator shall be appointed by the-executive  
7       director-of-the-department-of-local--affairs--subject--to--the  
8       provisions---of--section--13--of--article--Xii--of--the--state  
9       constitution A MAJORITY VOTE OF THE STATE BOARD OF  
10      EQUALIZATION AND SHALL SERVE FOR A TERM OF FIVE YEARS AND  
11      UNTIL A SUCCESSOR HAS BEEN APPOINTED AND HAS QUALIFIED. THE  
12      ADMINISTRATOR MAY BE REMOVED FROM OFFICE FOR CAUSE BY A  
13      MAJORITY VOTE OF THE STATE BOARD OF EQUALIZATION. THE  
14      POSITION OF PROPERTY TAX ADMINISTRATOR SHALL BE EXEMPT FROM  
15      THE STATE PERSONNEL SYSTEM.

16           SECTION 3. 39-8-106 (1) (b) (III), Colorado Revised  
17      Statutes 1973, 1982 Repl. Vol., is amended to read:

18           39-8-106. Petitions for appeal. (1) (b) (III) A  
19      specific and detailed statement of the grounds delineated in  
20      this subparagraph (III), upon which the assessor relied to  
21      justify such valuation. The grounds are: ~~location--and~~  
22      ~~desirability;--functional--use;--current-replacement-cost;--new;~~  
23      ~~less-depreciation;--comparison-with-other-properties--of--known~~  
24      ~~or--recognized--value;--market-value-in-the-ordinary-course-of~~  
25      ~~trade;--and--earning--or--productive---capacity~~ APPROPRIATE  
26      CONSIDERATION OF THE APPROACHES TO APPRAISAL SET FORTH IN



1 SECTION 39-1-103 (5) (a); AND CLASSIFICATION OF THE PROPERTY.  
2 For agricultural lands, the grounds are: Earning or productive  
3 capacity; ~~carrying--capacity;--yields;~~ classification; and  
4 capitalization rate.

5 SECTION 4. Applicability. This act shall apply to  
6 property tax years commencing on or after January 1, 1983.

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

BILL 11

A BILL FOR AN ACT

1 CONCERNING THE DEFINITION OF TERMINOLOGY USED IN PROPERTY  
2 TAXATION.

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Bill Summary

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

Provides for the definition of terms used in property taxation which are required by the constitution to be defined by statute or which are related to such terms. Includes definitions of those properties which are exempt from taxation by the constitution. Includes a definition of the term "residential real property".

---

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

4 SECTION 1. 39-1-102 (5) (a) and (5) (b), Colorado  
5 Revised Statutes 1973, 1982 Repl. Vol., are amended, and the  
6 said 39-1-102 is further amended BY THE ADDITION OF THE  
7 FOLLOWING NEW SUBSECTIONS, to read:

8 39-1-102. Definitions. (1.1) "Agricultural and  
9 livestock products" means products which are derived from  
10 agriculture or livestock, are in a raw or unprocessed state,

1 and are owned by the grower or producer thereof.

2 (1.3) "Agricultural equipment" means any personal  
3 property used on a farm or ranch, as defined in subsections  
4 (3.5) and (13.5) of this section, for the purpose of raising,  
5 harvesting, and selling crops or for the purpose of feeding,  
6 breeding, and selling livestock or livestock products. The  
7 term "agricultural equipment" includes machinery parts,  
8 welding supplies, tools, bailing wire and twine, oil and gas,  
9 and other items consumed in the operation of a ranch or farm.

10 (1.6) "Agriculture land" means real property which meets  
11 the requirements of section 39-1-103 (6) (a). The term  
12 "agricultural land" also includes real property underlying any  
13 residential dwelling unit located on such agricultural land.

14 (3.5) "Farm" means a parcel of land the soil of which is  
15 tilled and cultivated for the primary purpose of raising,  
16 harvesting, and selling crops or for the primary purpose of  
17 feeding, breeding, and selling livestock or livestock products  
18 and which parcel of land is in a natural environment and is  
19 subject to the elements of nature.

20 (5) (a) Those **stocks INVENTORIES** of merchandise  
21 manufactured or produced outside this state which are in  
22 transit through this state and consigned to a warehouse or  
23 other storage facility, public or private, within this state,  
24 for storage in transit prior to shipment to a final  
25 destination outside the state, and which have acquired a  
26 taxable situs within the state; and

1 (b) Those ~~stocks~~ INVENTORIES of merchandise manufactured  
2 or produced within this state, remaining in a finished state  
3 and stored for shipment or shipped directly to a destination  
4 outside this state.

5 (7.2) "Inventories of merchandise" means that class of  
6 personal property which is held primarily for sale or which is  
7 held for consumption by a business and is not subject to  
8 annual depreciation. The term "inventories of merchandise"  
9 includes materials and supplies which meet the definitional  
10 conditions of this subsection (7.2) and also includes freeport  
11 merchandise.

12 (7.4) "Land on which a residential dwelling unit is  
13 located" means land underlying a residential dwelling unit  
14 which is essential to the functioning of said residential  
15 dwelling unit or is essential to conform to land use  
16 regulations and building requirements and includes land up to  
17 thirty-five acres which is not underlying a residential  
18 dwelling unit but upon which a residential dwelling unit could  
19 be placed if permitted by land use regulations and if no  
20 further governmental action is required other than the final  
21 action of approving the placement of a residential dwelling  
22 unit on the land. The term does not include land underlying a  
23 residential dwelling unit located on agricultural land.

24 (7.8) "Livestock" means those kinds of domestic animals  
25 and fowls which are normally susceptible of confinement within  
26 boundaries without seriously impairing their utility and the

1 intrusion of which upon the land of others normally causes  
2 harm to the land or to crops thereon.

3 (13.5) "Ranch" means a parcel of land which is used for  
4 the purpose of feeding, breeding, and selling livestock or  
5 livestock products and which is in a natural environment and  
6 is subject to the elements of nature.

7 (14.5) "Residential real property" means any residential  
8 dwelling unit and the land on which a residential dwelling  
9 unit is located and includes mobile home parks and apartments  
10 but does not include hotels and motels.

11 SECTION 2. Applicability. This act shall apply to  
12 property tax years commencing on or after January 1, 1983.

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

BILL 12

A BILL FOR AN ACT

1 CONCERNING THE STATE BOARD OF EQUALIZATION, AND RELATING TO  
2 THE MEMBERSHIP THEREOF AND TO THE DUTIES THEREOF  
3 INCLUDING BUT NOT LIMITED TO PROPERTY TAX EQUALIZATION  
4 DUTIES.

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Bill Summary

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

Specifies who shall serve on the board. Provides for the political composition and compensation thereof. Provides for the filling of vacancies for and the removal from office of and the terms of office of the appointed members. Repeals and reenacts the duties of the board as follows: (1) Removes the board's authority to review board of assessment appeals decisions on classes of property and provides that appeals for reappraisals of classes and appeals of the valuation for assessment of classes be heard by the board rather than by the board of assessment appeals; (2) removes the board's duty to review abstracts of assessment, decisions of the board of assessment appeals, the property tax administrator's recommendations, and the valuation for assessment study; (3) removes the authority of the board to raise or lower the valuation for assessment of classes based on such review and provides that the changes in valuation for assessment for classes, if not occurring through such appeals, occur due to the board's ordering reappraisals as required by the valuation for assessment study; (4) provides that the board shall issue such other orders as are provided for by the reappraisal and school finance enforcement procedure set forth in the recently

adopted amendment to the state constitution. Provides, as required by such amendment, that classes be reappraised whenever the study shows the statutes have not been complied with and that excess state school finance payments be repaid to the state by the county through an additional mill levy.

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

2 SECTION 1. 39-9-101, Colorado Revised Statutes 1973,  
3 1982 Repl. Vol., is amended to read:

4 39-9-101. State board of equalization. (1) The state  
5 board of equalization shall consist of the governor OR HIS  
6 DESIGNEE, ~~the---state--auditor;--the--state--treasurer;--the~~  
7 ~~secretary-of-state;--and-the-attorney-general~~ THE SPEAKER OF  
8 THE HOUSE OF REPRESENTATIVES OR HIS DESIGNEE, THE PRESIDENT OF  
9 THE SENATE OR HIS DESIGNEE, AND TWO MEMBERS APPOINTED BY THE  
10 GOVERNOR WITH THE CONSENT OF THE SENATE. EACH OF THE  
11 APPOINTED MEMBERS SHALL BE A QUALIFIED APPRAISER OR A FORMER  
12 ASSESSOR OR A PERSON WHO HAS KNOWLEDGE AND EXPERIENCE IN  
13 PROPERTY TAXATION. The governor shall act as chairman of said  
14 board.

15 (2) NO MORE THAN THREE MEMBERS OF THE STATE BOARD OF  
16 EQUALIZATION SHALL BE AFFILIATED WITH THE SAME POLITICAL  
17 PARTY. EACH MEMBER SHALL RECEIVE A PER DIEM ALLOWANCE OF  
18 \_\_\_\_\_ DOLLARS FOR EACH DAY SPENT ATTENDING MEETINGS OR  
19 HEARINGS OF THE STATE BOARD OF EQUALIZATION OR OTHERWISE SPENT  
20 DISCHARGING HIS DUTIES AS A MEMBER OF SAID BOARD; EXCEPT THAT  
21 NO MEMBER SHALL RECEIVE THE PER DIEM ALLOWANCE PROVIDED FOR IN  
22 THIS SUBSECTION (2) FOR ANY DAY FOR WHICH HE RECEIVES A PER

1 DIEM ALLOWANCE FROM THE STATE UNDER ANY OTHER STATUTE AND  
2 EXCEPT THAT NO MEMBER SHALL RECEIVE THE PER DIEM ALLOWANCE  
3 PROVIDED FOR IN THIS SUBSECTION (2) IF HE RECEIVES A SALARY  
4 FROM THE STATE FOR A FULL-TIME POSITION WITH THE STATE. THE  
5 MEMBERS APPOINTED BY THE GOVERNOR SHALL SERVE AT THE PLEASURE  
6 OF THE GOVERNOR BUT SHALL NOT SERVE FOR MORE THAN FOUR  
7 CONSECUTIVE YEARS UNLESS REAPPOINTED BY THE GOVERNOR AND  
8 RECONFIRMED BY THE SENATE AT THE CONCLUSION OF SAID FOUR  
9 YEARS. VACANCIES IN EITHER OF THE APPOINTED POSITIONS ON THE  
10 STATE BOARD OF EQUALIZATION SHALL BE FILLED BY APPOINTMENT BY  
11 THE GOVERNOR WITH THE CONSENT OF THE SENATE FOR THE UNEXPIRED  
12 TERM.

13 SECTION 2. 39-9-103, Colorado Revised Statutes 1973,  
14 1982 Repl. Vol., is REPEALED AND REENACTED, WITH AMENDMENTS,  
15 to read:

16 39-9-103. Duties of state board - enforcement -  
17 reappraisal orders. (1) The state board of equalization  
18 shall order reappraisals of classes as provided in section  
19 39-1-105.5, make other orders as provided in said section, and  
20 perform such other duties as are provided for in said section.

21 (2) The state board of equalization shall conduct  
22 hearings on petitions filed by the administrator for the  
23 reappraisal of one or more classes or subclasses of taxable  
24 property pursuant to section 39-2-114. The state board of  
25 equalization shall also conduct hearings upon complaints filed  
26 by the administrator, upon his own motion or upon petition by



1 any tax-levying authority in this state, concerning valuation  
2 for assessment of one or more classes or subclasses of taxable  
3 property if a reappraisal has not been conducted or ordered  
4 pursuant to the provisions of section 39-2-114. Decisions of  
5 the state board of equalization shall be subject to judicial  
6 review as provided in section 24-4-106, C.R.S. 1973.

7 (3) Said board may compel compliance with its orders by  
8 proceedings in the nature of mandamus, by injunction, or by  
9 other appropriate civil remedies.

10 SECTION 3. Article 1 of title 39, Colorado Revised  
11 Statutes 1973, 1982 Repl. Vol., is amended BY THE ADDITION OF  
12 A NEW SECTION to read:

13 39-1-105.5. Reappraisal ordered based on valuation for  
14 assessment study - state school finance payments.

15 (1) (a) (I) If the study conducted pursuant to section  
16 39-1-104 (16) during the property tax year which commences  
17 January 1, 1983, shows that an assessor did not comply with  
18 the property tax provisions of the Colorado constitution or  
19 the statutes or did not determine the actual value or the  
20 valuation for assessment of any class or classes of taxable  
21 property consistent with such provisions, the state board of  
22 equalization shall, prior to the end of 1983, order the  
23 assessor to reappraise such class or classes. Such  
24 reappraisal shall be conducted during the property tax year  
25 which commences January 1, 1984, and shall be the valuation  
26 for assessment of such class or classes for such property tax

1 year. Such reappraisal shall be performed at the expense of  
2 the county.

3 (II) If the study conducted pursuant to section 39-1-104  
4 (16) during the property tax year which commences January 1,  
5 1984, shows that the assessor failed to reappraise such class  
6 or classes or failed in the reappraisal to meet the objections  
7 of the state board of equalization, the state board of  
8 equalization shall cause a reappraisal of such class or  
9 classes to be performed. Such reappraisal shall be performed  
10 during the property tax year which commences January 1, 1985.  
11 The general assembly shall make an appropriation to meet the  
12 cost of such reappraisal; however, the board of county  
13 commissioners of the county shall, upon certification by the  
14 state board of equalization of such cost, reimburse the state  
15 for such cost if the reappraisal caused to be performed shows  
16 that the assessor did not value or assess such class or  
17 classes consistent with the provisions of the Colorado  
18 constitution or the statutes.

19 (III) The reappraisal caused to be performed pursuant to  
20 subparagraph (II) of this paragraph (a) during the property  
21 tax year which commences January 1, 1985, shall be the  
22 county's abstract for assessment with regard to such  
23 reappraised class or classes for the property tax year which  
24 commences January 1, 1985. The state board of equalization  
25 shall order the board of county commissioners to levy, and the  
26 board of county commissioners shall levy, in 1985 for

1 collection in 1986 an additional property tax on all taxable  
2 property in the county. Such additional levy shall be in an  
3 amount which is sufficient to reimburse the state for the  
4 excess state equalization payments made to school districts  
5 within the county during 1985. The board of county  
6 commissioners shall reimburse the state for such excess state  
7 equalization payments. Such excess shall be that amount of  
8 the state equalization payments actually paid by the state to  
9 the county during 1985 based on the incorrect 1984 valuation  
10 for assessment which amount exceeds the state equalization  
11 payments the state would have paid during 1985 had the 1984  
12 valuation for assessment been determined by the assessor  
13 consistent with the provisions of the Colorado constitution  
14 and the statutes.

15 (b) (I) Pursuant to section 39-1-104 (16) (b), for each  
16 property tax year beginning with the property tax year which  
17 commences January 1, 1985, the annual study shall, in addition  
18 to other requirements, determine and set forth the aggregate  
19 valuation for assessment of each county for the year in which  
20 the study is conducted.

21 (II) (A) If the valuation for assessment of a county as  
22 reflected in its abstract for assessment for any property tax  
23 year beginning with the property tax year commencing January  
24 1, 1985, is more than five percent below the valuation for  
25 assessment for such county as determined by the study  
26 conducted during the same property tax year, the state board

1 of equalization shall cause to be performed a reappraisal of  
2 any class or classes which the study shows were not appraised  
3 consistent with the property tax provisions of the Colorado  
4 constitution or the statutes. Such reappraisal shall be  
5 performed during the next following year and shall be at the  
6 expense of the county. Such reappraisal shall become the  
7 county's valuation for assessment with regard to the  
8 reappraised class or classes for the year in which such  
9 reappraisal is performed.

10 (B) Even though a county's aggregate valuation for  
11 assessment as reflected in its abstract for assessment for any  
12 property tax year beginning with the property tax year  
13 commencing January 1, 1985, is not more than five percent  
14 below the valuation for assessment for such county as  
15 determined by the study conducted during the same property tax  
16 year, the state board of equalization shall cause to be  
17 performed a reappraisal of any class or classes which the  
18 study shows were not appraised consistent with the property  
19 tax provisions of the Colorado constitution or the statutes.  
20 Such reappraisal shall be performed during the next following  
21 year and shall be at the expense of the county. Such  
22 reappraisal shall become the county's valuation for assessment  
23 with regard to the reappraised class or classes for the year  
24 in which such reappraisal is performed.

25 (III) Whenever a reappraisal is ordered pursuant to  
26 subparagraph (II) of this paragraph (b), state equalization

1 payments to school districts within the county during the year  
2 in which the reappraisal is performed shall be based upon the  
3 valuation for assessment as reflected in the county's abstract  
4 for assessment for the year prior to the year in which the  
5 reappraisal is performed. The state board of equalization  
6 shall order the county's board of county commissioners to  
7 levy, and the board of county commissioners shall levy, an  
8 additional property tax on all taxable property within the  
9 county. Such additional property tax shall be levied at the  
10 same time as other property taxes are levied during the year  
11 in which the reappraisal is performed. Such additional  
12 property tax shall be in an amount which is sufficient to  
13 reimburse the state for the excess state equalization payments  
14 made to school districts within the county during the year in  
15 which the reappraisal is performed. The county's board of  
16 county commissioners shall reimburse the state for such excess  
17 state equalization payments. Such excess shall be that amount  
18 of the state equalization payments actually paid by the state  
19 to the county during the year in which the reappraisal is  
20 performed based on the valuation for assessment as reflected  
21 in the county's abstract for assessment for the immediately  
22 prior year which amount exceeds what the state would have paid  
23 during the year in which the reappraisal is performed had such  
24 payments been based on the valuation for assessment as  
25 determined by the study conducted in the year immediately  
26 preceding the year in which the reappraisal is performed. In

1 addition, the additional property tax shall be sufficient to  
2 pay to the state, and the board of county commissioners shall  
3 pay to the state, interest on such excess at a rate of  
4 \_\_\_\_\_ percent for \_\_\_\_\_.

5 (IV) If the valuation for assessment of a county as  
6 reflected in its abstract for assessment for any property tax  
7 year beginning with the property tax year commencing January  
8 1, 1985, is more than five percent below the valuation for  
9 assessment for such county as determined by the study  
10 conducted during the same property tax year and if the state  
11 board of equalization fails to order a reappraisal, state  
12 equalization payments to school districts within the county  
13 during the year next following the year in which the study was  
14 performed shall be based upon the valuation for assessment for  
15 the county as reflected in the county's abstract for  
16 assessment for the year in which the study was conducted. At  
17 the same time as other property taxes are levied during the  
18 year in which such state equalization payments are made, the  
19 county's board of county commissioners shall levy an  
20 additional property tax on all taxable property within the  
21 county. Such additional property tax shall be in an amount  
22 sufficient to reimburse the state for the difference between  
23 the amount the state actually paid in state equalization  
24 payments during the year following the year in which the study  
25 was performed and what the state would have paid during such  
26 year had the state equalization payments been based on the

1 valuation for assessment as determined by the study. The  
2 county's board of county commissioners shall reimburse the  
3 state for such difference.

4 SECTION 4. Applicability. This act shall apply to  
5 property tax years commencing or or after January 1, 1983.

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

BILL 13

A BILL FOR AN ACT

1 CONCERNING THE CONFORMANCE OF STATUTES RELATING TO PROPERTY  
2 TAXATION TO THE STATE CONSTITUTION.

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Bill Summary

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

Makes various amendments to the statutes to conform them to the newly added property tax provisions of the state constitution. Included are the following: Replacing consideration of the current seven factors with consideration of the constitutionally prescribed approaches to appraisal in determining actual value; changing the valuation for assessment study; exempting properties required to be exempt by the state constitution; removing the requirement that the county assessor notify the county treasurer of the valuation for assessment of stocks of merchandise temporarily located in the county and the requirement that the county treasurer collect the tax thereon (stocks of merchandise are exempt as inventories of merchandise); and removing the provisions which make it a crime to fail to pay the tax on mobile homes while listed as stocks of merchandise. Repeals references to those properties which are exempt under the newly added property tax provisions of the state constitution.

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

4 SECTION 1. 39-1-101, Colorado Revised Statutes 1973,  
5 1982 Repl. Vol., is amended to read:



1           39-1-101. Legislative declaration. The general assembly  
2 declares that its purpose in enacting articles 1 to 13 of this  
3 title is to exercise the authority granted in section 3 of  
4 article X of the state constitution wherein it is provided,  
5 among other things, that ~~all taxes shall be levied; assessed;~~  
6 ~~and collected under general laws; which shall prescribe such~~  
7 ~~methods and regulations as shall secure just and equalized~~  
8 ~~valuations for assessment of taxes upon all property, real and~~  
9 ~~personal; located within the territorial limits of the~~  
10 ~~authority levying the tax~~ "THE ACTUAL VALUE OF ALL REAL AND  
11 PERSONAL PROPERTY NOT EXEMPT FROM TAXATION UNDER THIS ARTICLE  
12 SHALL BE DETERMINED UNDER GENERAL LAWS, WHICH SHALL PRESCRIBE  
13 SUCH METHODS AND REGULATIONS AS SHALL SECURE JUST AND  
14 EQUALIZED VALUATIONS FOR ASSESSMENT OF ALL REAL AND PERSONAL  
15 PROPERTY NOT EXEMPT FROM TAXATION UNDER THIS ARTICLE". It  
16 further declares that it intends ~~to prescribe methods by which~~  
17 ~~the actual value of all taxable property in the state shall be~~  
18 ~~determined; and to fix the percentage of such determined~~  
19 actual value at which all such property shall be assessed for  
20 taxation. To these ends, the provisions of said articles  
21 shall be strictly construed.

22           SECTION 2. 39-1-103 (5) (a), the introductory portion to  
23 39-1-103 (8), and 39-1-103 (8) (a), Colorado Revised Statutes  
24 1973, 1982 Repl. Vol., are amended to read:

25           39-1-103. Actual value determined - when.  
26 (5) (a) ~~Except as provided in subsection (7) of this section;~~

1 All other real and personal property shall be appraised and  
2 the actual value thereof for property tax purposes determined  
3 by the assessor of the county wherein such property is  
4 located. The actual value of such property, other than  
5 agricultural lands exclusive of building improvements thereon  
6 AND OTHER THAN RESIDENTIAL REAL PROPERTY AND OTHER THAN  
7 PRODUCING MINES AND LANDS OR LEASEHOLDS PRODUCING OIL OR GAS,  
8 shall be that value determined by APPROPRIATE consideration of  
9 the following factors; insofar as the same are applicable to  
10 any property; location and desirability; functional use;  
11 current replacement cost; new; less depreciation; comparison  
12 with other properties of known or recognized value; market  
13 value in the ordinary course of trade; earning or productive  
14 capacity; including; for unimproved land; except a portion of  
15 land used for open space; consideration of the amount of time  
16 required to realize potential future values; and appraisal  
17 value for loan purposes on comparable properties; if  
18 practicable. As used in this subsection (5); "unimproved  
19 land" is land which is unimproved for residential; commercial;  
20 or industrial use; which means that a building or structure  
21 suitable for residential; commercial; or industrial use is not  
22 located upon said land; or is not being constructed upon said  
23 land; or; if it has no buildings located or being constructed;  
24 said land is not actually being used for commercial or  
25 industrial purposes. For this purpose; construction shall be  
26 deemed to have commenced when engineering surveying and

1 stakeout--occurs;--The--factors--listed-are-exclusive;-and-the  
2 applicable-factors--shall--be--applied--either--positively--or  
3 negatively--in--determining--actual--value COST APPROACH, THE  
4 MARKET APPROACH, AND THE INCOME APPROACH TO APPRAISAL. The  
5 assessor shall consider and document all factors ELEMENTS OF  
6 SUCH APPROACHES that are applicable prior to a determination  
7 of actual value. The--market--value--factor-and-the-factor  
8 providing-for-comparison-of-properties-of-known-or--recognized  
9 value-shall-not-be-used-to-the-exclusion-of-other-factors;--The  
10 valuation--for-assessment-of-any-real-property-for-the-taxable  
11 year-1977-shall-not-exceed-one-hundred-forty--percent--of--the  
12 average--valuation--for--assessment--of--said-property-for-the  
13 taxable-years-1974;-1975;-and-1976;-except-that--any--material  
14 change--in--the--physical-condition;-zoning;-or-use-increasing  
15 such--valuation--shall--be--excluded---in---determining---such  
16 percentage:---In--the--event-that-such-limitation-results-in-a  
17 lower-valuation-for-assessment-for-1977-than--that--for--1976;  
18 the--general--assembly-determines-there-shall-be-a-presumption  
19 that-the-valuation-for-assessment-for-1976-was-not-based--upon  
20 the--applicable-factors-prescribed-in-this-subsection-(5)-and;  
21 therefore;--the--1977--valuation---for---assessment---requires  
22 adjustment:---Any--taxpayer-whose-valuation-for-assessment-for  
23 the-taxable-year-1977-exceeds-the-prescribed--ceiling-may-file  
24 a-protest-with-the-assessor-pursuant-to-section-39-5-122;-with  
25 right-of-appeal-to-the-county-board-of-equalization:---In--the  
26 alternative;--the--taxpayer--may--file--for-abatement-with-the

1 board-of-county-commissioners-pursuant--to--section--39-1-113:  
2 Assessment--of--any--real--property--for-the-taxable-year-1978  
3 shall-not--exceed--one--hundred--twenty-five--percent--of--the  
4 valuation--for--assessment--of--said--property--for--the-prior  
5 taxable-year;--except-that-any-material-change-in-the--physical  
6 condition;--zoning;--or-use-increasing-such-valuation-shall-be  
7 excluded-in-determining-such-percentage. Despite any orders of  
8 the state board of equalization, no assessor shall arbitrarily  
9 increase the valuations for assessment of all parcels  
10 represented within the abstract of a county or within a class  
11 or subclass of parcels on that abstract by a common multiple  
12 in response to the order of said board. If an assessor is  
13 required, pursuant to the order of said board, to increase or  
14 decrease valuations for assessment, such changes shall be made  
15 only upon individual valuations for assessment of each and  
16 every parcel, using each of the factors APPROACHES TO  
17 APPRAISAL specified in this subsection-(5) PARAGRAPH (a), if  
18 applicable. The actual value of agricultural lands, exclusive  
19 of building improvements thereon, shall be determined by  
20 consideration of the earning or productive capacity of such  
21 lands during a reasonable period of time, capitalized at a  
22 rate of eleven and one-half percent. THE ACTUAL VALUE OF  
23 RESIDENTIAL REAL PROPERTY SHALL BE DETERMINED SOLELY BY  
24 CONSIDERATION OF THE COST APPROACH AND THE MARKET APPROACH TO  
25 APPRAISAL.

26 (8) In any case when IN WHICH sales prices of comparable

1 properties within any class or subclass are utilized WHEN  
2 CONSIDERING THE MARKET APPROACH TO APPRAISAL in the  
3 determination of actual value of any taxable property, the  
4 following limitations and conditions shall apply:

5 (a) In order to obtain a reasonable sample and to reduce  
6 sudden price changes or fluctuations, all sales shall be  
7 included in the sample which reasonably reflect a true or  
8 typical sales price during the twenty-four months preceding  
9 the date of taking the sample. Sales of personal property  
10 exempt under section 39-3-101 (1) (a), and (1) (b), AND (1)  
11 (k) TO (1) (n) shall not be included in any such sample.

12 SECTION 3. 39-1-104 (12.3) (a) (I) and (16), Colorado  
13 Revised Statutes 1973, 1982 Repl. Vol., are amended to read:

14 39-1-104. Valuation for assessment.

15 (12.3) (a) (I) ~~Except--as--otherwise--provided--by--law;~~ The  
16 actual value of personal property shall be determined by  
17 APPROPRIATE consideration of such of the factors THREE  
18 APPROACHES specified in section 39-1-103 (5) (a) as are  
19 applicable to the appraisal of such property. Subject to  
20 review and approval by the advisory committee, the  
21 administrator shall prepare and publish appraisal procedures  
22 and instructions for the appraisal of such property which will  
23 include a factor or factors to adjust the actual value for the  
24 current year of assessment to the level of value of the base  
25 year applicable to real property.

26 (16) (a) ~~Effective--January--1,--1983;--during-the-first~~

1 year--of--each--successive--four-year--period---described---in  
2 subsections--(9)--to--(11)--of--this--section DURING EACH PROPERTY  
3 TAX YEAR, BEGINNING WITH THE PROPERTY TAX YEAR WHICH COMMENCES  
4 JANUARY 1, 1983, the director of research of the legislative  
5 council shall contract with a private person for a VALUATION  
6 FOR ASSESSMENT study to be conducted as set forth in this  
7 subsection (16). The study shall be conducted in all counties  
8 of the state to determine whether or not the assessor of each  
9 county has, in fact, used all manuals, factors, formulas, and  
10 other directives required by law to arrive at the valuation  
11 for assessment of each and every class of real and personal  
12 property in the county. The person conducting the study shall  
13 sample each class of property in a statistically valid manner,  
14 and the aggregate of such sampling shall equal at least one  
15 percent of all properties in each county of the state. The  
16 sampling shall show that the various areas, ages of buildings,  
17 economic conditions, and uses of properties have been sampled.  
18 Such study shall be completed, and a final report of the  
19 findings and conclusions thereof shall be submitted to the  
20 general assembly and the state board of equalization by  
21 September 1 of the year in which the study is conducted.

22 (b) DURING EACH PROPERTY TAX YEAR, BEGINNING WITH THE  
23 PROPERTY TAX YEAR WHICH COMMENCES JANUARY 1, 1985, IN ADDITION  
24 TO THE REQUIREMENTS SET FORTH IN PARAGRAPH (a) OF THIS  
25 SUBSECTION (16), THE STUDY SHALL SET FORTH THE AGGREGATE  
26 VALUATION FOR ASSESSMENT OF EACH COUNTY FOR THE YEAR IN WHICH

1 THE STUDY IS CONDUCTED.

2 SECTION 4. 39-2-109 (1) (h), Colorado Revised Statutes  
3 1973, 1982 Repl. Vol., is amended to read:

4 39-2-109. Duties, powers, and authority. (1) (h) To  
5 prepare and design a basic form for all assessors to use in  
6 the assessment of real property which will set forth in detail  
7 information to be inserted pertaining to ~~all-factors~~ THE  
8 APPROACHES TO APPRAISAL set forth in section 39-1-103 (5) (a).

9 SECTION 5. 39-2-125 (3) Colorado Revised Statutes 1973,  
10 1982 Repl. Vol., is amended to read:

11 39-2-125. Duties of the board. (3) Effective January  
12 1, ~~1979~~ 1983, the consideration of a property's market value  
13 in the ordinary course of trade and the comparison of a  
14 property with other properties of known or recognized value by  
15 the board WHEN CONSIDERING THE MARKET APPROACH TO APPRAISAL in  
16 its review of the determination of a property's actual value  
17 ~~pursuant-to-section-39-1-103-(5)~~ are subject to the provisions  
18 of section 39-1-103 (8).

19 SECTION 6. 39-2-131, Colorado Revised Statutes 1973,  
20 1982 Repl. Vol., is amended to read:

21 39-2-131. Function of the committee. It is said  
22 committee's function and it shall have and exercise the  
23 authority, prior to publication, to review and approve or  
24 disapprove manuals or any part thereof, appraisal procedures,  
25 and instructions prepared and published by the administrator  
26 pursuant to section 39-2-109 (1) (e) and based upon ~~location~~

1 and-desirability;-functional-use;--current--replacement--cost;  
2 new;--less--depreciation;--comparison-with-other-properties-of  
3 known-or-recognized-value;-market-value-in-the-ordinary-course  
4 of-trade;-earning-or-productive--capacity THE APPROACHES TO  
5 APPRAISAL SET FORTH IN SECTION 39-1-103 (5) (a).

6 SECTION 7. 39-3-101 (1), Colorado Revised Statutes 1973,  
7 1982 Repl. Vol., is amended BY THE ADDITION OF THE FOLLOWING  
8 NEW PARAGRAPHS to read:

9 39-3-101. Exempt property. (1) (k) Inventories of  
10 merchandise;

11 (l) Livestock;

12 (m) Agricultural and livestock products;

13 (n) Agricultural equipment.

14 SECTION 8. 39-10-113 (2), Colorado Revised Statutes  
15 1973, 1982 Repl. Vol., is amended to read:

16 39-10-113. Removal or transfer of personal property -  
17 collection of taxes. (2) Whenever the assessor notifies the  
18 treasurer of the valuation of any taxable personal property,  
19 as provided in section 39-5-110 (2), and-~~(3)~~; which property  
20 the assessor believes might be removed from the county, the  
21 treasurer shall proceed to collect the taxes on such property,  
22 distraining, seizing, and selling the same if either he or the  
23 assessor deems it necessary. If the levy for the current year  
24 has not then been fixed and made, the levy for the previous  
25 year shall be used to determine the amount of taxes due.

26 SECTION 9. 39-5-203 (3), Colorado Revised Statutes 1973,



1 1982 Repl. Vol., is amended to read:

2 39-5-203. Mobile homes - determination of value.

3 (3) (a) The valuation for assessment of each mobile home  
4 shall be computed on the same basis as the valuation for  
5 assessment of all taxable property; except that mobile homes  
6 shall be ~~valued-and-assessed-as-personal-property~~ EXEMPT FROM  
7 PROPERTY TAXATION while listed as ~~stocks~~ INVENTORIES of  
8 merchandise by mobile home dealers licensed by the Colorado  
9 mobile home licensing board. It is the duty of the seller of  
10 a mobile home to provide to the buyer a tax certificate and an  
11 itemized list of household furnishings, as defined in section  
12 39-3-101 (1) (a) and which are included in the selling price  
13 of the mobile home, at the time of sale. ~~Payment--of--all--ad~~  
14 ~~valorem--taxes--for--prior--taxable--years--and--payment--of--prorated~~  
15 ~~current--taxable--year--ad--valorem--taxes--shall--be--made--to--the~~  
16 ~~appropriate--county--or--counties--before--a--used--mobile--home--may~~  
17 ~~be--included--in--a--dealer's--list--of--stocks--of--merchandise:~~

18 (b) ~~A person who knowingly fails to pay ad valorem taxes~~  
19 ~~or who knowingly fails to provide an itemized list of~~  
20 ~~household furnishings as required by this subsection (3) shall~~  
21 ~~be punished as provided in section 12-51.5-122 (5), C.R.S.~~  
22 ~~1973.~~

23 SECTION 10. The introductory portion to 12-51.5-122 (5)  
24 and 12-51.5-122 (5) (a), Colorado Revised Statutes 1973, 1978  
25 Repl. Vol., as amended, are amended to read:

26 12-51.5-122. Criminal liability. (5) Any person who

1 knowingly-fails-to-pay-the-tax-assessed-on-a-mobile-home-while  
2 such---mobile--home--is--included--in--a--list--of--stocks--of  
3 merchandise-as-required-by-section-39-5-203-(3);-C.R.S.-1973;  
4 or who knowingly moves or assists in moving a mobile home  
5 without a valid permit or prorated tax receipt as required and  
6 issued pursuant to section 42-4-409 (1) and (2), C.R.S. 1973,  
7 or who uses said permit or prorated tax receipt for more than  
8 one trip commits:

9 (a) A class 2 petty offense upon a violation of any of  
10 the provisions of the introductory portion of TO this  
11 subsection (5) and, upon conviction thereof, shall be fined  
12 ~~fifty-dollars-for-nonpayment-of-taxes~~; two hundred dollars for  
13 movement of a mobile home without a permit or prorated tax  
14 receipt and three hundred fifty dollars for multiple uses of  
15 said permit or receipt;

16 SECTION 11. Repeal. 39-1-102 (15), 39-1-103 (4) (a) and  
17 (5) (b), 39-1-104 (2), (7), and (12.3) (b), 39-1-107 (3),  
18 39-5-110 (3), 39-5-111, and 39-5-201 (3), Colorado Revised  
19 Statutes 1973, 1982 Repl. Vol., are repealed.

20 SECTION 12. Applicability. This act shall apply to  
21 property tax years commencing on or after January 1, 1983.

22 SECTION 13. Safety clause. The general assembly hereby  
23 finds, determines, and declares that this act is necessary  
24 for the immediate preservation of the public peace, health,  
25 and safety.

BILL 14

A BILL FOR AN ACT

1 CONCERNING THE AD VALOREM TAXATION OF MOBILE HOMES.

---

Bill Summary

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

Specifies that the property tax administrator shall prepare manuals, appraisal procedures, and instructions concerning methods of appraising and valuing mobile homes. Provides that the actual value of mobile homes be determined according to the three approaches to appraisal used in valuing real property and according to the reassessment cycle, base years, and levels of value used in determining the actual value of real property. Repeals the provision which sets a maximum actual value of a mobile home. Repeals the provisions requiring the property tax administrator to promulgate rules on the household furnishings exemption and on depreciation for mobile homes.

---

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

3 SECTION 1. 39-2-109 (1) (e), Colorado Revised Statutes  
4 1973, 1982 Repl. Vol., and the said 39-2-109 (1) (e), as  
5 amended by section 1 of chapter 146, Session Laws of Colorado  
6 1982, are REPEALED AND REENACTED, WITH AMENDMENTS, to read:

7 39-2-109. Duties, powers, and authority. (1) (e) To

1 prepare and publish from time to time manuals, appraisal  
2 procedures, and instructions, after consultation with and  
3 approval of the advisory committee to the property tax  
4 administrator, concerning methods of appraising and valuing  
5 land, improvements, personal property, and mobile homes and to  
6 require their utilization by assessors in valuing and  
7 assessing taxable property. Said manuals, appraisal  
8 procedures, and instructions shall be based upon the three  
9 approaches to appraisal and the procedures set forth in  
10 section 39-1-103 (5) (a). Such manuals, appraisal procedures,  
11 and instructions shall be subject to legislative review, the  
12 same as rules and regulations, pursuant to section 24-4-103  
13 (8) (d), C.R.S. 1973.

14 SECTION 2. 39-5-203 (1), Colorado Revised Statutes 1973,  
15 1982 Repl. Vol., and the said 39-5-203 (1), as amended by  
16 section 2 of chapter 146, Session Law of Colorado 1982, are  
17 REPEALED AND REENACTED, WITH AMENDMENTS, to read:

18 39-5-203. Mobile homes - determination of value.  
19 (1) For the property tax year beginning January 1, 1983, and  
20 for each property tax year thereafter, the actual value of a  
21 mobile home shall be determined by the assessor in accordance  
22 with the provisions of section 39-1-103 (5) and with the  
23 reassessment cycle specified in section 39-1-104 (10) to (11)  
24 and the appropriate base years and levels of value specified  
25 therein for the determination of the actual value of real  
26 property.

1           SECTION 3. Repeal. 39-5-203 (2), Colorado Revised  
2 Statutes 1973, 1982 Repl. Vol., is repealed.

3           SECTION 4. Applicability. This act shall apply to  
4 property tax years commencing on or after January 1, 1983.

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

BILL 15

A BILL FOR AN ACT

1 CONCERNING VALUE DETERMINATION FOR THE PURPOSE OF PROPERTY  
2 TAXATION.

---

Bill Summary

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

Conforms the statutes to the newly added property tax provisions of the state constitution with regard to valuation for assessment ratios. Provides for the use of the constitutionally required approaches to appraisal rather than the current seven factors in determining the actual value of certain properties. Removes, through amendment or repeal, those statutory provisions which give certain properties special treatment in the determination of their actual value or their valuation for assessment. Among such properties are the following: Open-space residential property, severed mineral interests, alternative energy devices, property used to produce alcohol for use in motor vehicles, works of art, alternative energy sources, and private reservoirs.

---

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

4 SECTION 1. 39-1-104 (1) and (4), Colorado Revised  
5 Statutes 1973, 1982 Repl. Vol., are amended, and the said  
6 39-1-104 is further amended BY THE ADDITION OF A NEW  
7 SUBSECTION, to read:

1           39-1-104. Valuation for assessment. (1) Except--when  
2 otherwise--prescribed--in--articles-1-to-13-of-this-title; The  
3 valuation for assessment of all taxable property in the state  
4 shall be thirty TWENTY-NINE percent of the actual value  
5 thereof as determined by the assessor and the administrator in  
6 the manner prescribed by law, and such percentage shall be  
7 uniformly applied, without exception, to the actual value, so  
8 determined, of the various classes and subclasses of real and  
9 personal property located within the territorial limits of the  
10 authority levying a property tax, and all property taxes shall  
11 be levied against the aggregate valuation for assessment  
12 resulting from the application of such percentage. THIS  
13 SUBSECTION (1) SHALL NOT APPLY TO RESIDENTIAL REAL PROPERTY,  
14 PRODUCING MINES, AND LANDS OR LEASEHOLDS PRODUCING OIL OR GAS.

15           (1.5) Residential real property shall be valued for  
16 assessment at twenty-one percent of its actual value.

17           (4) Severed mineral interests are to be valued at thirty  
18 TWENTY-NINE percent of actual value in the same manner as  
19 other real property. ~~if-no-value-can-readily-be-determined-or~~  
20 ~~if-there-is-no-market-activity-in-this--type--of--property;--a~~  
21 ~~minimum--valuation--for--assessment--of--one--dollar--per-acre~~  
22 ~~category-of-interest-shall-be-used;--Where--activity--in--this~~  
23 ~~type--of--property--does--exist;--the--market--value-should-be~~  
24 ~~considered-in-arriving-at-the-actual-value;~~

25           SECTION 2. 39-3-112 (6), Colorado Revised Statutes 1973,  
26 1982 Repl. Vol., is amended to read:

1           39-3-112. Taxation of exempt property - taxes not to  
2 become lien. (6) The valuation for assessment of lands owned  
3 by the United States and used for recreational purposes shall  
4 be thirty TWENTY-NINE percent of the ~~fees-paid-by-the-user--of~~  
5 ~~said--lands--to--the--United--States--for--the--use--thereof--in--the~~  
6 ~~previous-calendar-year~~ ACTUAL VALUE THEREOF DETERMINED BY  
7 APPROPRIATE CONSIDERATION OF THE COST APPROACH, THE MARKET  
8 APPROACH, AND THE INCOME APPROACH TO APPRAISAL.

9           SECTION 3. 39-6-111 (2), Colorado Revised Statutes 1973,  
10 1982 Repl. Vol., is amended to read:

11           39-6-111. Valuation of mines other than producing mines.  
12 (2) All mines which are classified as nonproducing mines  
13 shall be valued for assessment in the same manner as other  
14 real property. In determining the value thereof, the assessor  
15 shall take into consideration location, proximity to other  
16 mines or mining claims, and any other factors which may enable  
17 him to arrive at a fair and equitable valuation for  
18 assessment. ~~but,--because-of-the-impracticability-of--assessing~~  
19 ~~nonproducing--oil--shale--mines,--each--tract--of--land--which~~  
20 ~~includes-nonproducing-oil-shale--mines--shall--be--valued--for~~  
21 ~~assessment--on--the-basis-of-its-surface-use-on-the-assessment~~  
22 ~~date,--plus--the--additional--value--attributable--to--such~~  
23 ~~undeveloped--oil--shale,--if--any,--which--shall--not--exceed--the--per~~  
24 ~~acre-value-for-assessment-placed-on-the-surface--use--of--such~~  
25 ~~tract-on-the-assessment-date.~~

26           SECTION 4. 39-13-101, Colorado Revised Statutes 1973,



1 1982 Repl. Vol., is amended to read:

2 39-13-101. Legislative declaration. (1) The general  
3 assembly declares that, in enacting laws relating to the  
4 general property tax, it has provided that certain property in  
5 each county of the state shall be appraised and the actual  
6 value thereof determined by the assessor and that one of the  
7 several factors APPROACHES TO APPRAISAL to be considered by  
8 him in determining the actual value of any property shall be  
9 "comparison-with--other--properties--of--known--or--recognized  
10 value" THE MARKET APPROACH.

11 (2) It further declares that ONE WAY such comparison  
12 APPROACH may be best effected if-there is TO MAKE available to  
13 the assessor a continuing record of the consideration paid or  
14 to be paid by purchasers of real property evidenced, prior to  
15 recording, on the document conveying title to such property  
16 and recorded in the office of the county clerk and recorder in  
17 the several counties of the state in the manner provided by  
18 law and that this article is enacted to provide a means of  
19 developing such continuing record and making such record  
20 available for use primarily by assessors.

21 SECTION 5. 37-87-122 (1), Colorado Revised Statutes  
22 1973, is amended to read:

23 37-87-122. Erosion control dams. (1) The provisions of  
24 sections 37-87-101 to 37-87-108 and-37-87-116-to-37-87-121  
25 shall not apply to erosion control dams of the character  
26 defined in this section, unless such dams also come within the

1 specification requirements of said sections.

2 SECTION 6. Repeal. 37-87-116, 37-87-117, 37-87-118,  
3 37-87-119, 37-87-120, and 37-87-121, Colorado Revised Statutes  
4 1973, as amended, and 39-1-102 (7.5), (12.3), (12.4), and  
5 (18), 39-1-103 (7), 39-1-104 (5), (6), (13), (14), and (15),  
6 39-5-105 (2) and (3), and 39-13-104 (1) (n), Colorado Revised  
7 Statutes 1973, 1982 Repl. Vol., are repealed.

8 SECTION 7. Applicability. This act shall apply to  
9 property tax years commencing on or after January 1, 1983.

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

BILL 16

A BILL FOR AN ACT

1 CONCERNING THE ALLOCATION OF PROPERTY HAVING MORE THAN ONE USE  
2 BETWEEN CLASSES FOR THE PURPOSES OF 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 for the method of allocating property which has multiple uses, one of which is residential, between the appropriate classes for the purpose of determining actual value and valuation for assessment of such property. Provides that an improvement with multiple uses be portioned between classes based on square footage and the underlying land be portioned based on predominate or primary use or land use regulations or in the same ratio as the actual value of each allocated part of the improvement bears to the improvement's total actual value. Provides that, for land with improvements belonging to two or more classes, the classification of the land be determined based upon predominate or primary use or land use regulations. Provides that in no case involving multiple-use property may more than thirty-five acres be classified as residential real property.

---

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

4 SECTION 1. 39-1-103, Colorado Revised Statutes 1973,  
5 1982 Repl. Vol., is amended BY THE ADDITION OF A NEW  
6 SUBSECTION to read:

7 39-1-103. Actual value determined - when. (9) (a) In

1 the case of land containing an improvement which is used as a  
2 residential dwelling unit and is also used for any other  
3 purpose, the actual value and valuation for assessment of such  
4 land and such improvement shall be determined as provided for  
5 in this paragraph (a). Such improvement shall first be  
6 allocated to the appropriate classes based upon the actual  
7 square footage used for each of the purposes for which the  
8 improvement is used. After such allocation, the actual value  
9 of each portion of the improvement shall be determined by  
10 application of the appropriate approaches to appraisal  
11 specified in subsection (5) of this section. The appropriate  
12 valuation for assessment ratio shall then be applied to the  
13 actual value of each of such portions. The determination of  
14 which class the land containing such an improvement shall be  
15 allocated to shall be based upon the predominant or primary  
16 use to which the land is put or shall be based upon land use  
17 regulations unless the land is in an area which is zoned for  
18 more than one use. If either of such bases is not readily  
19 determinable, the land shall be allocated to each of the  
20 classes to which the improvement is allocated in the  
21 proportion that the actual value of each of the classes to  
22 which the improvement is allocated bears to the total actual  
23 value of the improvement. After making the allocation under  
24 one of such three bases, the actual value of each portion of  
25 the land shall be determined by application of the appropriate  
26 approaches to appraisal specified in subsection (5) of this

1 section. The appropriate valuation for assessment ratio shall  
2 then be applied to the actual value of each of such portions.

3 (b) In the case of land containing more than one  
4 improvement one of which is a residential dwelling unit, the  
5 determination of which class the land shall be allocated to  
6 shall be based upon the predominant or primary use to which  
7 the land is put or shall be based upon land use regulations  
8 unless the land is in an area which is zoned for more than one  
9 use. If either of such bases is not readily determinable, the  
10 land shall be allocated to each of the classes to which the  
11 improvements belong in the proportion that the actual value of  
12 each of the improvements bears to the combined actual value of  
13 the improvements.

14 (c) In no case under either of the situations provided  
15 for in paragraphs (a) and (b) of this subsection (9) shall  
16 more than thirty-five acres be allocated to the residential  
17 real property class. The land which exceeds such thirty-five  
18 acres shall not be considered residential real property for  
19 the purposes of determining the actual value and the valuation  
20 for assessment thereof.

21 SECTION 2. Applicability. This act shall apply to  
22 property tax years commencing on or after January 1, 1983.

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

BILL 17

A BILL FOR AN ACT

1 CONCERNING LIMITATIONS ON THE FISCAL POWERS OF TAXING  
2 AUTHORITIES.

---

Bill Summary

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

Removes limitations on the ability of counties, municipalities, and special districts to impose mill levies on real and personal property for specified purposes.

---

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

4 SECTION 1. 24-90-112 (1), Colorado Revised Statutes  
5 1973, 1982 Repl. Vol., is amended to read:

6 24-90-112. Tax support - elections. (1) (a) (I) The  
7 legislative body of any incorporated city or town is hereby  
8 authorized to levy a tax ~~of not more than one and one-half~~  
9 ~~mits~~ for municipal libraries upon real and personal property  
10 for the establishment and maintenance of a public library.

11 (II) The board of county commissioners of any of the  
12 several counties is hereby authorized to levy a tax of--not

1 more--than--one--and--one-half--mills for county libraries and  
2 library districts upon real and personal property for the  
3 establishment and maintenance of county libraries and library  
4 districts.

5 SECTION 2. 25-3-301, Colorado Revised Statutes 1973,  
6 1982 Repl. Vol., is amended to read:

7 25-3-301. Establishment of public hospital.

8 (1) Whenever the board of county commissioners of any county  
9 which has a population of at least three thousand is presented  
10 with a petition signed by five hundred resident registered  
11 qualified electors, or by fifty percent of the resident  
12 registered qualified electors of such county, at least two  
13 hundred fifty of whom are residents of other than the county  
14 seat or town where it is proposed to locate such public  
15 hospital, asking that a public hospital board be appointed and  
16 that an annual tax be levied for the establishment and  
17 maintenance of a public hospital at a place in the county  
18 named therein, and which petition shall specify the maximum  
19 amount of money proposed to be expended in purchasing or  
20 building said hospital, such board of county commissioners  
21 shall have the power to create, by resolution, such public  
22 hospital board, to levy such tax, and to appropriate to such  
23 public hospital board the funds for purchasing or building  
24 such hospital and for maintaining the hospital, as well as the  
25 power to turn to the control and maintenance of such public  
26 hospital board any public or other hospital then being

1 conducted by the board of county commissioners. Said--tax  
2 shall-not-exceed-three-mills-on-the-dollar-for-each-year:

3 (2) If it is proposed in such petition, or in a petition  
4 later filed with like number of resident registered qualified  
5 elector signers, to create an indebtedness of the county for  
6 purchasing, erecting, or enlarging of buildings or equipment  
7 for such public hospital, then the board of county  
8 commissioners shall submit such question in the manner  
9 provided by law for creating debt for erecting public  
10 buildings and, if the vote authorizes it, shall issue such  
11 bonds, so authorized, as the public hospital board requests.  
12 In those counties having a population of less than three  
13 thousand, a public hospital board may be created by the  
14 petition of not less than fifty-one percent of the resident  
15 registered qualified electors or two hundred such resident  
16 registered qualified electors, regardless of where they live  
17 in the county. In such counties, an annual levy of--not--to  
18 exceed-five-mills-on-the-dollar shall be assessed to purchase,  
19 build, and maintain such a county hospital.

20 SECTION 3. 27-11-103 (1) (a), Colorado Revised Statutes  
21 1973, 1982 Repl. Vol., is amended to read:

22 27-11-103. Appropriation - purchase of services.

23 (1) (a) Each year the general assembly shall appropriate  
24 funds to purchase services for the mentally retarded and  
25 seriously handicapped from community center board  
26 corporations, for profit or not for profit, or accredited



1 nonprofit sheltered workshops which have been approved by the  
2 department of institutions, on the basis of five percent local  
3 funding to be matched by ninety-five percent state funding  
4 less any federal or cash funds received for general operating  
5 expenses from any other state or federal source and less the  
6 required local school district funds as provided under  
7 subsection (3) of this section. The yearly appropriation,  
8 when combined with all other sources of funding, including  
9 local, federal, other state, and school district funds, shall  
10 in no case exceed one hundred percent of the approved program  
11 costs as determined by the general assembly. Funds that are  
12 received for capital construction, specific research, or  
13 enrichment programs which do not create a requirement for  
14 future state funding shall not be considered in the  
15 calculation for the distribution of funds under the provisions  
16 of this section. Boards of county commissioners may levy up  
17 ~~to one-half mill~~ A TAX UPON REAL AND PERSONAL PROPERTY for the  
18 purpose of purchasing services for the mentally retarded and  
19 seriously handicapped from community center boards,  
20 corporations, for profit or not for profit, or accredited  
21 nonprofit sheltered workshops which have been approved by the  
22 department of institutions.

23 SECTION 4. 30-11-406 (1) (e), Colorado Revised Statutes  
24 1973, 1977 Repl. Vol., as amended, is amended to read:

25 30-11-406. Powers of law enforcement authority.  
26 (1) (e) To levy a tax ~~not-to-exceed-five-mills-for-the-1982~~

1 property-tax-year-or-seven-mills-for--the--1983--property--tax  
2 year--and--each--property--tax--year--thereafter on the taxable  
3 property within the area of the authority for the payment of  
4 the operating expenses of the authority. In-any-case-in-which  
5 an--authority--proposes--to--impose--a--mill-levy-which-is-the  
6 maximum-mill-levy-allowable-under-this-paragraph-(e)-or--which  
7 is--in--excess-of-the-certified-mill-levy-computed-pursuant-to  
8 section-30-11-406.5;-such-authority-shall-follow-the-procedure  
9 set-forth-in-section-30-11-406.5-

10 SECTION 5. 30-20-203 (1) (a), Colorado Revised Statutes  
11 1973, 1977 Repl. Vol., is amended to read:

12 30-20-203. Powers. (1) (a) Shall in each year  
13 determine the amount of money necessary to be raised by  
14 taxation after taking into consideration all sources of  
15 revenue of the district, and shall fix, in addition to such  
16 other taxes as may be levied by such board of county  
17 commissioners, a rate of levy, not-to-exceed-one-half-mill; to  
18 be levied upon every dollar of valuation for assessment of the  
19 property within the district, which levy, together with other  
20 revenues of the district, will raise the amount required by  
21 the district annually to supply funds for paying--the THE  
22 PAYMENT OF expenses, THE acquisition of equipment, AND THE  
23 costs of operation, maintenance, and employment of personnel  
24 therefor;

25 SECTION 6. 30-20-703 (1) (a), Colorado Revised Statutes  
26 1973, 1977 Repl. Vol., is amended to read:

1           30-20-703. Powers of county commissioners.

2       (1) (a) Levy a tax on all real and personal property situated  
3       within the district, ~~not-to-exceed-one-mill~~; the proceeds of  
4       which shall be used within the district for operation,  
5       maintenance, capital improvements, acquisition of additional  
6       property, and employment of a staff to supervise a program of  
7       activities and receive gifts of money or property for THE  
8       construction and operation of recreational facilities and  
9       programs; but, if the recreational district comprises the  
10      entire county, the board of county commissioners is authorized  
11      to appropriate from the general fund for this purpose, and no  
12      special levy is authorized;

13           SECTION 7. 30-20-806, Colorado Revised Statutes 1973,  
14      1977 Repl. Vol., as amended, is amended to read:

15           30-20-806. Taxation. The board of county commissioners  
16      is authorized to levy a tax ~~not--to--exceed-two-mills~~ so  
17      certified to it by said cemetery district against all taxable  
18      property within said cemetery district, which tax shall be  
19      collected by the county treasurer. If the district embraces  
20      the entire county, the board of county commissioners is  
21      authorized to appropriate from the general fund money for this  
22      purpose, and no special tax shall be made LEVIED.

23           SECTION 8. 31-15-707 (1) (d), Colorado Revised Statutes  
24      1973, 1977 Repl. Vol., as amended, is amended to read:

25           31-15-707. Municipal utilities. (1) (d) To assess from  
26      time to time, when constructing such water, gas, heating and

1 cooling, or electric light works and in such manner as it  
2 deems equitable, upon each tenement or other place supplied  
3 with water, gas, heat, cooling, or electric light, such water,  
4 gas, heat, cooling, or electric light rent as may be agreed  
5 upon by the governing body. Gas, heat, cooling, and electric  
6 light shall be charged for according to use. At the regular  
7 time for levying taxes in each year, said municipality is  
8 empowered to levy and cause to be collected, in addition to  
9 the other taxes authorized to be levied, a special tax on  
10 taxable property in said municipality. Such tax, with the  
11 water, gas, heat, cooling, or electric light rents hereby  
12 authorized, shall be sufficient to pay the expenses of  
13 running, repairing, and operating such works. If the right to  
14 build, maintain, and operate such works is granted to a person  
15 by a municipality and the municipality contracts with said  
16 person for the supplying of water, gas, heat, cooling, or  
17 electric light for any purpose, such municipality shall levy  
18 each year and cause to be collected a special tax, as provided  
19 for in this paragraph (d), sufficient to pay off such water,  
20 gas, heat, cooling, or electric light rents so agreed to be  
21 paid to said person constructing said works. ~~The tax shall~~  
22 ~~not exceed the sum of three mills on the dollar for any one~~  
23 ~~year.~~

24 SECTION 9. 31-15-901 (1) (a), Colorado Revised Statutes  
25 1973, 1977 Repl. Vol., is amended to read:

26 31-15-901. Miscellaneous powers. (1) (a) To

1 appropriate money ~~in-an-amount-not-exceeding-six-tenths-of-one~~  
2 ~~mill on-the-valuation-for-assessment~~ for the purpose of giving  
3 public concerts and entertainments by such municipality;

4 SECTION 10. 31-25-215 (1), Colorado Revised Statutes  
5 1973, 1977 Repl. Vol., is amended to read:

6 31-25-215. Maximum tax levy - moneys credited. (1) As  
7 a part of the annual levies authorized by law, the governing  
8 body shall annually levy, assess, and collect upon each dollar  
9 of taxable property within the city ~~not-more-than-one-and~~  
10 ~~one-half-mills~~ A TAX for the purposes of said park fund, the  
11 proceeds of which shall be collected in the same manner as  
12 other city taxes and shall be appropriated by the governing  
13 body for the park fund.

14 SECTION 11. 31-25-816 (2) (b), Colorado Revised Statutes  
15 1973, 1977 Repl. Vol., is amended to read:

16 31-25-816. Funding - budget. (2) (b) Proceeds of an ad  
17 valorem tax ~~not--exceeding--five--mills~~ on the valuation for  
18 assessment of property in the downtown development area  
19 designated by the governing body;

20 SECTION 12. 32-1-1101 (1) (a), Colorado Revised Statutes  
21 1973, as amended, is amended to read:

22 32-1-1101. Common financial powers. (1) (a) To levy  
23 and collect ad valorem taxes on and against all taxable  
24 property within the special district, which shall not be  
25 limited except as provided in part 3 of article 1 of title 29,  
26 C.R.S. 1973; ~~and-by-the-following:~~

1           (i) For fire-protection-districts; not more than eight  
2 mills excluding the levies authorized by section 32-1-1102;

3           (ii) For hospital-districts; not more than two mills;

4           (iii) For park and recreation-districts; not more than  
5 four mills excluding the levy authorized by section 32-1-1104.

6           SECTION 13. 32-1-1103 (1) (a) (I), Colorado Revised  
7 Statutes 1973, as amended, is amended to read:

8           32-1-1103. Special financial provisions - hospital  
9 districts. (1) (a) (I) To determine annually the amount of  
10 tax not to exceed two mills; to be levied upon the taxable  
11 property of the hospital district for the purposes of such  
12 district;

13           SECTION 14. 32-4-406 (1) (h), Colorado Revised Statutes  
14 1973, as amended, is amended to read:

15           32-4-406. Powers of districts. (1) (h) In addition to  
16 all other means of providing revenue, as provided in this part  
17 4, to levy and collect ad valorem taxes on and against all  
18 taxable property within the district. The board of directors,  
19 in each year, shall determine the amount of money necessary to  
20 be raised by taxation, taking into consideration other sources  
21 of revenue of the district, and shall fix a rate of levy which  
22 shall not exceed six mills which, when levied upon every  
23 dollar of the valuation for assessment of taxable property  
24 within the district and with other revenue, will raise the  
25 amount required by the district annually to supply funds for  
26 the constructing, operating, and maintaining of the works and

1 equipment of the district and promptly to pay in full, when  
2 due, all THE interest on and THE principal of THE bonds and  
3 other obligations of the district, and, in THE event of  
4 accruing defaults or deficiencies, an additional levy may be  
5 made. The board of directors, in accordance with the schedule  
6 prescribed by section 39-5-128, C.R.S. 1973, shall certify to  
7 the board of county commissioners of each county wherein the  
8 district has any territory the rate so fixed, with directions  
9 that, at the time and in the manner required by law for  
10 levying taxes for other purposes, such board of county  
11 commissioners shall levy such tax upon the valuation for  
12 assessment of all taxable property within the district, in  
13 addition to such other taxes as may be levied by such board of  
14 county commissioners.

15 SECTION 15. 32-4-510 (1) (h), Colorado Revised Statutes  
16 1973, as amended, is amended to read:

17 32-4-510. Powers of the district. (1) (h) In addition  
18 to all other means of providing revenue as provided in this  
19 section, during the first five years of the district's  
20 existence, to levy general ad valorem taxes on all taxable  
21 property within the district. ~~but the total tax levy for the~~  
22 ~~five-year period shall not exceed an aggregate total of~~  
23 ~~three-fourths of one mill. When the district, within said~~  
24 ~~period of five years, has levied taxes to the total of~~  
25 ~~three-fourths of one mill or~~ When the district has been  
26 organized for a full five-year period, ~~whichever occurs first;~~

1 the district shall have no further power to levy general ad  
2 valorem taxes. Nothing in this part 5 shall be construed as  
3 preventing the collection of the proceeds in full of any tax  
4 levies authorized in this part 5, including but not limited to  
5 any delinquencies, as provided in this paragraph (h) and  
6 paragraph (m) of this subsection (1) and in section 32-4-511.  
7 The board, if it desires to levy in any year all or any  
8 portion of the ~~mill-levy~~ tax authorized in this paragraph (h),  
9 shall, in accordance with the schedule prescribed by section  
10 39-5-128, C.R.S. 1973, certify to the body having authority  
11 to levy taxes within each county wherein the district has any  
12 territory the rate so fixed in order that, at the time and in  
13 the manner required by law for the levying of taxes, such body  
14 having authority to levy taxes shall levy such tax upon the  
15 valuation for assessment of all taxable property within the  
16 district. The levy and collection of taxes shall be as  
17 provided in section 32-4-511.

18 SECTION 16. 34-51-117 (1), Colorado Revised Statutes  
19 1973, is amended to read:

20 34-51-117. Board may levy tax. (1) In order to provide  
21 for the payment of the expenses of a drainage system and for  
22 the payment of any issue of bonds, the board of supervisors  
23 has THE power to levy and cause to be collected a tax upon all  
24 mining claims within the district. Such tax shall be voted  
25 only at a regular meeting of the board. ~~and shall not exceed~~  
26 ~~in any one year fifty mills on every dollar of valuation as~~



1 ~~shown-by-the-assessment-roll-of-the-county-assessor:~~

2 SECTION 17. 35-5-111 (1), Colorado Revised Statutes  
3 1973, is amended to read:

4 35-5-111. Reports of acreage infested - county tax levy  
5 - fund - allocation. (1) The commissioner is directed, and  
6 it is his duty, to ascertain each year, from reports of the  
7 inspectors and other sources, the approximate amount of land  
8 and highways infested with the most troublesome noxious weeds,  
9 insect pests, or plant diseases, and their location, and  
10 transmit such information tabulated by counties, not later  
11 than July 1 of each year, to the board of county commissioners  
12 of each county affected by such infestation. On the basis of  
13 such information, the board of county commissioners of each  
14 county may make a tax levy each year on real property for the  
15 purpose of paying the cost of noxious weed, insect pest, or  
16 plant disease control or eradication in a district of the  
17 county as provided by this section. ~~but-such-levy-shall-not~~  
18 ~~exceed-two-mills-in-any-one-year:~~

19 SECTION 18. 37-90-132, Colorado Revised Statutes 1973,  
20 as amended, is amended to read:

21 37-90-132. Management district - board of directors -  
22 taxes - levy - limitation. The board of directors may levy  
23 and collect annually taxes necessary to finance the activities  
24 of such district ~~to-the-amount-of-not-more-than-two-mills-on~~  
25 ~~the-dollar-of~~ ON the valuation for assessment of all taxable  
26 property within the district. It shall, in accordance with

1 the schedule prescribed by section 39-5-128, C.R.S. 1973,  
2 certify its mill levy to the board of county commissioners of  
3 EACH OF the counties wholly or partially within the district,  
4 who shall extend the same on the county tax list, and the same  
5 shall be collected by the county treasurer in the same manner  
6 as state and county taxes. In addition, annually the board of  
7 directors of the district may assess and certify a special  
8 assessment on all water wells, except those wells described in  
9 section 37-90-105, in the district not to exceed five cents  
10 per gallon per minute of the registered pump capacity of each  
11 such well. Said assessment shall be collected by the county  
12 treasurer in the same manner as other special assessments. It  
13 is the duty of the board to apply for and to receive from the  
14 county treasurers all money to the credit of the district.

15 SECTION 19. Repeal. 30-25-202 (2) and (3) and 31-15-302  
16 (1) (f) (II) and (1) (f) (III), Colorado Revised Statutes  
17 1973, 1977 Repl. Vol., as amended, 24-90-112 (1) (b), Colorado  
18 Revised Statutes 1973, 1982 Repl. Vol, and 32-1-1102 and  
19 32-1-1104, Colorado Revised Statutes 1973, as amended, are  
20 repealed.

21 SECTION 20. Applicability. This act shall apply to the  
22 property tax years beginning on or after January 1, 1984.

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

## APPENDIX A

### LISTING OF ITEMS FROM INDICATORS OF QUALITY SCHOOLS

#### 1. CURRICULAR CONGRUENCE

1. LEARNER OBJECTIVES EXIST WHICH ARE CLEAR, VALID, AND SEQUENCED.
2. THERE IS A MATCH BETWEEN THE WRITTEN CURRICULUM AND ASSESSMENT, i.e., THE TESTS REFLECT THE CURRICULUM.
3. THERE IS A MATCH BETWEEN INSTRUCTION AND THE WRITTEN CURRICULUM.

#### 2. ASSESSMENT

4. THE SCHOOL ( OR DISTRICT) HAS ESTABLISHED EVALUATION AND ASSESSMENT PURPOSES AND PRIORITIES.
5. A VARIETY OF MEASURES OR INDICATORS ARE USED WHICH ARE APPROPRIATE FOR THE OBJECTIVES.
6. STUDENT OUTCOME RESULTS AND OTHER EVALUATIONS ARE REPORTED TO APPROPRIATE PUBLICS AND INDIVIDUALS, AND THE RESULTS USED TO MAKE DECISIONS FOR PROGRAM IMPROVEMENT.

#### 3. LEADERSHIP OF THE PRINCIPAL

7. THE PRINCIPAL MAINTAINS AN ONGOING, EFFECTIVE STAFF DEVELOPMENT PROGRAM, AWARE THAT THE STAFF REGULARLY NEEDS NEW SKILLS AND KNOWLEDGE IN ORDER TO ACHIEVE AND MAINTAIN EXCELLENCE IN THE EDUCATIONAL PROGRAM.
8. THE PRINCIPAL SUPPORTS AND ENCOURAGES THE STAFF, IS SEEN AS AN AGENT OF CHANGE, i.e., IMPROVEMENT, AND AS A STRONG EDUCATIONAL LEADER.
9. THE PRINCIPAL IS SEEN AS A PERSON WHO INVOLVES THE STAFF AND STUDENTS IN REACHING DECISIONS.
10. THE PRINCIPAL KNOWS WHAT THE COMMUNITY EXPECTS OF THE SCHOOL, AND ACTIVELY SEEKS PARENTAL INVOLVEMENT IN THEIR STUDENTS' EDUCATION.
11. THE PRINCIPAL SETS HIGH BUT REALISTIC STANDARDS FOR PERFORMANCE AND LETS THE STAFF, STUDENTS AND PARENTS KNOW WHAT THESE STANDARDS ARE.

#### 4. HIGH EXPECTATIONS

12. THIS SCHOOL HAS HIGH EXPECTATIONS OF ACHIEVEMENT FOR ALL STUDENTS.
13. TEACHERS GIVE REWARDS, PRAISE AND RECOGNITION TO STUDENTS FOR THEIR PERFORMANCE.
5. SCHOOL - W I D E N O R M S, V A L U E S, P R A C T I C E S A N D P O L I C I E S
14. VALUES AND NORMS ARE CONSISTENT THROUGHOUT THE SCHOOL AND ARE ACCEPTED BY STAFF AND STUDENTS.
15. SCHOOL POLICIES WHICH AFFECT STUDENT ACHIEVEMENT GAINS ARE CLEAR AND HAVE STUDENT AND STAFF SUPPORT.

## 6. SCHOOL CLIMATE FACTORS

16. RESPECT.
17. TRUST.
18. HIGH MORALE.
19. COHESIVENESS.
20. CARING.
21. CONDITIONS IN THIS SCHOOL SUPPORT A PLEASANT AND COMFORTABLE CLIMATE FOR STUDENTS.
22. SPECIFIC SYMPTOMS OR INDICATORS OF POSITIVE CLIMATE ARE GENERALLY HIGH.

## 7. MONITORING AND FEEDBACK OF STUDENT PROGRESS

23. THE SCHOOL HAS AN EVALUATION PROGRAM THAT MONITORS AND REPORTS STUDENT PROGRESS.
24. EACH STUDENT IS MONITORED FREQUENTLY AND RECEIVES INFORMATION REGARDING HIS/HER PERFORMANCE.
25. TEACHERS, PRINCIPALS AND PARENTS ARE KEPT AWARE OF PUPIL PROGRESS RELATIVE TO OBJECTIVES.

## 8. TIME ON TASK

26. THE AMOUNTS OF TIME ALL STUDENTS SPEND ENGAGED OR ON TASK IS HIGH ( A MINIMUM OF 70% OF THE INSTRUCTIONAL PERIOD).
27. ADMINISTRATORS, TEACHERS, AND SUPPORT STAFF ENFORCE A POLICY THAT NO ONE DISTURBS A TEACHER DURING INSTRUCTION.

## 9. ORGANIZATION AND MANAGEMENT OF THE INSTRUCTIONAL SETTING

28. TEACHERS BEGIN THE SCHOOL YEAR EFFECTIVELY BY SETTING THE STAGE FOR LEARNING.
29. THE ORGANIZATION OF THE INSTRUCTIONAL SETTING IS SUCH THAT ALL STUDENTS HAVE AN OPPORTUNITY FOR SUCCESS.
30. TEACHERS PREPARE STUDENTS FOR INDEPENDENT INQUIRY AND STUDY.
31. THERE IS WIDESPREAD SUPPORT FROM THE SCHOOL STAFF, PARENTS AND STUDENTS REGARDING THE SCHOOL'S NORMS FOR STUDENT BEHAVIOR.
32. TEACHERS HAVE AND USE A VARIETY OF DISCIPLINE STRATEGIES FOR MANAGING DISRUPTIVE STUDENTS.

## 10. INSTRUCTIONAL EFFECTIVENESS

33. TEACHERS CREATE AN ENVIRONMENT THAT MODELS HIGH LEARNING EXPECTATIONS.

INSTRUCTIONAL EFFECTIVENESS cont.

34. TEACHERS CHOOSE INSTRUCTIONAL ACTIVITIES THAT PROVIDE GREATER AMOUNTS OF TIME FOR STUDENT-TEACHER INTERACTION.
35. TEACHERS USE APPROPRIATE DISCUSSION TECHNIQUES TO PROMOTE HIGH SUCCESS AND ACHIEVEMENT LEVELS FOR ALL STUDENTS.

II. P A R E N T   A N D   C O M M U N I T Y   I N V O L V E M E N T

36. PARENTS OF OUR STUDENTS WORK WITH THEM AT HOME IN SUPPORT OF THE SCHOOL'S PROGRAM.
37. THERE IS A STRONG PROGRAM OF PARENT-SUPPORT AND PARTICIPATION IN THE SCHOOL.
38. THE COMMUNITY AS A WHOLE INCLUDING BUSINESS, OTHER INSTITUTIONS AND CITIZENS WITHOUT CHILDREN IN THE SCHOOL IS INVOLVED IN SUPPORTING THE SCHOOL.

12. A C C O U N T A B I L I T Y / A C C R E D I T A T I O N /  
P L A N N I N G   P R O C E S S

39. THE SCHOOL AND DISTRICT HAVE ASSESSED THEIR NEEDS AND STRENGTHS AND IDENTIFIED PRIORITIES FOR SCHOOL IMPROVEMENT.
40. PLANS HAVE BEEN DEVELOPED FOR EACH IMPROVEMENT PRIORITY.
41. IMPROVEMENT PROGRAMS AND INSTRUCTIONAL PROGRAMS ARE IMPLEMENTED, EVALUATED AND MODIFIED.
42. EFFECTIVE COMMUNICATIONS EXIST TO REPORT STUDENT OUTCOMES AND IMPROVEMENT EFFORTS TO THE STAFF AND PUBLIC.

Colorado Department of Education  
School Improvement and Leadership  
Services Unit  
May, 1982

LEGISLATIVE COUNCIL  
COMMITTEE ON EXCEPTIONAL CHILDREN

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## COMMITTEE ON EXCEPTIONAL CHILDREN

### Introduction

This report is submitted after the second year of legislative study of Colorado's Exceptional Children's Educational Act." The responsibilities under the legislative directive for this year's study in Senate Joint Resolution 19 were as follows:

- (I) Continuation of the review begun last year of the administration of the "Exceptional Children's Educational Act" and related state legislation to assure that appropriate educational services are being provided to exceptional children in the most efficient manner possible;
- (II) Monitoring of efforts made by the various state agencies responsible for provision of services to exceptional children to assure maximum interagency cooperation in the provision of such services; and
- (III) Development of a plan for submission to the 1983 session of the General Assembly for a thorough review of the organization, administration, operation, benefits, and problems of the "Exceptional Children's Educational Act ..."

This report is divided into three sections. First, three recommendations relate directly to the type and quality of educational services provided under the act. The second group of recommendations pertain to the financial and administrative problems involving special education. The third section pertains to a proposal for a review or "performance audit" of the state's programs in meeting the educational needs of handicapped children. The recommendation for the study plan is as directed under paragraph (III) of S.J.R. 19, quoted above.

#### I. Improving Educational Services Under the ECEA

The first three bills submitted relate to methods of improving services available for exceptional children in school environments. Bill 18 concerns preventative and consultative services for children at risk of being identified as exceptional children under the ECEA; Bill 19 would encourage preschool programs for handicapped children; and Bill 20 concerns inservice training in special education for school personnel.

#### Preventative and Consultative Services -- Bill 18

One of the continuing concerns throughout this two-year study is the overidentification or misidentification of children as being

handicapped. Considerable data has been presented that significant numbers of children may be staffed and placed in special educational programs when some other approach to their problems may be more effective. This concern has been supported in committee hearings and in the findings of the 1981 Shepard study <sup>1/</sup> on the identification of children with perceptual communicative disorders (PCD). More than half of the children who had been placed in PCD in Colorado were determined to not meet either statistical or valid clinical criteria for the identification of perceptual and communicative disorders. However, many children were handicapped, but their handicapping conditions were in categories other than PCD.

The purpose of preventative or consultative programs is to seek additional help from special education personnel for children who might otherwise be considered for placement in special education, but without their being given the status of "exceptional" children. These programs provide early intervention in the regular classroom as part of the assessment process prior to a staffing procedure and subsequent referral of a child to special education. Early intervention may result in a child not having to receive extensive special education evaluation and services at a later time. Often short-term specific intervention, using the skills of special education, can minimize or prevent the need for further assistance.

Special education directors and coordinators representing three districts met with the committee to review preventative or consultative programs implemented in their districts. Data presented showed decreases in the percentages of children staffed under the ECEA in these districts. As a result, many children who would be labeled and placed in special programs, and also would have been given the legal status of "exceptional" children under state and federal laws, have been able to be served on a short-term basis.

Bill 18 would permit reimbursement of special education personnel who would work with classroom teachers to develop programs as alternatives to special education. Reimbursement for these activities would be limited to ten percent of the total reimbursement to that administrative unit under the ECEA and any program established would be contingent upon program approval by the state Department of Education.

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<sup>1/</sup> Shepard, Dr. Lorrie and Smith, Dr. Mary Lee. Evaluation of the Identification of Perceptual-Communicative Disorders in Colorado. Laboratory of Educational Research University of Colorado at Boulder (February 20, 1981).



## Preschool Programs for Handicapped Children -- Bill 19

As directed by the General Assembly, a study of the advantages and cash savings aspects of preschool programs for handicapped children is now being completed by the Colorado Department of Education. The purpose of this study was to demonstrate the effectiveness and cost analysis of early childhood intervention programs for exceptional children. The study design was divided into four sections: 1) a review of national data on the effectiveness of program intervention and cost analysis data, and a review of information from states currently having mandates for services to handicapped children under the age of five; 2) a state review of four Colorado school districts utilizing a research design involving a follow-up survey comparing handicapped children who participated in a preschool program and handicapped children who did not; 3) descriptive data collection and analysis from eleven Colorado school districts that have been operating preschool programs for the past five years or more; and 4) findings and recommendations in which to deliver and consolidate services among school districts and data demonstrating the effectiveness of early intervention programs.

Preliminary results of the financial aspects of the study have indicated the following:

- Thirty percent of those handicapped children participating in a preschool program entered regular kindergarten or first grade needing no special education or additional services.
- Reduced need for special education in elementary grades by early remediation of approximately thirty-seven percent of the children because of an apparent reduction of the severity of handicapping conditions.
- Average savings to Colorado of \$1,560 per identified handicapped pupil.
- Average savings to Colorado of \$1,050 per non-identified pupils at risk of later being identified as exceptional.
- Corresponding savings for school districts, comparable with savings per student to the state.

Bill 19 would promote early childhood educational opportunities for handicapped children in Colorado by encouraging school districts to adopt programs for early remediation of handicapping conditions for three, four, and five year olds. This encouragement would be accomplished by allowing the preschool handicapped children enrolled in these programs to be counted for attendance entitlement (ADAE) purposes under the "Public School Finance Act of 1973." One unit of ADAE would finance two preschool students since half-day programs would be used for children of these ages.

A detailed fiscal note is being developed for consideration in the 1983 session of the General Assembly. Projected figures for implementing this program for the initial appropriation -- a six month period of January 1, 1984 to July 1, 1984 -- are estimated to cost between \$600,000 and \$750,000 for one-half day programs for these children.

### Inservice Training -- Bill 20

As was the situation reported last year, the inservice training provisions of the ECEA have not been funded in recent years. Even so, this fact should not diminish the importance of inservice training for regular education personnel who need to be aware of difficulties and solutions in special education. Classroom teachers and school administrators told the committee that inservice training activities would have one of the highest priorities for them if additional funds were to be available for special education.

Bill 20 would encourage inservice training under the ECEA for all school personnel, amending the present statutory limitation of inservice funds for classroom teachers. Many staff persons, along with teachers, working in a school building are responsible for the total school operation and they may have significant impact on all children, handicapped and non-handicapped. This bill would permit the use of any funds appropriated for special education inservice training to be used for special education training in the total school program.

Other consideration -- gifted and talented. Provision for gifted and talented children is included under the "Exceptional Children's Educational Act" but this component has not received funding in recent years. The committee reviewed several gifted and talented programs in Colorado with several superintendents, principals, and supervisors of gifted and talented programs who described the programs established in their districts. Testimony indicated that the range and character of services varies greatly across the state and that several approaches toward services are being used. The committee submits no recommendations in this area.

## II. Financial and Administrative Considerations

Two bills and another area mentioned for further consideration are included in this section of the report. A bill for increased funding on a systematic basis of the ECEA is discussed immediately below (Bill 21) and a bill relating to financial problems of out-of-district placement of children is also recommended (Bill 22). The final part of this section concerns a recommendation for further study of transferring the educational program responsibilities at certain facilities from the Department of Institutions to the Department of Education.

## Funding of the ECEA -- Bill 21

One of the committee's responsibilities was the examination of any budgetary circumstances which may impair the administration of the "Exceptional Children's Educational Act." While the state appropriation of over \$42 million is not insubstantial, the state is currently underfunding the statutory commitment for state funding in the ECEA by approximately fifty percent of the total claimed by districts as reimbursable expenses. Although the appropriations have increased each year, the total state percentage of reimbursement has decreased every year since implementation of the act in 1975. State and federal laws require that appropriate services be provided for exceptional children, so school districts may be forced to seek additional money through tax increases or to use funds from other programs to subsidize special education.

A step-by-step review was presented of the data and procedures used by the Colorado Department of Education and the Joint Budget Committee in funding the Exceptional Children's Educational Act. The committee examined the various formulas, factors, and provisions necessary to determine appropriation for the act (Appendix A).

In order to alleviate some of these funding pressures for special education, the committee recommends Bill 21 to increase incrementally the state's funding percentage for special education by five percent each year over a five year period beginning July 1, 1983 (Appendix B). The state's share of funding of the ECEA would be increased from \$42.1 million in fiscal year 1982-83 to \$86.2 million in fiscal year 1987-88.

The statutes now provide that districts be reimbursed at eighty percent of their approved costs. These increases would result in districts being reimbursed at an estimated 63.8 percent of their total approved costs by fiscal year 1987-88. In other words, this plan would represent a state commitment to work towards payment of the statutory requirement of eighty percent by fiscal year 1987-88. The bill, of course, cannot bind succeeding legislatures to making these appropriations, but instead would provide some statutory guidelines for systematic increases in the funding of the "Exceptional Children's Educational Act." This bill is also recommended by this year's interim committee on School Finance and Property Taxation.

Estimate of Impact of Increasing Funding for Special Education

Bill 21

<u>Fiscal Year</u>	<u>Proposed State Appropriation</u>	<u>Percentage of Claim by Districts 2/</u>	<u>State Share of Total Approved District Costs</u>
(1982-83)	(\$42.1M)	(53.5%)	(42.7%)
1983-84	\$47.6M	60.0%	47.9%
1984-85	\$55.6M	65.0%	51.9%
1985-86	\$64.7M	70.0%	55.9%
1986-87	\$75.0M	75.0%	60.0%
1987-88	\$86.2M	80.0%	63.8%

Out-of-District Placement -- Bill 22

Continuing problems involving the appropriate amounts of payment and who shall pay for handicapped children placed "out-of-district," are addressed in Bill 22. Placement "out-of-district" means that a child, whether handicapped or not, has been removed from the district of residence, where the child's parents reside, to a different school district away from the family setting. Removal may occur for a variety of reasons -- e.g. child abuse, neglect, or because more appropriate services are offered elsewhere -- and are arranged by a county department of social services. Placements of over ninety days are subject to approval of the juvenile or the district court. Considerations of placement within the same school district either are not or cannot always be made so some children are placed in a home, facility, or institution located out of their district of residence.

The problem has been a difficult one for the General Assembly in the last two sessions. In 1981, Senate Bill 428 provided that, for the handicapped children residing in another school district or another state institution or facility, or a residential child care facility, or an eligible nonprofit organization, the state average authorized revenue base (the ARB) was the responsibility of the child's district of residence (Section 22-50-104 (5), C.R.S. 1973, as amended). This amount was to be paid to the receiving school district or other facility by the district of residence.

2/ The percentage of claim would be the amounts reimbursable to school districts, generally at 80 percent of actual costs.

The problem was again considered by the 1981 interim committee and in the 1982 session. Senate Bill 84 was enacted in 1982 with three major provisions:

- a) The state average ARB is the district of residence "total" responsibility under the public school finance act for the education of the child.
- b) Excess costs -- costs over the ARB -- would be agreed to by the "sending" district and the district, institution, facility, or organization at which the child is receiving his education.
- c) If the two parties cannot reach agreement, the state Department of Education is to intervene to effect an agreement.

Questions of interpretation and administrative problems still remain:

- When a child is removed from the home by a social service agency or court, who is responsible for the education of the child?
- What are the appropriate billings for education, as compared with social services for example, for services to a handicapped child?
- How can the moneys for these placements be administered most efficiently, with minimal disputes between the parties involved as to the legitimate reimbursable expenses?
- How can the "sending" school district be assured that the bills they receive for excess costs (moneys over the ARB) were actually expended for legitimate educational needs?

Provisions of the bill may be summarized as follows:

- (a) The bill pertains to the out-of-district placement of both handicapped and non-handicapped children. School districts with non-handicapped children in placement from another district would be eligible to be reimbursed only for the state average ARB.
- (b) School districts or other facilities serving handicapped children from out of their districts would be eligible for reimbursement of the state average ARB, plus the excess costs for services for the education of the child. The State Board of Education is to promulgate rules and regulations concerning limitations on the staff-student ratio, equipment necessary for instruction, number of days of school, and other expenses required by the child's individualized educational program.
- (c) The State Board of Education would maintain a list of facilities which it has approved for reimbursement.
- (d) Related to (c) above, the types and amounts of excess costs would be defined in rules and regulations of the State Board of

## Education.

- (e) Another clarification contained in Bill 5 would allow school districts to receive reimbursement under the "Exceptional Children's Educational Act" for the tuition which they have paid for children who have been placed in a group living home or in a community center board program. At present, tuition reimbursement to school districts is made only for payments made to another school district or administrative unit.

### Educational Programs at State Institutions

Problems of excess costs and funding of educational programs affect state institutions including the state homes and training centers at Ridge, Grand Junction, and Pueblo. There are currently 424 children between the ages of 5 and 21 at these institutions, mostly at Ridge, and an additional 16 children below age 5. These children are, for the most part severely and profoundly mentally retarded and many are multiple handicapped.

There is an educational unit located at each institution, but the Department of Institutions has experienced difficulties in providing appropriate educational services for these children. Funds for the educational programs are limited to the ARB received from the school district where the parents of the child reside. Also, the expertise of the Department of Institutions is in providing therapy and treatment, not in operating educational programs. Settlement of a recent court case resulted in the Department of Institutions having to provide an additional educational emphasis at these centers, including offering year-long educational opportunities for many of the clients.

These were some of the reasons that Dr. Frank A. Traylor, Executive Director, and Jeff Sandler of the Division of Developmental Disabilities, Department of Institutions, suggested that the committee consider placing the educational responsibilities at these facilities with the state Department of Education. This suggestion was made at the committee's final meeting so Chairman Meiklejohn requested that the committee staff and the Departments of Education and Institutions prepare background materials for further consideration in the 1983 session.

### III. Development of a Performance Audit

The legislative directive which continued the study of the "Exceptional Children's Educational Act" this year stated that the committee was to develop "... a plan for submission to the 1983 session of the General Assembly for a thorough review of the organization, administration, operation, benefits, and problems ..." of the ECEA. The study plan would provide a systematic examination of

selected areas of the ECEA in which the committee still has significant concerns. The general topics submitted for review are:

- A. Organization and Administration of the ECEA
  - Interagency Cooperation
- B. Program Review
  - Diagnostic Accuracy
  - Types of Services
  - Least Restrictive Environment
  - Exit Criteria
- C. Educational Benefits
- D. Funding of the ECEA

These topics were selected for further study by Dr. Calvin Frazier, Commissioner of Education, based partly on the legislative intent of the act and on considerable discussion in committee hearings. The legislative declaration states that the act is to provide for the following:

"... a continuum of services which recognizes the capabilities of all state agencies ..."

"... that handicapped children shall be educated in the least restrictive environment ..."

"... that there is a coordination of all services ... and to promote the entering into agreements or contracts ... for the provision of appropriate services for handicapped children."

These recommendations would provide for study questions relating to the organization and administration of the act, the possible areas for program improvement, benefits achieved, and problems of funding. The specific research questions developed in a series of meetings and committee hearings this interim are contained in Appendix C.

The study plan includes a number of procedural aspects of importance for consideration in the 1983 session:

- 1) The question of whether there would be one overall contractor, who might subcontract parts of the study, or whether there might be a series of contracts coordinated by a central agency (e.g., the Legislative Council or the state Department of Education) are matters for consideration.
- 2) This research plan is to include both specific subject research as well as program evaluation and needs assessment. The committee needs both basic, factual research as well as innovative ideas for new policies.

- 3) A technical advisory committee is needed to help coordinate the studies, giving advice and direction to the researchers as questions arise involving such areas as methodology, sampling, or use of records. A policy committee of legislators and perhaps lay persons, representing a variety of backgrounds, would be responsible for the overall conduct and scope of the studies; follow the progress of the research; and prepare the recommendations for the General Assembly of any legislative changes in the ECEA.
- 4) Research contractors would be expected to include in a study information, research, or data presently available from the following sources:
  - a) The state Department of Education;
  - b) State or national research literature already completed on the topic;
  - c) Local school districts and administrative units.

Research proposals will need to specify what existing information will be established and what additional information is to be collected.

- 5) Prior to the letting of any contracts, interested research contractors will be required to present their research proposals in a standardized format, with a maximum number of pages of text and resumes to be stipulated.
- 6) A budget for each segment of a research proposal will be required at the time proposals are submitted.



BILL 18

A BILL FOR AN ACT

1 CONCERNING THE REIMBURSEMENT OF ADMINISTRATIVE UNITS FOR  
2 EMPLOYING PERSONNEL TO ADMINISTER CONSULTATIVE AND  
3 PREVENTATIVE SERVICES UNDER THE "EXCEPTIONAL CHILDREN'S  
4 EDUCATIONAL ACT".

---

Bill Summary

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

Allows an administrative unit to receive reimbursement under the "Exceptional Children's Educational Act" for utilizing personnel to provide consultative and preventative services. Limits such reimbursement to ten percent of the total reimbursement to that administrative unit under the "Exceptional Children's Educational Act".

---

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

6 SECTION 1. 22-20-114, Colorado Revised Statutes 1973, as  
7 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to  
8 read:

9 22-20-114. Reimbursable costs of programs.

10 (6) Personnel specified in paragraph (a) of subsection (1) of

1 this section may work directly with children or assist  
2 classroom teachers in providing consultative and preventative  
3 services for children who might otherwise be recommended for  
4 assessment and staffing under section 22-20-108. Each  
5 administrative unit seeking to provide consultative and  
6 preventative services under this subsection (6) shall obtain  
7 program approval from the department prior to using funds for  
8 the purpose specified in this subsection (6). Reimbursement  
9 to an administrative unit for the provision of consultative  
10 and preventative services may not exceed ten percent of the  
11 total reimbursement to that administrative unit under this  
12 article. On January 1, 1987, the department shall submit a  
13 report to the general assembly concerning the implementation  
14 of this subsection (6).

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

BILL 19

A BILL FOR AN ACT

1 CONCERNING PRESCHOOL PROGRAMS FOR HANDICAPPED CHILDREN, AND  
2 MAKING AN APPROPRIATION THEREFOR.

---

Bill Summary

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

Allows handicapped children enrolled in preschool programs to be counted for attendance entitlement purposes under the "Public School Finance Act of 1973".

---

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

4 SECTION 1. 22-32-118 (2) (d), Colorado Revised Statutes  
5 1973, as amended, is amended to read:

6 22-32-118. Summer schools - continuation, evening, and  
7 community education programs. (2) (d) As a part of a  
8 community education program established pursuant to paragraphs  
9 (b) and (c) of this subsection (2), a board of education of a  
10 school district may establish and maintain preschool programs  
11 in connection with the schools of its district for the  
12 instruction of young children not yet eligible for

1 kindergarten and may prescribe the educational activities and  
2 rules and regulations governing such programs. Said preschool  
3 programs shall provide opportunities for voluntary parental  
4 participation. Said preschool programs shall be a part of the  
5 public school system, and, notwithstanding the provisions of  
6 section 22-32-117 (2), the cost of establishing and  
7 maintaining them may be paid from tuitions or gifts, or from  
8 the general school fund, or from state or federal moneys  
9 available to school districts for qualifying preschool  
10 programs; but such preschool programs shall not be eligible  
11 for state equalization program support under article 50 of  
12 this title, EXCEPT FOR ANY SUCH PRESCHOOL PROGRAMS PROVIDED  
13 FOR HANDICAPPED CHILDREN PURSUANT TO SECTION 22-50-102 (7.5).

14 SECTION 2. Article 50 of title 22, Colorado Revised  
15 Statutes 1973, as amended, is amended BY THE ADDITION OF A NEW  
16 SECTION to read:

17 22-50-101.8. Legislative declaration - handicapped  
18 children's preschool program - equalization of educational  
19 opportunity. In allowing handicapped children enrolled in  
20 preschool programs to be counted for attendance entitlement  
21 purposes under this article, the general assembly in no way  
22 intends to discriminate against nonhandicapped children.  
23 Rather, by this funding, the general assembly intends to  
24 promote equal educational opportunity for all the children of  
25 Colorado by encouraging school districts to adopt programs for  
26 the earliest possible remediation of handicapping conditions.

1 SECTION 3. 22-50-102 (1) (a), Colorado Revised Statutes  
2 1973, as amended, is amended, and the said 22-50-102 is  
3 further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

4 22-50-102. Definitions. (1) (a) "Aggregate of daily  
5 attendance", for any period of time, means the cumulative  
6 total of the days of attendance in the public schools of a  
7 district during the period of time by all regularly enrolled  
8 pupils under the age of twenty-one years who have not  
9 completed the twelfth grade in any high school, including  
10 pupils enrolled in kindergarten classes AND FOR THE 1984  
11 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER HANDICAPPED  
12 CHILDREN ENROLLED IN PRESCHOOL PROGRAMS, counting one day of  
13 attendance for each pupil in attendance for at least one full  
14 period of the regular instruction program beyond one-half of  
15 the number of hours of the school day, and counting one-half  
16 day of attendance for each pupil in attendance for at least  
17 one full period of the regular instruction program but less  
18 than the number of hours required for the counting of a full  
19 day of attendance, and counting one-half day of attendance for  
20 each pupil attending night school classes for a minimum of two  
21 hours.

22 (7.5) "Handicapped children enrolled in preschool  
23 programs" means children between the ages of three years and  
24 five years whose development is delayed in one or more areas  
25 at least twenty-five percent as determined by a  
26 multidisciplinary team using standardized or professionally

1 recognized instruments (tests) in accordance with rules and  
2 regulations promulgated by the state board of education and  
3 who are enrolled in such programs.

4 SECTION 4. Appropriation. In addition to any other  
5 appropriation, there is hereby appropriated out of any moneys  
6 in the state treasury not otherwise appropriated, to the  
7 department of education, for the fiscal year beginning July 1,  
8 1983, the sum of \_\_\_\_\_ dollars (\$ ), or so much  
9 thereof as may be necessary, for the implementation of this  
10 act.

11 SECTION 5. Effective date. This act shall take effect  
12 July 1, 1983.

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

BILL 20

A BILL FOR AN ACT

1 CONCERNING IN-SERVICE TRAINING FOR SCHOOL PERSONNEL UNDER THE  
2 "EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT".

---

Bill Summary

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

Makes state funding available for in-service training for any salaried employees of an administrative unit, to provide special education services to exceptional children.

---

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

4 SECTION 1. 22-20-114 (1) (b) (IV), Colorado Revised  
5 Statutes 1973, is amended to read:

6 22-20-114. Reimbursable costs of programs.

7 (1) (b) (IV) In-service training of ~~regular---classroom~~  
8 ~~teachers~~ ANY SALARIED EMPLOYEES OF AN ADMINISTRATIVE UNIT, to  
9 provide special education services to children within ~~regular~~  
10 ~~classrooms~~ THE TOTAL EDUCATIONAL PROGRAM insofar as is  
11 practicable and efficacious;

12 SECTION 2. Safety clause. The general assembly hereby

1 finds, determines, and declares that this act is necessary  
2 for the immediate preservation of the public peace, health,  
3 and safety.



BILL 21

A BILL FOR AN ACT  
CONCERNING STATE FUNDING OF THE "EXCEPTIONAL CHILDREN'S  
EDUCATIONAL ACT".

---

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 state funding of the "Exceptional Children's Educational Act" be increased for fiscal years beginning July 1, 1983.

---

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

SECTION 1. 22-20-114, Colorado Revised Statutes 1973, as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-20-114. Reimbursable costs of programs. (6) (a) For the fiscal year beginning July 1, 1983, and for each succeeding fiscal year thereafter, the general assembly shall appropriate amounts sufficient to fund no less than the following percentages of the reimbursements provided in subsection (1) of this section:

(1) For the fiscal year beginning July 1, 1983, sixty percent;

(II) For the fiscal year beginning July 1, 1984, sixty-five percent;

(III) For the fiscal year beginning July 1, 1985, seventy percent;

(IV) For the fiscal year beginning July 1, 1986, seventy-five percent; and

(V) For the fiscal year beginning July 1, 1987, and each succeeding fiscal year thereafter, eighty percent.

(b) Amounts determined according to paragraph (a) of this subsection (6) exceeding fifty percent of the reimbursements provided in subsection (1) of this section shall be appropriated from the special reserve fund for tax relief created by section 24-75-201.1, C.R.S. 1973.

SECTION 2. 22-20-114 (3) (a), Colorado Revised Statutes 1973, as amended, is amended to read:

22-20-114. Reimbursable costs of programs. (3) (a) ~~in the event~~ Appropriations shall be ~~insufficient~~ SUFFICIENT to cover reimbursements provided for in subsection ~~(1)~~ (6) of this section. ~~all approved reimbursements, except for~~ Maintenance in a family care home, ~~which~~ shall always be fully reimbursed. ~~shall be prorated on the basis of total claims submitted in proportion to funds available for reimbursement.~~

SECTION 3. Appropriation. In addition to any other appropriation, there is hereby appropriated out of any moneys in the special reserve fund created by section 24-75-201.1, Colorado Revised Statutes 1973, for the fiscal year beginning July 1,

1983, to the department of education, the sum of \_\_\_\_\_ or so much thereof as may be necessary, for the implementation of this act.

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

BILL 22

A BILL FOR AN ACT

1 CONCERNING THE RESPONSIBILITY OF A SCHOOL DISTRICT OF  
2 RESIDENCE FOR A HANDICAPPED CHILD TO PAY FOR THE  
3 EDUCATION OF THAT CHILD ELSEWHERE.

---

Bill Summary

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

Empowers the state board of education to promulgate rules and regulations to define the types and amounts of costs in excess of the state average authorized revenue base that a school district of residence of a handicapped child shall pay to educate that child at another administrative unit or at a group living facility or home elsewhere, or at a community center board elsewhere. Empowers the state board of education to determine which such facilities may receive this funding. Allows a school district of residence of a handicapped child to receive reimbursement for the costs necessary to educate that child in such a facility.

---

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

5 SECTION 1. 22-2-107 (1), Colorado Revised Statutes 1973,  
6 is amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS to  
7 read:

8 22-2-107. State board - powers. (1) (p) To maintain a

1 list of facilities which it has approved to receive  
2 reimbursement for the provision of educational services to  
3 handicapped children placed outside of their districts of  
4 residence;

5 (q) To promulgate rules and regulations to define the  
6 types and amounts of costs in excess of the state average  
7 authorized revenue base per pupil, as determined in accordance  
8 with section 22-50-106, that a school district of residence of  
9 a handicapped child shall pay to educate that child elsewhere  
10 at a facility approved by the state board pursuant to  
11 paragraph (p) of this subsection (1).

12 SECTION 2. 22-20-109, Colorado Revised Statutes 1973, as  
13 amended, is amended to read:

14 22-20-109. Tuition. If an administrative unit cannot  
15 provide an educational program for an exceptional child  
16 because of the uniqueness of the exception, the administrative  
17 unit may contract with another administrative unit, OR WITH A  
18 GROUP LIVING FACILITY OR HOME, AS DEFINED BY THE DEPARTMENT IN  
19 ITS REGULATIONS, OR WITH A COMMUNITY CENTER BOARD, AS PROVIDED  
20 FOR IN SECTION 27-11-103, C.R.S. 1973, to provide the needed  
21 program, upon approval by the department. In such an  
22 instance, the administrative unit of attendance OR THE GROUP  
23 LIVING FACILITY OR HOME OR THE COMMUNITY CENTER BOARD WHERE  
24 THE CHILD RECEIVES AN EDUCATION shall document to the  
25 administrative unit of residence the tuition charge which is  
26 equal to the cost of educating that child after deducting

1 applicable federal funds and reimbursements under the  
2 provisions of this article. The district of residence is  
3 obligated to reimburse fully the tuition charge to the  
4 district of attendance OR TO THE GROUP LIVING FACILITY OR HOME  
5 OR THE COMMUNITY CENTER BOARD WHERE THE CHILD RECEIVES AN  
6 EDUCATION from state and local funds.

7 SECTION 3. 22-20-114 (1) (b) (V), Colorado Revised  
8 Statutes 1973, as amended, is amended to read:

9 22-20-114. Reimbursable costs of programs.  
10 (1) (b) (V) For each child so accepted, the average cost per  
11 pupil of educating children with similar handicaps in any unit  
12 which accepts a child from another administrative unit in one  
13 or more of its special education programs, or IN ANY GROUP  
14 LIVING FACILITY OR HOME, AS DEFINED BY THE DEPARTMENT IN ITS  
15 REGULATIONS AND AS APPROVED BY THE STATE BOARD PURSUANT TO  
16 SECTION 22-2-107 (1) (p), WHICH ACCEPTS A CHILD FROM AN  
17 ADMINISTRATIVE UNIT IN ONE OR MORE OF ITS SPECIAL EDUCATION  
18 PROGRAMS, OR IN ANY COMMUNITY CENTER BOARD, AS PROVIDED FOR IN  
19 SECTION 27-11-103, C.R.S. 1973, AND AS APPROVED BY THE STATE  
20 BOARD PURSUANT TO SECTION 22-2-107 (1) (p), WHICH ACCEPTS A  
21 CHILD FROM AN ADMINISTRATIVE UNIT IN ONE OR MORE OF ITS  
22 SPECIAL EDUCATION PROGRAMS, such reimbursement to be made to  
23 the administrative unit of the child's residence. State  
24 reimbursement under this subparagraph (V) shall be based upon  
25 the amount of the tuition charge under the provisions of  
26 section 22-20-109 in excess of the district of residence's

1 authorized revenue base per pupil, as determined in accordance  
2 with section 22-50-106.

3 SECTION 4. 22-50-104 (5), Colorado Revised Statutes  
4 1973, as amended, is amended to read:

5 22-50-104. Attendance entitlement. (5) (a) For  
6 ~~handicapped children included-in-the-four-week-counting-period~~  
7 RESIDING IN A PARTICULAR SCHOOL DISTRICT but receiving an  
8 education in another school district or another state  
9 institution or facility, or a residential child care facility,  
10 or an eligible nonprofit organization, the state average  
11 authorized revenue base shall be the district of residence's  
12 total responsibility under this article for the education of  
13 that child, ~~The-amount-and-allocation-of-costs-in-excess-of~~  
14 ~~the-state-average-authorized-revenue-base--shall--be--mutually~~  
15 ~~agreed--upon--by--the--district--of--residence--and--the--school~~  
16 ~~district;-institution;-facility;-or-organization-at-which--the~~  
17 ~~child--is--receiving--his--education:---if-an-agreement-is-not~~  
18 ~~reached;-the-department-of-education-shall-intervene-to-effect~~  
19 ~~an-agreement:~~ EXCEPT IN THE CASE OF CHILDREN DETERMINED AS  
20 HANDICAPPED UNDER SECTION 22-20-108 AND PLACED IN GROUP  
21 FACILITIES OR HOMES AS DEFINED BY THE DEPARTMENT IN ITS  
22 REGULATIONS OR IN COMMUNITY CENTER BOARDS, AS PROVIDED FOR IN  
23 SECTION 27-11-103, C.R.S. 1973, IN WHICH CASE SUCH  
24 RESPONSIBILITY SHALL INCLUDE THE PROVISIONS IN PARAGRAPH (b)  
25 OF THIS SUBSECTION (5).

26 (b) THE STATE BOARD SHALL PROMULGATE RULES AND

1 REGULATIONS TO DEFINE THE TYPES AND AMOUNTS OF COSTS IN EXCESS  
2 OF THE STATE AVERAGE AUTHORIZED REVENUE BASE THAT A SCHOOL  
3 DISTRICT OF RESIDENCE OF A HANDICAPPED CHILD SHALL PAY TO  
4 EDUCATE THAT CHILD ELSEWHERE AT A FACILITY APPROVED BY THE  
5 STATE BOARD PURSUANT TO SECTION 22-2-107 (1) (p). THESE RULES  
6 AND REGULATIONS SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO,  
7 THE LIMITATIONS ON THE NUMBER OF STAFF MEMBERS PER NUMBER OF  
8 STUDENTS, THE AMOUNT OF EQUIPMENT NECESSARY FOR CLASSROOM  
9 INSTRUCTION OF THE CHILD, THE NUMBER OF DAYS OF SCHOOL, AND  
10 ANY OTHER EXPENSES INVOLVED IN THE PROVISION OF EDUCATIONAL  
11 SERVICES AS DETERMINED BY THE CHILD'S INDIVIDUALIZED EDUCATION  
12 PROGRAM. THE SCHOOL DISTRICT OF RESIDENCE SHALL BE  
13 RESPONSIBLE FOR PAYING ANY EXCESS COSTS ABOVE THE STATE  
14 AVERAGE AUTHORIZED REVENUE BASE TO PROVIDE THESE SERVICES.

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



## APPENDIX B

### BASIC FINANCIAL INFORMATION -- ECEA

This memorandum presents some basic data on the statutory and administrative determinations for funding of Colorado's "Exceptional Children's Educational Act."

Table I -- Reimbursement Formula (shows the statutory percentage for reimbursement to administrative units by the state for various expenses under the act).

Table II -- Additional Statutory Provisions (statutory guidelines for the expenditure of funds).

Table III -- Determination of Reimbursable FTE Staff Positions under ECEA (the CDE formula for determining the amount of state reimbursement for approved staff of each administrative unit).

TABLE I  
REIMBURSEMENT FORMULA

I. Personnel Salaries	80%
(a) Teachers	
(b) Aides	
(c) Prof. support staff	
(d) Secretaries	
II. Transportation <u>1/</u>	80%
III. Home-school, Hospital-school Equipment	80%
IV. Inservice-Classroom Teachers	80%
V. Mileage (specific services)	80%
VI. Contracts for Services (Includes Consultation)	80%
VII. Materials	50% or \$200/teacher, the lesser
VIII. Special Instructional Equipment	50%
IX. Licensed Family Care Home (not subject to proration)	100%
X. Tuition	80%

1/ Handicapped only, after other funds are deducted. Includes special vehicles.

TABLE II

STATUTORY PROVISIONS WHICH ARE IN ADDITION  
TO THE REIMBURSEMENT FORMULA

- (a) Payments made under the provisions of the ECEA shall in no way affect the amount of other state aid for which a school district may qualify.
- (b) Claims (except for licensed family home care, which shall always be fully reimbursed) shall be prorated on the basis of total claims submitted in proportion to funds available for reimbursement.
- (c) Appropriations shall be based on estimates of costs, and not on the ratio of full-time equivalent students to full-time equivalent teachers.
- (d) An administrative unit shall serve every handicapped child, but may provide voluntary programs for the gifted child.
- (e) Reimbursements to any administrative unit shall in no instance exceed one hundred percent of the attributable student cost when such reimbursements are combined with other state, local, private and federal resources.
- (f) The total number of handicapped children of all ages in programs funded by the ECEA shall not exceed eleven percent of the total number of children in Colorado ages five through seventeen.
- (g) The Colorado Department of Education shall determine the ratio of numbers of handicapped children in programs funded by the ECEA (see Table III on following page).

TABLE III  
 STATE DEPARTMENT OF EDUCATION  
 DETERMINATION OF REIMBURSABLE FTE STAFF POSITIONS  
 - ECEA -

<u>Handicapping Categories</u>	<u>Method</u>	<u>Staff/ Student Ratio</u>
Emotional/Behavioral Perceptual/Communicative Speech/Language	9.1 percent or previous year's actual, whichever is less	1/19.29
Trainable Mentally Retarded	Actual number of students in December count	1/4.74
Educable Mentally Retarded		1/9.21
Hearing Handicapped		1/5.94
Visual Handicapped		1/6.99
Physically Handicapped		1/8.09
Multiply Handicapped		1/4.96

This table shows the Colorado Department of Education's formula used for determining the amount of state reimbursement for approved staff of each administrative unit. Student/staff ratios differ widely among administrative units since they are dependent on the type and severity of handicapped children served, the sparsity of population to the geographic size of the unit, student turnover rates, patterns of staff utilization and the extent to which a unit provides related and extended services.

The Colorado Department of Education shall determine the ratio of numbers of handicapped children in programs funded by the ECEA (Section 22-20-104 (6), C.R.S. 1973, as amended). Staffing levels are approved on the basis of ratios supplied annually by the Department of Education.

APPENDIX C

ESTIMATE OF IMPACT  
OF INCREASING FUNDING FOR SPECIAL EDUCATION

	<u>80-81</u>	<u>81-82</u>	<u>82-83</u>	<u>83-84 1/</u>	<u>84-85 1/</u>	<u>85-86 1/</u>	<u>86-87 1/</u>	<u>87-88 1/</u>
Total Direct Cost of ECEA	\$108.3	\$125.7	\$130.8	\$141.3	\$152.6	\$164.8	\$178.0	\$192.2
Total Approved for Payment to Districts	86.7	98.1	98.6	99.3	107.2	115.8	125.1	135.1
Total Claim Eligible for Reimbursement to Districts	69.0	78.3	78.7	79.3	85.6	92.4	99.9	107.8
Total Appropriation	39.6	39.6	42.1	47.6	55.6	64.7	75.0	86.2
Percent Appropriation of Total Claim by Districts	(57.4%)	(50.6%)	(53.5%)	(60.0%)	(65.0%)	(70.0%)	(75.0%)	(80.0%)

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1/ Assumes 8% of growth in expenditures over prior year. Estimates for Bill 21.

Prepared by the Colorado Department of Education, October 4, 1982

APPENDIX D

November 29, 1982

QUESTIONS FOR A PERFORMANCE AUDIT OF THE  
"EXCEPTIONAL CHILDREN'S EDUCATIONAL ACT"  
Submitted by the Legislative Council  
Committee on Exceptional Children

Study Topic: Organization and Administration

Study Questions and Issues:

A. Interagency Cooperation

- (a) Does there exist a continuum of service for the profoundly to the mildly handicapped? Can children be placed in different stages of transition without difficulty?
- (b) Are there areas where state agencies are not cooperating with each other?
- (c) Are the roles and responsibilities of various state agencies clearly understood?
- (d) What should be the responsibilities of the state agencies, local school districts, and local agencies such as community center board programs?

Study Topic: Program Review

Study Questions and Issues:

A. Diagnostic Accuracy

- (a) Are identification, assessment, placement, and review procedures adequate to assure that children needing special education services are correctly identified? For what categories is misclassification more likely to occur?
- (b) Are the definitions of handicapping conditions clear?
- (c) Are state definitions compatible with federal definitions?
- (d) How much time and what resources are required to identify a handicapped child? Can the process be simplified for children in certain categories?
- (e) Are there alternatives to current definitions or identification procedures that are more efficient (take less time or resources) or more effective (result in fewer classification errors)?

- (f) Does the range of severity of the diagnosis vary between administrative units? What are the consequences for treatment if the severity is not appropriately diagnosed? Are the gradients of severity matched with the level of services provided?
- (g) How many exceptional children, by category of disability, were placed in regular classrooms during the previous school year?
- (h) What are the characteristics of the children identified in each category of handicapped condition? Are the characteristics clear enough to distinguish between handicapping conditions?
- (i) How closely do the characteristics of children in each category actually match the definitions of criteria of each handicapping condition?
- (j) Is there uniformity and accuracy in identification among the administrative units?
- (k) To what extent is there misidentification of handicapping conditions?
- (l) Are Colorado's definitions explicit enough to identify children truly handicapped as contrasted with slow learners or children in other categories?

B. Types of Services

- (m) Are state mandated service standards adequate to insure that appropriate services are provided?
- (n) How much variation is there among school districts in the services provided to children with similar handicapping conditions? What is materially different among school districts or between special education programs and some remedial or other general education programs? Which is more productive? What are the variations in proportions of pupils served, types of services provided, and costs for (1) pupils of different age, race and sex, and (2) districts of different size, wealth and expenditure level?
- (o) Are state programs and staffing standards compatible with federal standards?
- (p) Are there alternative levels of services for handicapping conditions that would be more efficient or more effective?
- (q) Is there a need for the state to monitor and regulate the types of services offered exceptional children or could

local districts (administrative units) be given greater flexibility in establishing their own monitoring through, for example, the accountability system?

- (r) Should there be different criteria for provision of services for different areas and populations of administrative units in Colorado?
- (s) Under typical circumstances in various parts of the state, what estimate of numbers and categories of handicapped children are now being served that would not have been served where it not for the ECEA?
- (t) What are the most constructive of alternative arrangements in meeting the "least restrictive environment" requirements?

C. Least Restrictive Environment

- (u) To what extent are handicapped children being placed in the least restrictive environment and what are the typical placements and range of placements for different categories? Are handicapped children in the least restrictive environment in all of their classes?
- (v) What has been the influence of mainstreaming on handicapped children in each of the various categories and levels of severity?
- (w) Are there separate or distinct types of problems associated with mainstreaming of the different handicapping conditions?
- (x) What have been the effects of mainstreaming of handicapped children on other children, on activities and learning atmosphere of the classroom, and on the total school? What have been the effects of this mainstreaming by category and severity?

D. Exit Criteria

- (y) What is the duration of services for various categories of handicapped children?
- (z) To what extent are classroom teachers typically involved in the determination of the exit criteria for children no longer deemed to be handicapped?
- (aa) Are the exit criteria too high, too low, or about right for children who are no longer deemed handicapped?



## Study Topic: Educational Benefits

### Study Questions and Issues:

#### A. Educational Benefits

- (a) What are the educational benefits of the special education program?
- (b) How much progress have handicapped students made?
- (c) What happens to such students after they leave school?
- (d) Do particular approaches to providing special education services work better than others?
- (e) What educational benefits have been realized by severely or profoundly handicapped children who have been placed in regular school settings? What number of severely handicapped children have been brought into regular education classrooms? How frequently does this occur?
- (f) What are the effects on regular classroom activities of the various categories of exceptional children being placed in the classrooms?
- (g) What are the educational benefits of the special education program in terms of what the program is now, and compared with what would exist without the program?
  - How has special education changed the lives of children and their families?
  - Are the educational benefits of a permanent nature that handicapped individuals will carry throughout their lives?
  - Do individuals who have gone through a special education program experience regression after the formal school years are completed?
  - At what levels do handicapped children function after completion of their formal school experience that would be different were it not for special education?
- (h) What are the attitudes of the following groups toward the special education program:
  - "regular" education personnel
  - parents of pupils participating in special education programs

- special education teachers
- local administrators
- parents of "regular" education pupils.

Study Topic: Funding

Study Questions and Issues:

- (a) To what extent are services provided to the exceptional children being paid by funds other than those provided through the ECEA?
- (b) What are the direct and indirect costs of providing services to handicapped pupils?
- (c) What proportion of costs are paid by state and federal funds specifically distributed for exceptional children?
- (d) How much support for related services is provided by local districts? How do local districts pay for these services?
- (e) Are parts of programs for "regular" education students diminished in order to assure the adequacy of programs for handicapped pupils?
- (f) How do the costs of Colorado's special education services compare with costs in other states including the proportional costs of local and state agencies?
- (g) When there is a shortfall in funding, who must pay for the extra costs? What are these costs? Can programs be cut and the mandate of the laws still be met?
- (h) Does the present system of reimbursement lead to over-identification of special education children? Is there an incentive to over-identify? Is it possible to move to a percentage of the general fund or distribution of funds based on a flat amount per ADAE? Do all kinds of services warrant reimbursement?
- (i) Should the present appropriation system be changed to a pupil count system?
- (j) What might be the effects of federal block grants on programs for handicapped children?
- (k) How much of the school districts ARB is going to special education? What have been the changes in this figure over the last five years?

- (l) What different alternatives might be considered for changes in the formula or in the method for funding of the ECEA? What are the strengths or weaknesses of each approach?
- (m) What are the current incentives/disincentives in the present allocation system? How do these compare with alternative allocation mechanisms?