

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 14-0950.01 Bob Lackner x4350

HOUSE BILL 14-1375

HOUSE SPONSORSHIP

DelGrosso,

SENATE SPONSORSHIP

Tochtrop and King,

House Committees
Finance

Senate Committees
Judiciary

A BILL FOR AN ACT

101 CONCERNING MODIFICATIONS TO STATUTORY PROVISIONS GOVERNING
102 URBAN REDEVELOPMENT TO PROMOTE THE EQUITABLE
103 FINANCIAL CONTRIBUTION AMONG AFFECTED PUBLIC BODIES IN
104 CONNECTION WITH THE TAX INCREMENT FINANCING OF URBAN
105 REDEVELOPMENT PROJECTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills/summaries>.)

The bill makes the following modifications to the "Urban Renewal

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unamended
May 6, 2014

HOUSE
3rd Reading Unamended
April 28, 2014

HOUSE
Amended 2nd Reading
April 25, 2014

Law":

- ! If the municipality in which an urban renewal authority (authority) that has been established is not a city and county, **section 1** of the bill requires at least one such commissioner of the authority to be appointed by the board of county commissioners of each county in which an urban renewal project undertaken by the authority is located.
- ! In the case of the special fund established for the collection of taxes to implement tax increment financing by the authority, upon the payment of all bond debt, **section 2** of the bill requires all funds remaining in the special fund to be repaid to each public body pro rata in accordance with the percentages of taxes paid into the special fund and not previously rebated to the public body.
- ! Section 2 also specifies that the percentage of property tax increment revenues of any public body that may be allocated to the authority in connection with tax increment financing must not exceed the percentage of municipal sales tax revenues allocated to the authority under the provisions of the urban renewal plan, as originally approved and as it may be later modified, except that:
 - ! The allocation may be modified by means of an agreement with any such public body;
 - ! Any exemptions, rebates, or repayments paid or to be paid to the municipality must be excluded in determining the percentage of municipal sales tax increment revenue allocated to the authority; and
 - ! Any moneys either that the municipality pays to the authority for the project by the municipality or any public body in advance of the allocation of moneys to the authority or that are spent by a private entity for which the municipality has agreed in writing to reimburse the entity with sales tax revenue collected in the area of the urban renewal project must be included in the determination of the applicable percentages.

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- 1 *Be it enacted by the General Assembly of the State of Colorado:*
- 2 **SECTION 1.** In Colorado Revised Statutes, 31-25-104, **amend**
- 3 (2) (a) as follows:
- 4 **31-25-104. Urban renewal authority.** (2) (a) An authority shall

1 consist of any odd number of commissioners, which shall be not less than
2 five nor more than eleven THIRTEEN COMMISSIONERS, each of whom shall
3 be appointed by the mayor, who shall designate the chairman for the first
4 year; EXCEPT THAT, IN ALL CASES IN WHICH THE MUNICIPALITY IN WHICH
5 AN AUTHORITY HAS BEEN ESTABLISHED IS NOT A CITY AND COUNTY, AND
6 WHERE AN URBAN RENEWAL PLAN MANAGED BY THE AUTHORITY
7 INCLUDES AN ALLOCATION OF PROPERTY TAX INCREMENT GENERATED BY
8 THE MILL LEVY IMPOSED BY THE COUNTY, AT LEAST ONE SUCH
9 COMMISSIONER MUST BE APPOINTED BY THE BOARD OF COUNTY
10 COMMISSIONERS OF EACH COUNTY IN WHICH AN URBAN RENEWAL PROJECT
11 UNDERTAKEN BY THE AUTHORITY IS LOCATED. THE COMMISSIONER TO BE
12 APPOINTED BY THE BOARD OF COUNTY COMMISSIONERS PURSUANT TO THIS
13 PARAGRAPH (a) MUST BE EITHER A MEMBER OF SUCH BOARD OR HIS OR
14 HER DESIGNEE WHO MUST RESIDE WITHIN THE TERRITORIAL BOUNDARIES
15 OF THE MUNICIPALITY WITHIN WHICH THE AUTHORITY HAS BEEN
16 ESTABLISHED. Such MAYORAL appointments and designation shall be ARE
17 subject to approval by the governing body. Not more than one of the
18 commissioners may be an official of the municipality. In the event that an
19 official of the municipality is appointed as commissioner of an authority,
20 acceptance or retention of such appointment shall not be IS NOT deemed
21 a forfeiture of his OR HER office, or incompatible therewith, or TO affect
22 his OR HER tenure or compensation in any way. The term of office of a
23 commissioner of an authority who is a municipal official shall not be
24 affected or curtailed by the expiration of the term of his OR HER municipal
25 office.

26 SECTION 2. In Colorado Revised Statutes, 31-25-107, amend
27 (9) (a) introductory portion and (9) (a) (II); and add (9.5) as follows:

1 **31-25-107. Approval of urban renewal plans by local**
2 **governing body.** (9) (a) Notwithstanding any law to the contrary, any
3 urban renewal plan, as originally approved or as later modified pursuant
4 to this part 1, may contain a provision that taxes, if any, levied after the
5 effective date of the approval of such urban renewal plan upon taxable
6 property in an urban renewal area each year or that municipal sales taxes
7 collected within said area, or both such taxes, by or for the benefit of any
8 public body ~~shall~~ **MUST** be divided for a period not to exceed twenty-five
9 years after the effective date of adoption of such a provision, as follows:
10 (II) That portion of said property taxes or all or any portion of said
11 sales taxes, or both, in excess of the amount of property taxes or sales
12 taxes paid into the funds of each such public body in accordance with the
13 requirements of subparagraph (I) of this paragraph (a) ~~shall~~ **MUST** be
14 allocated to and, when collected, paid into a special fund of the authority
15 to pay the principal of, the interest on, and any premiums due in
16 connection with the bonds of, loans or advances to, or indebtedness
17 incurred by, whether funded, refunded, assumed, or otherwise, the
18 authority for financing or refinancing, in whole or in part, an urban
19 renewal project, or to make payments under an agreement executed
20 pursuant to subsection (11) of this section. Any excess municipal sales tax
21 collections not allocated pursuant to this subparagraph (II) ~~shall~~ **MUST** be
22 paid into the funds of the municipality. Unless and until the total
23 valuation for assessment of the taxable property in an urban renewal area
24 exceeds the base valuation for assessment of the taxable property in such
25 urban renewal area, as provided in subparagraph (I) of this paragraph (a),
26 all of the taxes levied upon the taxable property in such urban renewal
27 area ~~shall~~ **MUST** be paid into the funds of the respective public bodies.

1 Unless and until the total municipal sales tax collections in an urban
2 renewal area exceed the base year municipal sales tax collections in such
3 urban renewal area, as provided in subparagraph (I) of this paragraph (a),
4 all such sales tax collections ~~shall~~ MUST be paid into the funds of the
5 municipality. When such bonds, loans, advances, and indebtedness, if
6 any, including interest thereon and any premiums due in connection
7 therewith, have been paid, all taxes upon the taxable property or the total
8 municipal sales tax collections, or both, in such urban renewal area ~~shall~~
9 MUST be paid into the funds of the respective public bodies, AND ALL
10 FUNDS REMAINING IN THE SPECIAL FUND ESTABLISHED PURSUANT TO THIS
11 SUBPARAGRAPH (II) ~~THAT ARE GENERATED BY THE IMPOSITION OF A~~
12 ~~PROPERTY TAX MILL LEVY OF A TAXING BODY OTHER THAN THE~~
13 ~~MUNICIPALITY~~ MUST BE REPAID TO EACH PUBLIC BODY PRO RATA IN
14 ACCORDANCE WITH ~~THE RATIO IN WHICH THEY WERE~~ PAID INTO THE
15 SPECIAL FUND AND NOT PREVIOUSLY REBATED TO THE PUBLIC BODY.

16 (9.5) THE PERCENTAGE OF PROPERTY TAX INCREMENT REVENUES
17 OF ANY PUBLIC BODY THAT MAY BE ALLOCATED TO THE AUTHORITY
18 PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (9)
19 OF THIS SECTION SHALL NOT EXCEED THE PERCENTAGE OF MUNICIPAL
20 ~~SALES TAX INCREMENT REVENUES ALLOCATED TO THE AUTHORITY~~
21 ~~PURSUANT TO SAID SUBPARAGRAPH (II) UNDER THE PROVISIONS OF THE~~
22 ~~PLAN, AS ORIGINALLY APPROVED AND AS IT MAY BE LATER MODIFIED;~~
23 EXCEPT THAT:

24 (a) THE ALLOCATION REQUIRED BY THIS SUBSECTION (9.5) MAY BE
25 MODIFIED BY MEANS OF AN AGREEMENT WITH ANY SUCH PUBLIC BODY IN
26 ACCORDANCE WITH SUBSECTION (11) OF THIS SECTION ~~BUT ANY SUCH~~
27 ~~AGREEMENT MUST PERTAIN ONLY TO THE INCREMENTAL PROPERTY TAX~~

1 ~~REVENUES GENERATED BY THE MILL LTV OF THE PUBLIC BODY~~

2 (b) SUBJECT TO PARAGRAPH (c) OF THIS SUBSECTION (9.5), ANY
3 EXEMPTIONS, REBATES, OR REPAYMENTS PAID OR TO BE PAID TO THE
4 MUNICIPALITY MUST BE EXCLUDED IN DETERMINING THE PERCENTAGE OF
5 MUNICIPAL SALES TAX INCREMENT REVENUE ALLOCATED TO THE
6 AUTHORITY; AND

7 (c) ANY ~~MONEYS, INFRASTRUCTURE, OR OTHER INVESTMENTS~~
8 EITHER THAT THE MUNICIPALITY ~~PAYS TO, CONTRIBUTES TO, OR INVESTS~~
9 ~~IN~~ THE AUTHORITY FOR THE PROJECT BY THE MUNICIPALITY OR ANY
10 PUBLIC BODY IN ADVANCE OF THE ALLOCATION OF MONEYS TO THE
11 AUTHORITY PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF
12 SUBSECTION (9) OF THIS SECTION OR THAT ARE SPENT BY A PRIVATE
13 ENTITY FOR WHICH THE MUNICIPALITY HAS AGREED IN WRITING TO
14 REIMBURSE THE ENTITY WITH SALES TAX REVENUE COLLECTED IN THE
15 AREA OF THE URBAN RENEWAL PROJECT MUST BE INCLUDED IN THE
16 DETERMINATION OF THE APPLICABLE PERCENTAGES UNDER THIS
17 SUBSECTION (9.5).

18 **SECTION 3. Act subject to petition - effective date -**
19 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
20 the expiration of the ninety-day period after final adjournment of the
21 general assembly (August 6, 2014, if adjournment sine die is on May 7,
22 2014); except that, if a referendum petition is filed pursuant to section 1
23 (3) of article V of the state constitution against this act or an item, section,
24 or part of this act within such period, then the act, item, section, or part
25 will not take effect unless approved by the people at the general election
26 to be held in November 2014 and, in such case, will take effect on the
27 date of the official declaration of the vote thereon by the governor.

1 (2) Section 1 of this act applies to urban renewal authorities
2 created or modified on or after January 1, 2015, and to such authorities
3 considering urban renewal plan amendments or modifications, including,
4 without limitation, an addition of urban renewal projects, an alteration of
5 urban renewal area boundaries, or an extension of an urban renewal plan
6 or the duration of specific projects regardless of whether such changes
7 require actual alteration of the terms of the urban renewal plan.

8 (3) Section 2 of this act applies to urban renewal plans adopted on
9 or after January 1, 2015, and to amendments or modifications of such
10 plans, including, without limitation, an addition of urban renewal
11 projects, an alteration of urban renewal area boundaries, or an extension
12 of an urban renewal plan or the duration of specific projects regardless of
13 whether such changes require actual alteration of the terms of the urban
14 renewal plan.