2008 PROPERTY TAX LEGISLATION

Senate Bills

SB 08-041
Concerning the ownership of minerals beneath land acquired by governmental entities and, in connection therewith, clarifying that a governmental entity may acquire interests in such minerals through condemnation only to the extent required for subsurface support.

Section 3 of the bill creates a new subsection (4) that adds clarifying language that any governmental entity acquiring land for road, highway, or mass transit construction is prohibited from acquiring, through condemnation, interest in oil, natural gas, or other mineral resources except to the extent they are required for subsurface support of the project.

Section 4 of the bill reiterates the clarifying language in subsection (4) concerning subsurface support.

Signed by Governor Ritter: April 25, 2008
Effective Date: August 5, 2008

SB 08-105
Concerning classification of certain trailers.

The bill identifies "multipurpose trailers" as a new vehicle category for registration and taxation purposes. These vehicles are currently registered and taxed, but the new trailer styles and sizes that are being manufactured are not accurately described in current statute. This bill provides clarification on the consistent registration of these trailers.

The bill amends a number of statutory citations. The portion of the bill affecting property taxation is found in Section 1. This section of the bill amends § 42-1-103, C.R.S., by adding a new subsection (60.3), which defines multipurpose trailer as "…a wheeled vehicle, without motive power, that is designed to be drawn by a motor vehicle over the public highways. A "multipurpose trailer" is generally and commonly used for temporary living or sleeping accommodations and transporting property wholly upon its own structure and is registered as a vehicle."

The section also amends the definition of trailer coach found in § 42-1-102(106)(a) by removing the eight foot width provision and the length maximum of forty feet.

Signed by Governor Ritter: April 25, 2008
Effective Date: August 5, 2008

SB 08-158
Concerning the inclusion for urban renewal purposes of unincorporated land within a county that is contiguous to a portion of an urban renewal area located within a municipality.

Section 1 of the bill creates a new section 31-25-112.5, C.R.S., that allows a municipality to include unincorporated land into an urban renewal area, if the land is contiguous to a portion of the urban renewal area located within the municipality, and if inclusion of the unincorporated area is made with the consent of the board of county commissioners, each real property owner, and each holder of a recorded mortgage or deed of trust. A proposed urban renewal plan may include the unincorporated area only if the board of county commissioners does the following:

- Determines that the proposed area is a slum or blighted area;
- Forwards the proposal to the county planning commission to determine its conformance with the county master development plan;
- Finds and determines that each real property owner and holder of a mortgage or deed of trust consents to the inclusion;
- Holds a public hearing and makes findings and a determination to approve inclusion of the unincorporated area;
- Approves the use of tax increment financing in the included area and notifies the assessor.

Signed by Governor Ritter: April 1, 2008
Effective Date: Upon signature

SB 08-170
Concerning an extension of the period during which tax revenues may be allocated to a special fund by a downtown development authority in connection with tax increment financing.

Section 1 of the bill amends § 31-25-807, C.R.S., with the addition of a new subsection

(IV). This subsection authorizes a municipality to extend the period that tax increment financing revenue is collected by a downtown development authority. A municipality may pass an ordinance at anytime within the last 10 years of the initial 30-year period established by the downtown development authority to extend the life of the authority 20 years, resulting in a total life of 50 years.

Under the provisions of the bill:

- In year one of the extension, the initial base year value is advanced forward by 10 years, eliminating from future increments any growth value that occurred in first ten years of the tax increment financing. The advanced base value is used for calculating the base increment splits during the first 10 years of the extension.
- For each of the final 10 years of the extension, the base year is advanced forward by one additional year for each year of the extension.
- During each year of the 20-year extension, 50 percent of the tax increment financing revenue from each taxing entity's mill levy, or some greater percentage agreed upon by the authority and the entity, shall be distributed to the special fund of the municipality, and the remaining portion shall go to the funds of the respective entities.
- No later than August 1 of each year, the municipality shall certify to the assessor the distribution percentages attributable to the special fund of the municipality from the mill levies of each taxing entity.
- When certifying values to a taxing entity, the assessor shall apply the appropriate distribution percentage to the increment value and certify only that percentage of increment to the entity.

Section 2 of the bill creates a new subsection 31-25-807(3)(f), C.R.S., that authorizes the Property Tax Administrator to develop and publish implementation procedures for this new provision.

Signed by Governor Ritter: May 21, 2008
Effective Date: August 5, 2008

House Bills

HB 08-1008

Concerning a requirement that notice be provided in connection with the filing of a petition for municipal incorporation.

This bill requires that any petition for municipal incorporation of a geographic area that contains less than two thousand five hundred (2,500) registered electors be sent by mail to each property owner in the area. The contact records for said property owners must be obtained from the county assessor's office and each notice must include the name, address, and telephone number of the contact person who is able to provide information on the petition to the public. The petitioner bears the cost of mailing the required notice.

Section 1 of this bill amends § 31-2-101, C.R.S., with the addition of a new subsection (2.5). This subsection adds the requirements for the notice of filing of the petition to be sent by first-class mail to each real property owner whenever the number of registered electors within the area that is the subject of the petition is less than two thousand five hundred persons. The address shown in the records of the assessor is used for mailing the petitions. The cost of mailing the notice is borne by the petitioners. Also, the notice of filing sent to the property owners will include the name, address, and telephone number of a contact person who is able to provide information on the petition to the public, the case number of the civil action concerning the petition, and the district court in which the petition is filed. Should the property owner like to obtain a copy of the petition, the property owner shall submit to the contact person a request for a copy of the petition along with the payment of a fee.

Signed by Governor Ritter: March 17, 2008
Effective Date: September 1, 2008

HB 08-1059

Concerning the timing of property tax revenue distributions by a county treasurer to a local governmental entity.

This bill allows the county treasurers to distribute property tax revenue on a quarterly or annual basis to local governments (taxing entities) when that revenue is below certain monthly thresholds. Normally, the county treasurer distributes property tax revenue to each entity monthly. According to the