SB 18-248

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number:	LLS 18-1197	**Date:**	July 23, 2018
Prime Sponsors:	Sen. Martinez Humenik Rep. Lawrence; Gray	**Bill Status:**	Signed into Law
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Bill Topic: ADDITIONAL REVENUES URBAN RENEWAL PROJECTS

Summary of Fiscal Impact:

- ☐ State Revenue
- ☒ State Expenditure *(minimal)*
- ☐ State Transfer
- ☐ TABOR Refund
- ☒ Local Government *(potential)*
- ☐ Statutory Public Entity

This bill authorizes local governments and urban renewal authorities to enter into intergovernmental agreements regarding the repayment of additional revenues received from a voter approved property tax mill levy increase. This bill increases state workload by a minimal amount and potentially increases local government workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Summary of Legislation

Under current law, municipalities, counties, special districts, and school districts (taxing entity) levy a property tax mill that generates revenue for urban renewal authorities through tax increment financing (TIF). The urban renewal authority's use of revenue generated by mills approved by voters after January 1, 2016 is restricted under current law. This bill clarifies that, these additional revenues cannot be used by an urban renewal authority for the payment of any bonds, loans or advances, or any debt incurred by the authority without the consent of the relevant taxing entity.

Notification and repayment. Any revenues received from voter approved mill levy increases by the urban renewal authority must be repaid to the taxing entity. The taxing entity must notify the urban renewal authority of any additional revenue and the calculations used to determine the amount before the authority issues a repayment and no later than February 1 in each fiscal year after a voter approved revenue increase has taken effect.

Intergovernmental agreement. This bill authorizes the urban renewal authority and the taxing entity to enter into an intergovernmental agreement regarding:

- the repayment of additional revenues;
- mechanics of how the repayment of additional revenues will be accomplished;
- a method for resolving disputes; and
- whether the taxing entity will waive the repayment requirement.

State Expenditures

Beginning in the current FY 2017-18, this bill may increase workload for the Division of Local Government in the Department of Local Affairs to update materials and provide guidance to local governments regarding revenue calculation or intergovernmental agreements with urban renewal districts. Because the department regularly updates materials and provides guidance to local government, this impact is considered minimal.

Local Government

According to the Department of Local Affairs there are 61 urban renewal authorities in Colorado. Beginning in the current FY 2017-18, this bill may increase workload for local governments that are receiving additional revenues from a property tax mill levy increase, to negotiate with urban renewal authorities and enter into an intergovernmental agreement regarding the calculation and repayment of such revenues. Revenues retained by local governments and urban renewal authorities may shift to the extent that such agreements waive the repayment requirement. These impacts have not been calculated, but are expected to be minimal.

Effective Date

This bill was signed into law by the Governor and took effect on May 30, 2018.

State and Local Government Contacts

Counties	Local Affairs	Municipalities
School Districts	Sheriffs	Special Districts