

CHAPTER 404

TAXATION

HOUSE BILL 25-1289

BY REPRESENTATIVE(S) Zokaie and Richardson, Bacon, Barron, Boesenecker, Duran, English, Gonzalez R., Hamrick, Keltie, Lieder, Marshall, Martinez, Pugliese, Rutinel, Suckla, Titone, Velasco, Weinberg, McCluskie;
also SENATOR(S) Weissman and Frizell, Cutter, Exum, Gonzales J., Hinrichsen, Jodeh, Kipp, Michaelson Jenet, Wallace, Winter F.

AN ACT**CONCERNING PROPERTY TAX EXEMPTIONS FOR REAL PROPERTY LEASED TO PUBLIC ENTITIES.**

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

SECTION 1. In Colorado Revised Statutes, 39-3-124, **amend** (1)(b)(I)(A) and (1)(b)(II); and **add** (1)(b)(I)(F), (1)(b)(I)(G), and (4) as follows:

39-3-124. Property used by state entity - installment sales or lease agreement - financed purchase of an asset, certificate of participation, or leveraged lease agreement - exemption - definitions. (1) (b) (I) (A) Subject to the provisions of ~~sub-subparagraph (B) of this subparagraph (I)~~ SUBSECTION (1)(b)(I)(B) OF THIS SECTION AND EXCEPT AS PROVIDED IN SUBSECTION (1)(b)(I)(G) OF THIS SECTION, on and after January 1, 2009, the part of real property that is used by the state, a political subdivision, or a state-supported institution of higher education pursuant to the provisions of any lease or rental agreement for at least a one-year term, with or without an option to purchase, and pursuant to which the subject real property is used for purposes of the state, political subdivision, or institution of higher education, as applicable, shall be exempt from the levy and collection of property tax. If the state or any political subdivision or state-supported institution of higher education enters into a lease or rental agreement or is already in a lease or rental agreement on or after January 1, 2009, and is exempt from the levy and collection of property tax pursuant to this section, the state, political subdivision, or state-supported institution of higher education, as applicable, shall file a copy of the lease or rental agreement with the county assessor's office. The state or a political subdivision or institution of higher education shall notify the county assessor's office in the event that the lease or rental agreement is terminated prior to the term stated in such lease or rental agreement. Nothing in this ~~paragraph (b)~~ shall affect

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

SUBSECTION (1)(b) AFFECTS property tax exemptions allowed pursuant to section 8-82-104, 22-32-127, 29-4-227, 30-11-104.2, 31-15-802, or 43-1-214. ~~C.R.S.~~

(F) IN ADDITION TO THE REQUIREMENTS LISTED IN SUBSECTION (1)(b)(I)(A) OF THIS SECTION, A METROPOLITAN DISTRICT THAT IS A PARTY TO A LEASE OR RENTAL AGREEMENT THAT WAS EFFECTIVE AS OF JANUARY 1, 2025, OR LATER AND WAS FILED WITH THE COUNTY ASSESSOR'S OFFICE IN SUPPORT OF A CLAIM FOR A PROPERTY TAX EXEMPTION IN ACCORDANCE WITH SUBSECTION (1)(b)(I)(A) OF THIS SECTION SHALL ALSO FILE WITH THE COUNTY ASSESSOR'S OFFICE A STATEMENT DESCRIBING: THE METROPOLITAN DISTRICT'S USE OF THE LEASED PROPERTY; THE METROPOLITAN DISTRICT'S AUTHORITY TO USE THE LEASED PROPERTY FOR THE METROPOLITAN DISTRICT'S PURPOSES; ANY USE OF THE LEASED PROPERTY BY A PRIVATE PERSON FOR PRIVATE PURPOSES; AND ANY DISCLOSURE FILED BY A MEMBER OF THE BOARD OF DIRECTORS OF THE METROPOLITAN DISTRICT IN ACCORDANCE WITH SECTION 24-18-109 (3)(b), 24-18-110, 32-1-902, OR 18-8-308.

(G) IF THE STATEMENT DESCRIBED IN SUBSECTION (1)(b)(I)(F) OF THIS SECTION INCLUDES A DISCLOSURE THAT RELATES TO THE LEASED PROPERTY AND IS FILED BY A MEMBER OF THE BOARD OF DIRECTORS OF THE METROPOLITAN DISTRICT IN ACCORDANCE WITH SECTION 24-18-109 (3)(b), 24-18-110, 32-1-902, OR 18-8-308, THE COUNTY ASSESSOR SHALL, WITHIN FOURTEEN DAYS OF RECEIPT OF THE STATEMENT, SUBMIT THE STATEMENT TO THE GOVERNING BODY THAT APPROVED THE METROPOLITAN DISTRICT'S SERVICE PLAN AND TO THE METROPOLITAN DISTRICT. WITHIN SIXTY-THREE DAYS OF RECEIPT OF THE STATEMENT, THE GOVERNING BODY SHALL ISSUE A WRITTEN DECISION INCLUDING FINDINGS OF FACT AND A CONCLUSION AS TO WHETHER THE LEASED PROPERTY IS USED FOR A PUBLIC PURPOSE AS REQUIRED BY SUBSECTION (1)(b)(I)(A) OF THIS SECTION. IF THE GOVERNING BODY CONCLUDES THAT THE LEASED PROPERTY IS NOT USED FOR A PUBLIC PURPOSE AS REQUIRED BY SUBSECTION (1)(b)(I)(A) OF THIS SECTION, THE LEASED PROPERTY IS NOT EXEMPT FROM TAXATION IN ACCORDANCE WITH SUBSECTION (1)(b)(I)(A) OF THIS SECTION, AND THE COUNTY ASSESSOR SHALL IMPLEMENT THE GOVERNING BODY'S DECISION. A DECISION OF A GOVERNING BODY MADE PURSUANT TO THIS SECTION IS NOT SUBJECT TO APPEAL AND DOES NOT GIVE RISE TO ANY PRIVATE RIGHT OF ACTION.

(II) ~~For purposes of this paragraph (b)~~ AS USED IN THIS SUBSECTION (1)(b), UNLESS THE CONTEXT OTHERWISE REQUIRES:

(A) "GOVERNING BODY" MEANS THE BOARD OF COUNTY COMMISSIONERS OR OTHER ENTITY THAT APPROVED THE METROPOLITAN DISTRICT'S SERVICE PLAN, OR ITS DESIGNEES.

(B) "LEASED PROPERTY" MEANS A PART OF REAL PROPERTY THAT IS USED BY THE STATE, A POLITICAL SUBDIVISION, OR A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION PURSUANT TO THE PROVISIONS OF ANY LEASE OR RENTAL AGREEMENT FOR AT LEAST A ONE-YEAR TERM, WITH OR WITHOUT AN OPTION TO PURCHASE.

(C) "METROPOLITAN DISTRICT" MEANS A METROPOLITAN DISTRICT CREATED PURSUANT TO ARTICLE 1 OF TITLE 32.

(D) "State-supported institution of higher education" includes, but need not be limited to, all postsecondary institutions in the state supported in whole or in part

by state funds, including community colleges, extension programs of the state-supported universities and colleges, local district colleges, area technical colleges, and the institutions governed by the regents of the university of Colorado.

(4) A LEASEHOLD INTEREST IN REAL OR PERSONAL PROPERTY THAT IS OWNED BY A PRIVATE PERSON AND THAT HAS BEEN LEASED TO THE STATE OR A POLITICAL SUBDIVISION OF THE STATE, THE USE AND POSSESSION OF WHICH HAS BEEN LEASED BACK TO A PRIVATE PERSON FOR PRIVATE PURPOSES, IS TAXABLE TO THE OWNER.

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 3, 2025