

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
2.12.19

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LLS NO. 19-0900.01 Julie Pelegrin x2700

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "School District Mill Levy Equalization"

A BILL FOR AN ACT

101 **CONCERNING EQUALIZING THE AMOUNT OF PROPERTY TAX REVENUE**
102 **RECEIVED AS A RESULT OF MILLS LEVIED FOR ADDITIONAL**
103 **LOCAL REVENUE BY LOW-PROPERTY-VALUE SCHOOL DISTRICTS.**

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://leg.colorado.gov/>.)

Joint Budget Committee. The bill directs the department of education to distribute to applying eligible school districts a mill levy equalization payment for additional local revenue (override) mills initially approved by voters on or after November 6, 2018 (qualifying mills). To be eligible, a school district's per pupil assessed property valuation must

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

be less than the statewide average per pupil assessed property valuation. The amount of the mill levy equalization payment is equal to the difference in the amount of property tax revenue generated by the qualifying mills levied against the school district's per pupil assessed property valuation and the amount that would be generated if the qualifying mills were levied against the statewide average per pupil assessed property valuation.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-54-141 as
3 follows:

4 **22-54-141. Additional funding - low-assessed property value**
5 **districts - mill levy equalization money - rules - definitions - repeal.**

6 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
7 REQUIRES:

8 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION.

9 (b) "ELIGIBLE DISTRICT" MEANS A DISTRICT IN WHICH THE DISTRICT
10 PER PUPIL ASSESSED PROPERTY VALUATION FOR A PROPERTY TAX YEAR IS
11 LESS THAN THE STATEWIDE AVERAGE PER PUPIL ASSESSED PROPERTY
12 VALUATION FOR THAT PROPERTY TAX YEAR.

13 (c) "MILL LEVY EQUALIZATION AMOUNT" MEANS AN AMOUNT
14 EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT OF PROPERTY TAX
15 REVENUE GENERATED BY A SINGLE MILL LEVIED AGAINST THE DISTRICT'S
16 PER PUPIL ASSESSED PROPERTY VALUATION AND THE AMOUNT OF
17 PROPERTY TAX REVENUE GENERATED BY A SINGLE MILL LEVIED AGAINST
18 THE STATEWIDE AVERAGE PER PUPIL ASSESSED PROPERTY VALUATION.

19 (d) "PER PUPIL ASSESSED PROPERTY VALUATION" MEANS AN
20 AMOUNT EQUAL TO THE TOTAL ASSESSED PROPERTY VALUATION FOR A
21 DISTRICT FOR A PROPERTY TAX YEAR DIVIDED BY THE SUM OF THE
22 DISTRICT'S PUPIL ENROLLMENT, PRESCHOOL PROGRAM ENROLLMENT,

1 ONLINE PUPIL ENROLLMENT, AND DISTRICT EXTENDED HIGH SCHOOL PUPIL
2 ENROLLMENT FOR THE SCHOOL YEAR THAT ENDS DURING THE PROPERTY
3 TAX YEAR.

4 (e) "QUALIFYING PROPERTY TAX MILL" MEANS A PROPERTY TAX
5 MILL THAT VOTERS INITIALLY AUTHORIZE A DISTRICT TO COLLECT AS
6 PROVIDED IN SECTION 22-54-108, 22-54-108.5, OR 22-54-108.7 IN AN
7 ELECTION HELD ON OR AFTER NOVEMBER 6, 2018.

8 (f) "STATEWIDE AVERAGE PER PUPIL ASSESSED PROPERTY
9 VALUATION" MEANS AN AMOUNT EQUAL TO THE TOTAL ASSESSED
10 PROPERTY VALUATION OF THE STATE FOR A PROPERTY TAX YEAR DIVIDED
11 BY THE SUM OF THE PUPIL ENROLLMENT, PRESCHOOL PROGRAM
12 ENROLLMENT, ONLINE PUPIL ENROLLMENT, AND DISTRICT EXTENDED HIGH
13 SCHOOL PUPIL ENROLLMENT FOR ALL DISTRICTS FOR THE SCHOOL YEAR
14 THAT ENDS DURING THE PROPERTY TAX YEAR.

15 (2) BEGINNING IN THE 2019-20 BUDGET YEAR, THE STATE SHALL
16 DISTRIBUTE A MILL LEVY EQUALIZATION PAYMENT AS PROVIDED IN THIS
17 SECTION TO EACH ELIGIBLE DISTRICT THAT APPLIES FOR A PAYMENT AND
18 MEETS THE REQUIREMENTS OF THIS SECTION. AN ELIGIBLE DISTRICT MAY
19 RECEIVE A MILL LEVY EQUALIZATION PAYMENT FOR UP TO A TOTAL OF XX
20 QUALIFYING PROPERTY TAX MILLS. THE AMOUNT THAT A DISTRICT
21 RECEIVES AS A MILL LEVY EQUALIZATION PAYMENT IS INCLUDED IN
22 CALCULATING THE TOTAL ADDITIONAL LOCAL PROPERTY TAX REVENUES
23 THAT A DISTRICT MAY RECEIVE AS DESCRIBED IN SECTION 22-54-108
24 (3)(b)(III) AND (3)(b)(IV).

25 (3) TO RECEIVE A MILL LEVY EQUALIZATION PAYMENT FOR
26 ADDITIONAL LOCAL REVENUE COLLECTED FOR THE PRECEDING PROPERTY
27 TAX YEAR FROM A QUALIFYING PROPERTY TAX MILL, AN ELIGIBLE DISTRICT

1 MUST ANNUALLY APPLY TO THE DEPARTMENT BY A DATE SPECIFIED BY
2 RULE OF THE STATE BOARD. IN THE APPLICATION, THE ELIGIBLE DISTRICT
3 MUST:

4 (a) DEMONSTRATE THAT THE DISTRICT'S PER PUPIL ASSESSED
5 PROPERTY VALUATION FOR THE PRECEDING PROPERTY TAX YEAR WAS LESS
6 THAN THE STATEWIDE AVERAGE PER PUPIL ASSESSED PROPERTY
7 VALUATION FOR THE PRECEDING PROPERTY TAX YEAR, AS CALCULATED BY
8 THE DEPARTMENT;

9 (b) STATE THE AMOUNT OF PROPERTY TAX REVENUE GENERATED
10 BY A SINGLE MILL LEVIED AGAINST THE DISTRICT'S PER PUPIL ASSESSED
11 PROPERTY VALUATION FOR THE PRECEDING PROPERTY TAX YEAR; AND

12 (c) STATE THE NUMBER OF QUALIFYING PROPERTY TAX MILLS THAT
13 THE DISTRICT ASSESSED FOR THE PRECEDING PROPERTY TAX YEAR AND
14 THE AMOUNT OF PROPERTY TAX REVENUE THAT THE MILLS GENERATE,
15 ASSUMING ONE HUNDRED PERCENT COLLECTION.

16 (4) THE DEPARTMENT SHALL REVIEW EACH APPLICATION RECEIVED
17 PURSUANT TO SUBSECTION (3) OF THIS SECTION AND, SUBJECT TO
18 AVAILABLE APPROPRIATIONS, DISTRIBUTE TO EACH APPLYING ELIGIBLE
19 DISTRICT AN AMOUNT EQUAL TO THE MILL LEVY EQUALIZATION AMOUNT
20 MULTIPLIED BY THE NUMBER OF QUALIFYING PROPERTY TAX MILLS THAT
21 THE DISTRICT ASSESSED FOR THE PRECEDING PROPERTY TAX YEAR UP TO
22 A TOTAL OF XX QUALIFYING PROPERTY TAX MILLS.

23 (5) THE STATE BOARD SHALL PROMULGATE RULES AS NECESSARY
24 TO IMPLEMENT THIS SECTION, INCLUDING BUT NOT LIMITED TO
25 ESTABLISHING THE DATE BY WHICH AN ELIGIBLE DISTRICT MUST
26 ANNUALLY SUBMIT AN APPLICATION TO RECEIVE A MILL LEVY
27 EQUALIZATION PAYMENT AS PROVIDED IN THIS SECTION. THE DEPARTMENT

1 SHALL ANNUALLY CALCULATE THE STATEWIDE AVERAGE PER PUPIL
2 ASSESSED PROPERTY VALUATION AND, UPON REQUEST, PROVIDE
3 TECHNICAL ASSISTANCE TO ELIGIBLE DISTRICTS THAT CHOOSE TO APPLY
4 FOR A MILL LEVY EQUALIZATION PAYMENT AS PROVIDED IN THIS SECTION.

5 (6) THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE
6 MONEY TO THE DEPARTMENT FOR DISTRIBUTION AS MILL LEVY
7 EQUALIZATION PAYMENTS AS PROVIDED IN THIS SECTION. IN A BUDGET
8 YEAR IN WHICH THE GENERAL ASSEMBLY DOES NOT APPROPRIATE A
9 SUFFICIENT AMOUNT TO FULLY FUND THE MILL LEVY EQUALIZATION
10 PAYMENTS AUTHORIZED IN THIS SECTION, THE DEPARTMENT SHALL
11 REDUCE EACH APPLYING ELIGIBLE DISTRICT'S MILL LEVY EQUALIZATION
12 PAYMENT BY THE SAME PERCENTAGE THAT THE DEFICIT BEARS TO THE
13 AMOUNT REQUIRED TO FULLY FUND THE PAYMENTS AUTHORIZED BY THIS
14 SECTION.

15 (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

16 **SECTION 2. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2020 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.