BILL TOPIC: "School District Mill Levy Equalization"

A BILL FOR AN ACT

CONCERNING EQUALIZING THE AMOUNT OF PROPERTY TAX REVENUE RECEIVED AS A RESULT OF MILLS LEVIED FOR ADDITIONAL 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.

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

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


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

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

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

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

(d) "PER PUPIL ASSESSED PROPERTY VALUATION" MEANS AN AMOUNT EQUAL TO THE TOTAL ASSESSED PROPERTY VALUATION FOR A DISTRICT FOR A PROPERTY TAX YEAR DIVIDED BY THE SUM OF THE DISTRICT'S PUPIL ENROLLMENT, PRESCHOOL PROGRAM ENROLLMENT,
ONLINE PUPIL ENROLLMENT, AND DISTRICT EXTENDED HIGH SCHOOL PUPIL
ENROLLMENT FOR THE SCHOOL YEAR THAT ENDS DURING THE PROPERTY
TAX YEAR.

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

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

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

(3) TO RECEIVE A MILL LEVY EQUALIZATION PAYMENT FOR
ADDITIONAL LOCAL REVENUE COLLECTED FOR THE PRECEDING PROPERTY
TAX YEAR FROM A QUALIFYING PROPERTY TAX MILL, AN ELIGIBLE DISTRICT
MUST ANNUALLY APPLY TO THE DEPARTMENT BY A DATE SPECIFIED BY RULE OF THE STATE BOARD. IN THE APPLICATION, THE ELIGIBLE DISTRICT MUST:

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

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

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

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

(5) THE STATE BOARD SHALL PROMULGATE RULES AS NECESSARY TO IMPLEMENT THIS SECTION, INCLUDING BUT NOT LIMITED TO ESTABLISHING THE DATE BY WHICH AN ELIGIBLE DISTRICT MUST ANNUALLY SUBMIT AN APPLICATION TO RECEIVE A MILL LEVY EQUALIZATION PAYMENT AS PROVIDED IN THIS SECTION. THE DEPARTMENT
SHALL ANNUALLY CALCULATE THE STATEWIDE AVERAGE PER PUPIL ASSESSED PROPERTY VALUATION AND, UPON REQUEST, PROVIDE TECHNICAL ASSISTANCE TO ELIGIBLE DISTRICTS THAT CHOOSE TO APPLY FOR A MILL LEVY EQUALIZATION PAYMENT AS PROVIDED IN THIS SECTION.

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

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

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 (August 2, 2019, if adjournment sine die is on May 3, 2019); 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 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.