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Seventy-second General Assembly  
STATE OF COLORADO

REDRAFT

4.15.19

Double underlining  
denotes changes from  
prior draft

DRAFT

LLS NO. 19-0898.01 Julie Pelegrin x2700

COMMITTEE BILL

Joint Budget Committee

**BILL TOPIC:** "School District Uniform Total Program Mill Levy"

**A BILL FOR AN ACT**

101 **CONCERNING THE NUMBER OF PROPERTY TAX MILLS THAT A SCHOOL**  
102 **DISTRICT IS REQUIRED TO LEVY FOR THE SCHOOL DISTRICT'S**  
103 **SHARE OF TOTAL PROGRAM FUNDING.**

**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.** For purposes of funding a school district's total program under existing law, each school district is required to levy a specified number of property tax mills. The amount of revenue generated by the levy, plus the revenue the district receives from specific ownership tax, is the district's share of total program. The state share

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

equals the difference between the district's share and the amount of the district's total program.

Beginning with the 2019 property tax year, the bill requires each school district to levy **X** mills or the number of mills that will result in enough property tax revenue to fully fund the district's total program, whichever is less. If the number of mills required in the bill is an increase in a school district's current levy, the school district must seek voter approval for the increase. A school district is not required to increase the mill levy by more than **X** mills every **2** years. A school district may count mills that it levies for additional revenue as total program mills to meet the total program mill levy requirements. If a school district does not levy the number of mills required, the state share for the school district will still be based on the number of mills that the school district is required to levy; except that the total combined district and state share amount that a school district receives must not be less than [OPTION 1: the school district's total program funding calculated using minimum per pupil funding, less the amount of the budget stabilization factor.] [OPTION 2: an amount equal to the school district's funded pupil count multiplied by statewide base per pupil funding.] A school district is prohibited from seeking voter approval for mill levy overrides until the school district is levying the required number of total program mills.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-54-106, **amend**  
3 (1)(a)(I), (1)(b)(I), (2)(a) introductory portion, and (2)(c); and **add**  
4 (2)(a.5) as follows:

5 **22-54-106. Local and state shares of district total program.**

6 (1) (a) (I) FOR PROPERTY TAX YEARS BEFORE THE 2019 PROPERTY TAX  
7 YEAR, every district shall levy the number of mills determined pursuant  
8 to ~~paragraph (a) of subsection (2) of this section, and~~ SUBSECTION (2)(a)  
9 OF THIS SECTION. FOR THE 2019 PROPERTY TAX YEAR AND EACH PROPERTY  
10 TAX YEAR THEREAFTER, EACH DISTRICT SHALL LEVY THE NUMBER OF  
11 MILLS DETERMINED PURSUANT TO SUBSECTION (2)(a.5) OF THIS SECTION.  
12 The amount of property tax revenue ~~which the~~ THAT A district is entitled  
13 to receive from the levy, assuming one hundred percent collection, along

1 with the amount of specific ownership tax revenue paid to the district, as  
2 defined in section 22-54-103 (11), ~~shall be~~ is the district's share of its  
3 total program.

4 (b) (I) Except as provided in subsections (11) and (12) of this  
5 section, the state's share of a district's total program is the difference  
6 between the district's total program and the district's share of its total  
7 program; EXCEPT THAT, IN A BUDGET YEAR IN WHICH A DISTRICT LEVIES  
8 A LESSER NUMBER OF MILLS THAN THAT REQUIRED IN SUBSECTION (2)(a.5)  
9 OF THIS SECTION, THE STATE'S SHARE OF A DISTRICT'S TOTAL PROGRAM IS  
10 THE AMOUNT NECESSARY TO ENSURE THAT THE COMBINED TOTAL OF THE  
11 DISTRICT'S SHARE, ASSUMING ONE HUNDRED PERCENT COLLECTION OF THE  
12 NUMBER OF MILLS LEVIED, AND THE AMOUNT THE DISTRICT RECEIVES  
13 FROM THE STATE IS NOT LESS THAN [OPTION 1: THE AMOUNT OF TOTAL  
14 PROGRAM FUNDING CALCULATED FOR THE DISTRICT PURSUANT TO SECTION  
15 22-54-104 (2)(a)(IX)(B) USING MINIMUM PER PUPIL FUNDING, LESS THE  
16 BUDGET STABILIZATION FACTOR CALCULATED PURSUANT TO SECTION  
17 22-54-104 (5)(g), FOR THE APPLICABLE BUDGET YEAR.] [OPTION 2: AN  
18 AMOUNT EQUAL TO THE STATEWIDE BASE PER PUPIL FUNDING AMOUNT,  
19 SPECIFIED IN SECTION 22-54-104 (5)(a) FOR THE APPLICABLE BUDGET  
20 YEAR, MULTIPLIED BY THE DISTRICT'S FUNDED PUPIL COUNT FOR THE  
21 APPLICABLE BUDGET YEAR.]

22 (2) (a) Except as provided in ~~paragraph (c) of this subsection (2);~~  
23 SUBSECTION (2)(c) OF THIS SECTION for reorganized districts, for the 2007  
24 property tax year and property tax years thereafter THROUGH THE 2018  
25 PROPERTY TAX YEAR, each district shall levy the lesser of:

26 (a.5) (I) FOR THE 2019 PROPERTY TAX YEAR AND EACH PROPERTY  
27 TAX YEAR THEREAFTER, EACH DISTRICT SHALL LEVY THE LESSER OF:

1 (A) **X** MILLS; OR

2 (B) THE NUMBER OF MILLS THAT WILL GENERATE PROPERTY TAX  
3 REVENUE IN AN AMOUNT EQUAL TO THE DISTRICT'S TOTAL PROGRAM FOR  
4 THE APPLICABLE BUDGET YEAR MINUS THE AMOUNT OF SPECIFIC  
5 OWNERSHIP TAX REVENUE PAID TO THE DISTRICT. REGARDLESS OF THE  
6 APPLICABILITY OF SECTION 22-54-104 (5)(g), FOR THE PURPOSES OF THIS  
7 SUBSECTION (2)(a.5)(I)(B), A DISTRICT'S TOTAL PROGRAM IS THE AMOUNT  
8 CALCULATED PURSUANT TO SECTION 22-54-104 (2).

9 (II) BEGINNING WITH THE 2019 PROPERTY TAX YEAR, A DISTRICT  
10 SHALL SEEK VOTER APPROVAL, AS NECESSARY, TO COMPLY WITH THE MILL  
11 LEVY REQUIREMENTS SPECIFIED IN SUBSECTION (2)(a.5)(I) OF THIS  
12 SECTION. A DISTRICT MAY INCREMENTALLY INCREASE THE NUMBER OF  
13 MILLS LEVIED, STARTING WITH THE 2019 PROPERTY TAX YEAR, BY  
14 INCREASING THE MILL LEVY BY AT LEAST **X** MILLS EVERY **TWO** PROPERTY  
15 TAX YEARS UP TO THE NUMBER OF MILLS REQUIRED IN SUBSECTION  
16 (2)(a.5)(I) OF THIS SECTION. THE DISTRICT'S SHARE OF TOTAL PROGRAM  
17 FOR A BUDGET YEAR IN WHICH THE DISTRICT, PURSUANT TO THIS  
18 SUBSECTION (2)(a.5)(II), LEVIES FEWER THAN THE NUMBER OF MILLS  
19 REQUIRED IN SUBSECTION (2)(a.5)(I) OF THIS SECTION IS CALCULATED  
20 BASED ON THE ACTUAL NUMBER OF MILLS THE DISTRICT LEVIES OR THE  
21 NUMBER OF MILLS THAT THE DISTRICT IS REQUIRED TO LEVY PURSUANT TO  
22 THIS SUBSECTION (2)(a.5)(II), WHICHEVER IS GREATER.

23 (III) A DISTRICT MAY COUNT ALL OR ANY PORTION OF THE MILLS  
24 THAT THE DISTRICT LEVIES PURSUANT TO SECTION 22-54-108 AS MILLS  
25 LEVIED PURSUANT TO THIS SUBSECTION (2)(a.5) TO COMPLY WITH THE  
26 REQUIREMENTS SPECIFIED IN SUBSECTIONS (2)(a.5)(I) AND (2)(a.5)(II) OF  
27 THIS SECTION.

1 (c) (I) Notwithstanding any other provision of this subsection (2),  
2 FOR PROPERTY TAX YEARS BEFORE THE 2019 PROPERTY TAX YEAR, if there  
3 is a reorganization pursuant to article 30 of this ~~title~~ TITLE 22, except for  
4 a detachment and annexation, and if such reorganization involves districts  
5 with differing mill levies, then in its first year of operation, the new  
6 district shall levy a number of mills that is based on the total property  
7 taxes collected in the preceding year from property included within the  
8 new district divided by the total valuation for assessment in the preceding  
9 year of property located within the new district but in no event more than  
10 41.75 mills. This ~~paragraph (c)~~ SUBSECTION (2)(c) shall not apply to any  
11 new district whose levy would otherwise be calculated pursuant to  
12 ~~subparagraph (H) of paragraph (a) of this subsection (2)~~ SUBSECTION  
13 (2)(a)(II) OF THIS SECTION.

14 (II) FOR PROPERTY TAX YEARS BEFORE THE 2019 PROPERTY TAX  
15 YEAR, if there is a detachment and annexation pursuant to article 30 of  
16 this ~~title~~ TITLE 22 and if such detachment and annexation involves  
17 districts with differing mill levies, then in the first year after the  
18 detachment and annexation, the annexing district shall calculate its levy  
19 pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS  
20 SECTION.

21 (III) FOR THE 2019 PROPERTY TAX YEAR AND EACH PROPERTY TAX  
22 YEAR THEREAFTER, IF THERE IS A REORGANIZATION PURSUANT TO ARTICLE  
23 30 OF THIS TITLE 22, REGARDLESS OF THE RESULTING CHANGE TO DISTRICT  
24 BOUNDARIES, EACH DISTRICT INVOLVED IN OR RESULTING FROM THE  
25 REORGANIZATION SHALL CALCULATE ITS LEVY PURSUANT TO SUBSECTION  
26 (2)(a.5) OF THIS SECTION, AS APPLICABLE.

27 **SECTION 2.** In Colorado Revised Statutes, 22-45-103, **amend**

1 (1)(k) as follows:

2 **22-45-103. Funds.** (1) The following funds are created for each  
3 school district for purposes specified in this article 45:

4 (k) **Total program reserve fund.** A school district shall deposit  
5 the property tax revenues that it collects from a tax levy imposed pursuant  
6 to section 22-54-107 (5) in the total program reserve fund of the district.  
7 The district may expend money from the total program reserve fund only  
8 to offset the amount of a reduction in the district's state share caused by  
9 application of the budget stabilization factor pursuant to section  
10 22-54-104 (5)(g); except that, in a budget year in which the school district  
11 levies for its total program the number of mills calculated pursuant to  
12 section 22-54-106 (2)(a)(II) OR (2)(a.5)(I)(B), WHICHEVER IS APPLICABLE,  
13 if the balance of the total program reserve fund exceeds an amount equal  
14 to the district's total program for that budget year multiplied by the budget  
15 stabilization factor calculated pursuant to section 22-54-104 (5)(g) for  
16 that budget year, the district may expend the amount of the excess  
17 balance. Any money remaining in the fund at the end of a fiscal year must  
18 remain in the fund and may be used in future years only as provided in  
19 this subsection (1)(k).

20 **SECTION 3.** In Colorado Revised Statutes, 22-54-104, **amend**  
21 (5)(g)(IV) and (5)(g)(V) as follows:

22 **22-54-104. District total program - definitions.** (5) For  
23 purposes of the formulas used in this section:

24 (g) (IV) For the 2010-11 budget year, and each budget year  
25 thereafter, the total program funding for a district that levies the number  
26 of mills calculated pursuant to section 22-54-106 (2)(a)(II) ~~shall be~~ OR  
27 (2)(a.5)(I)(B), WHICHEVER IS APPLICABLE, IS the amount calculated

1 pursuant to subsection (2) of this section for the applicable budget year.  
2 Any such district shall use the revenues generated by the number of mills  
3 that the district levies pursuant to section 22-54-106 (2)(a)(II) OR  
4 (2)(a.5)(I)(B), WHICHEVER IS APPLICABLE, to replace any categorical  
5 program support funds that the district would otherwise be eligible to  
6 receive from the state; except that the amount of categorical program  
7 support funds that the district is required to replace ~~shall~~ MUST not exceed  
8 an amount equal to the district's reduction amount. The department shall  
9 use the amount of categorical program support funds replaced by property  
10 tax revenue pursuant to this ~~subparagraph (IV)~~ SUBSECTION (5)(g)(IV) to  
11 make payments of categorical program support funds to eligible districts  
12 as specified in section 22-54-107 (4).

13 (V) For the 2010-11 budget year and each budget year thereafter,  
14 if a district levies the number of mills calculated pursuant to ~~section~~  
15 ~~22-54-106 (2)(a)(I)~~ SECTION 22-54-106 (2)(a)(I), (2)(a.5)(I)(A), OR  
16 (2)(a.5)(II), WHICHEVER IS APPLICABLE, and the district's reduction  
17 amount exceeds the district's state share of total program funding, ~~such~~  
18 THE district's total program funding ~~shall be~~ IS the amount calculated  
19 pursuant to subsection (2) of this section for the applicable budget year,  
20 minus the district's state aid. Any such district shall use the revenues  
21 generated by the number of mills that the district levies pursuant to  
22 ~~section 22-54-106 (2)(a)(I)~~ SECTION 22-54-106 (2)(a)(I), (2)(a.5)(I)(A),  
23 OR (2)(a.5)(II), WHICHEVER IS APPLICABLE, to replace any categorical  
24 program support funds that the district would otherwise be eligible to  
25 receive from the state; except that the amount of categorical program  
26 support funds that the district is required to replace ~~shall~~ MUST not exceed  
27 an amount equal to the remainder of the district's reduction amount after

1 the reduction to the district's total program has been applied pursuant to  
2 this ~~subparagraph (V)~~ SUBSECTION (5)(g)(V). The department of  
3 education shall use the amount of categorical program support funds  
4 replaced by property tax revenue pursuant to this ~~subparagraph (V)~~  
5 SUBSECTION (5)(g)(V) to make payments of categorical program support  
6 funds to eligible districts as specified in section 22-54-107 (4).

7 **SECTION 4.** In Colorado Revised Statutes, 22-54-107, **amend**  
8 (1) and (5) as follows:

9 **22-54-107. Buy-out of categorical programs - total program**  
10 **reserve fund levy.** (1) If a district levies the number of mills calculated  
11 pursuant to section 22-54-106 (2)(a)(II) OR (2)(a.5)(I)(B), WHICHEVER IS  
12 APPLICABLE, the district shall make an additional levy to generate  
13 property tax revenue in an amount equal to the amount of categorical  
14 support funds; except that the total of the two levies cannot exceed:

15 (a) FOR PROPERTY TAX YEARS BEFORE THE 2019 PROPERTY TAX  
16 YEAR, the lesser of the district's levy for the immediately preceding year,  
17 the district's allowable levy under the property tax revenue limitation  
18 imposed on the district by section 20 of article X of the state constitution  
19 if the district has not obtained voter approval to retain and spend revenues  
20 in excess of such property tax revenue limitation, or twenty-seven mills;  
21 OR

22 (b) FOR THE 2019 PROPERTY TAX YEAR AND PROPERTY TAX YEARS  
23 THEREAFTER, THE DISTRICT'S LEVY FOR THE IMMEDIATELY PRECEDING  
24 YEAR.

25 (5) For the 2016-17 budget year and each budget year thereafter,  
26 if a district levies the number of mills calculated pursuant to section  
27 22-54-106 (2)(a)(II) OR (2)(a.5)(I)(B), WHICHEVER IS APPLICABLE, and the



1 additional mill levy described in subsection (1) of this section for  
2 categorical support funds, and the combined total of the two levies is less  
3 than the number of mills that the district levied in the preceding budget  
4 year, the district, in addition to the two levies, shall assess a number of  
5 mills equal to the difference between the combined total of the two levies  
6 and the number of mills levied in the preceding budget year. The district  
7 shall deposit the property tax revenue collected from the mills levied  
8 pursuant to this subsection (5) in the total program reserve fund created  
9 in section 22-45-103 (1)(k).

10 **SECTION 5. In Colorado Revised Statutes, 22-54-108, add (5)**  
11 **as follows:**

12 **22-54-108. Authorization of additional local revenues.**  
13 **(5) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE**  
14 **CONTRARY, ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, A**  
15 **DISTRICT SHALL NOT SEEK VOTER APPROVAL FOR ADDITIONAL LOCAL**  
16 **REVENUES PURSUANT TO THIS SECTION UNTIL SUCH TIME AS THE DISTRICT**  
17 **LEVIES THE NUMBER OF MILLS REQUIRED IN SECTION 22-54-106 (2)(a.5)(I).**

18 **SECTION 6. In Colorado Revised Statutes, 22-54-108.5, add (4)**  
19 **as follows:**

20 **22-54-108.5. Authorization of additional local revenues for**  
21 **full-day kindergarten - definitions. (4) NOTWITHSTANDING ANY**  
22 **PROVISION OF THIS SECTION TO THE CONTRARY, ON AND AFTER THE**  
23 **EFFECTIVE DATE OF THIS SECTION, A DISTRICT SHALL NOT SEEK VOTER**  
24 **APPROVAL FOR ADDITIONAL LOCAL REVENUES PURSUANT TO THIS SECTION**  
25 **UNTIL SUCH TIME AS THE DISTRICT LEVIES THE NUMBER OF MILLS**  
26 **REQUIRED IN SECTION 22-54-106 (2)(a.5)(I).**

27 **SECTION 7. In Colorado Revised Statutes, 22-54-108.7, add (3)**

1 as follows:

2 **22-54-108.7. Authorization of additional local revenues for**  
3 **cash funding of capital construction, new technology, existing**  
4 **technology upgrade, and maintenance needs - definition.**

5 (3) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE  
6 CONTRARY, ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, A  
7 DISTRICT SHALL NOT SEEK VOTER APPROVAL FOR ADDITIONAL LOCAL  
8 REVENUES PURSUANT TO THIS SECTION UNTIL SUCH TIME AS THE DISTRICT  
9 LEVIES THE NUMBER OF MILLS REQUIRED IN SECTION 22-54-106 (2)(a.5)(I).

10 **SECTION 8. Act subject to petition - effective date.** This act  
11 takes effect at 12:01 a.m. on the day following the expiration of the  
12 ninety-day period after final adjournment of the general assembly (August  
13 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a  
14 referendum petition is filed pursuant to section 1 (3) of article V of the  
15 state constitution against this act or an item, section, or part of this act  
16 within such period, then the act, item, section, or part will not take effect  
17 unless approved by the people at the general election to be held in  
18 November 2020 and, in such case, will take effect on the date of the  
19 official declaration of the vote thereon by the governor.