

## Colorado Legislative Council Staff Fiscal Note


**STATE  
REVISED FISCAL IMPACT**

(replaces fiscal note dated January 28, 2014)

**Drafting Number:** LLS 14-0678  
**Prime Sponsor(s):** Sen. Schwartz  
Rep. Fischer

**Date:** February 6, 2014  
**Bill Status:** Senate Second Reading  
**Fiscal Analyst:** Kori Donaldson (303-866-4976)

**SHORT TITLE:** PROHIBIT STATE AGREEMENTS PAYMENT IN LIEU OF TAX

Fiscal Impact Summary	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Appropriation Required: None		

**Summary of Legislation**

This bill, recommended by the **Capital Development Committee**, and as amended by the **Senate Finance Committee**, limits the circumstances under which the state may make a payment in lieu of taxes (PILT) for property that it owns or leases. It specifies that the state may not agree to make any form of payment in lieu of property taxes in connection with property that it owns or leases equal to the amount of property taxes payable by a non tax-exempt entity for such property, unless specifically authorized by law. However, the state is permitted to enter into an agreement to mitigate some of the loss of property tax revenue resulting from the ownership such property.

**Background**

The state is exempt from property taxes. A PILT is a payment made by a tax exempt entity to compensate a local government or local taxing jurisdiction for some or all of the tax revenue that it loses because of the nature of the ownership or use of a particular piece of real property. Usually a PILT relates to property tax revenue.

**Use of PILTs by Department of Natural Resources.** The Colorado Parks and Wildlife Division (CPW) within the Department of Natural Resources acquires real property for the purpose of habitat protection and recreation. When CPW acquires property within the boundary of a property-taxing subdivision of the state — such as a county — and that subdivision requests a PILT, CPW annually reimburses the county for any property taxes that it will not realize due to the state's tax-exempt status. These payments are specifically authorized in current law and thus no change is anticipated under the bill.

**State Expenditures**

To the extent that this bill precludes a state agency from entering into a PILT it will reduce expenditures.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

All Departments