

Pro

1. The Multistate Tax Commission and the member states are seeking to establish rational ground rules for the solution of interstate tax problems.

2. The Multistate Tax Commission constitutes an attempt by the states to resolve interstate tax problems for the states and for business taxpayers. Its success will preserve to the states the right to administer their own tax programs and the ability to do so efficiently. The alternative may be federal legislative constriction of state tax administration powers until state sovereignty itself may be questionable.

3. The Multistate Tax Commission promotes uniformly efficient state tax administration practices. It takes an active part in implementing that uniformity. Its joint auditing program provides the type of expertise on the firing line which assures equitable treatment for taxpayers and improved compliance by them with the tax laws of its member states.

4. The Multistate Tax Commission differs from any other tax organization in that it provides an effective joint auditing service and in that it actually becomes involved with its member states in helping them to improve compliance with state tax laws. Obviously, efficiencies are derived from having experienced auditors permanently located in major cities for the purpose of auditing large corporations there for many states at the same time.

5. The Multistate Tax Commission recognizes that the lack of uniform tax administration practices can cause substantial problems for business. The Commission works toward uniform simplicity in compliance procedures to the fullest extent possible. It knows that uniformly equitable treatment of taxpayers is a prerequisite to good tax administration. It is therefore as concerned as is any taxpayer that all taxpayers be treated fairly.

Con

1. The Multistate Tax Compact is not representative of the states and is not likely to become so. It has only 21 member states, and they represent a relatively small part of the National economy.

2. The Multistate Tax Compact is under attack by prominent interstate taxpayers as being unconstitutionally organized. Litigation on this point is proceeding in federal court. To date, the court has ruled against every motion by the Multistate Tax Commission and has called its motion to dismiss the taxpayers' suit for lack of merit "frivolous."

3. The Federal Constitution (Article I, Section 10, Clause 3) prohibits compacts among the states without consent of Congress.

After seven years of trying, the Compact has failed to secure this consent. This is a principal ground for the litigation above.

4. A state's membership in the Multistate Tax Compact results in a significant loss of tax sovereignty as a practical matter. The Compact creates a new and undesirable level of bureaucratic tax administration. This was a principal reason why New York withdrew from the Multistate Tax Compact as an associate member.

5. The Multistate Tax Commission has followed illegal and unethical procedures to solicit or retain member States. It purports to have changed the voting procedure prescribed in the Compact through an administrative by-law and has knowingly conducted illegal and harrassing "joint audits." Further, it has deserted the state "PURPOSES" of the Compact by rendering inoperative the right of a taxpayer to arbitrate apportionment disputes.

6. The Multistate Tax Compact does not consider the most pressing problem of interstate commerce taxation, jurisdiction to tax.

7. Article XII of the Multistate Tax Compact provides only for advisory uniform regulations; to assure uniform treatment of taxpayers they must be mandatory. Multistate Tax Compact regulations depart from past practices and create less, not more uniformity.

8. The Multistate Tax Commission has alienated the business community and can no longer communicate with it. Further, it has antagonized a large number of prominent states.

9. The Multistate Tax Commission activities can be more reasonable and constructively performed by the National Association of Tax Administrators (NATA). This is an organization of all the states which is working closely with the national business community to produce a bill which can be accepted by Congress as an accommodation of the interests of the states and business.

Recommendation. After review of the arguments pro and con, the Committee on Finance decided against recommending that the State of Colorado withdraw from the Multistate Tax Compact.

The State's Methods of Revenue Projection

Revenue Estimating Process

The revenue estimating process in Colorado may be divided into four stages.

First stage. A forecast of the national economic outlook is compiled. The major source of fluctuations in the Colorado economy and therefore the state's revenue is the national economy. Since the

Office of State Planning and Budgeting does not have resources for its own national forecast, the national input used in the revenue estimates is based on a consensus of national business analysts. Errors in the national forecast have been the major source of error in the past. The key national variables currently used in revenue estimating are: (1) Aaa bond rate, (2) commercial paper rate, (3) Federal Reserve Board production index, (4) mobile home shipments, (5) average hourly wage (mfg. and non-mfg.), (6) consumer price index, (7) unemployment rate, and (8) the following ratio -- federal government expenditures / Gross National Product.

Second stage. A forecast of the Colorado economy and general fund revenues is prepared by the Office of State Planning and Budgeting staff. The forecast based on the national forecast described above and utilizes an economic and revenue model. The economic model describes in numbers, relationships between economic and/or revenue variables based upon past experience. For example, it has been found that spending, and therefore sales tax receipts, depends upon Colorado income along with some other variables. In the model, this relationship takes the form of a mathematical equation relating sales tax to income. The results of such formulas are not accepted blindly but are checked against common sense and experience.

Third stage. The staff economic forecasts, Colorado and national, and the revenue estimates are then evaluated by the Governor's Revenue Estimating Advisory Committee. This committee, consisting of representatives from the State's major industries, academicians from the universities and state officials examines the forecasts on the basis of their experience and background. If necessary, a new staff estimate is prepared using the committee's judgments. When the committee accepts the estimate, it is presented to the Governor and the legislature.

Fourth stage. The economic and revenue forecasts are monitored by the staff as new statistics and tax receipt data become available. If actual performance of the economy or revenues differ significantly from expectations, a new estimate is prepared.

Past Performance

An evaluation of past performance should take into account changes in the estimating methods. Two major structural changes in the revenue estimating have occurred in the past twenty years. These were:

- (1) One full-time staff person in the Office of State Planning and Budgeting was assigned to the revenue estimating area and the Governor's Revenue Estimating Advisory Committee was formed. These changes first affected the revenue estimates for the 1964-65 fiscal year; and
- (2) The staff was expanded and more sophisticated estimating

methods, including an economic model, were developed. As a result, the staff assumed a larger role in revenue estimating leading to the process described above. These changes were fully implemented in time to affect the estimates for the 1973-74 fiscal year.

The revenue estimating record for the past twenty years is shown in the following table.

Recent Changes

Recent changes in the revenue estimating area include:

(1) The addition of three persons from industry to the Governor's Revenue Estimating Committee in order to broaden the committee's perspective and in order to tap the expertise of persons who serve as full time economists;

(2) The addition of the staff director of the Legislative Council to the Governor's Revenue Estimating Committee in order to improve communications between the committee and the General Assembly;

(3) More business of the committee is handled by sub-committees; and

(4) A change in the monthly estimating process from a comparison of actual receipts to receipt from a year ago, to a comparison of actual receipts to a target number developed at the beginning of the year.

Under Consideration

Items under consideration by the Governor's Revenue Estimating Committee include:

(1) Use of a range rather than specific figure approach to revenue estimating; and

(2) Use of a consultant from outside state government to evaluate the State's revenue estimating process.

Conclusion

Although the committee did not come to any decision as to additional changes needed, several members of the committee have been exploring the possibility of establishing an independent, legislative capacity for revenue estimating. However, since the leadership is also exploring the possible adoption of the Washington state budget information system, no further action was taken by the committee.

GENERAL FUND RECEIPTS
COMPARISON OF ACTUAL RECEIPTS WITH ORIGINAL ESTIMATES
FISCAL YEARS 1955-56 THROUGH 1974-75*

(\$ MILLIONS)

FISCAL YEAR	(1) ORIGINAL ESTIMATE (20 mos. ahead)	(2) ADJUSTMENT FOR LAW CHANGE /1	(3) ADJUSTED ORIGINAL ESTIMATE (1) + (2)	(4) REVISED ESTIMATE (8 mos. ahead)	(5) ACTUAL RECEIPTS	(6) ORIGINAL EST. PERCENT ERROR (5)-(3) / (5)	(7) REVISED EST. PERCENT ERROR (5)-(4) / (5)
1955-56	\$ 30.8	n/a /2	\$ 30.8	\$ 37.0	\$ 42.6	27.7%	13.1%
1956-57	36.0	n/a /2	36.0	44.7	45.5	20.9	1.8
1957-58	45.2	n/a /2	45.2	54.0	53.6	15.7	-0.7
1958-59	53.9	n/a /2	53.9	66.0	68.7	21.5	3.9
1959-60	59.4	n/a /2	59.4	76.4	79.9	25.7	4.4
1960-61	89.3	n/a /2	89.3	94.1	108.0	17.3	12.9
1961-62	102.1	n/a /2	102.1	119.3	124.1	17.7	4.0
1962-63	124.2	-	124.2	127.7	119.3	-4.1	-6.5
1963-64	138.0	-	138.0	135.1	136.1	-1.3	0.7
1964-65	142.4	+24.5 /3	166.9	167.2	167.9	0.6	0.4
1965-66	217.9	+ 3.8 /4	221.7	213.1	221.8	0.1	3.9
1966-67	223.5	-	223.5	238.6	240.2	7.0	0.7
1967-68	254.7	-	254.7	256.7	267.8	4.9	4.3
1968-69	277.7	+ 3.0 /5	280.7	295.5	309.4	9.3	4.5
1969-70	324.3	+14.0 /6	338.3	364.9	357.2	5.3	-2.2
1970-71	397.3	+ 3.6 /7	400.9	390.1	397.6	-0.8	1.9
1971-72	432.8	-	432.8	443.3	468.3	7.6	5.4
1972-73	494.2	-	494.2	554.7	559.0	11.6	0.8
1973-74	642.2	-	642.2	650.8	653.8	1.8	0.5
1974-75	722.0	-	722.0	733.9	718.5	-0.5	-2.1

/1 Adjustment for changes in Colorado law only enacted after revenue estimates were made.

/2 Data on impact of law changes for years 1955-56 through 1961-62 not available.

/3 \$7.6 million for cigarette tax and \$16.9 for fund simplification in revenue & welfare departments.

/4 \$3.8 million for cigarette tax increases.

/5 \$4.0 million for welfare Title XIX adoption.

/6 \$14.0 million for change in income tax withholding payment schedules.

/7 \$3.6 million for change in income tax withholding payment schedules.

*SOURCE: From a paper submitted to the Committee on Finance by Mr. Allen Charnes, Director, Office of State Planning and Budgeting.

COMMITTEE ON FINANCE

BILL 65

A BILL FOR AN ACT

1 CONCERNING CREDITS OR REFUNDS ALLOWABLE AGAINST COLORADO INCOME
2 TAXES FOR DISABLED VETERANS.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Excludes certain compensation benefits paid to disabled veterans from that income which is allowed in order to receive the property tax credit or refund.

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

4 SECTION 1. 39-22-120 (3) (c), Colorado Revised Statutes
5 1973, as amended, is amended to read:

6 39-22-120. Real property tax credit or refund - eligibility
7 - applicability. (3) (c) Have income from all sources for the
8 taxable year of less than six thousand nine hundred dollars if
9 single or, in the case of husband and wife, less than seven
10 thousand nine hundred dollars including, but not limited to, for
11 this purpose, alimony, support money, cash public assistance and
12 relief, pension or annuity benefits, federal social security
13 benefits, veterans' benefits (EXCEPT THOSE SPECIFIC VETERANS'
14 BENEFITS THAT ARE SERVICE CONNECTED DISABILITY COMPENSATION

1 PAYMENTS), nontaxable interest, workmen's compensation, and
2 unemployment compensation benefits, but not including outright
3 gifts. "SERVICE CONNECTED DISABILITY PAYMENTS" MEANS THOSE
4 PAYMENTS MADE FOR PERMANENT DISABILITY, WHICH DISABILITY SHALL BE
5 LIMITED TO LOSS OR LOSS OF USE OF BOTH LOWER EXTREMITIES SO AS TO
6 PRECLUDE LOCOMOTION WITHOUT THE AID OF BRACES, CRUTCHES, CANES,
7 OR A WHEELCHAIR; BLINDNESS IN BOTH EYES, INCLUDING SUCH BLINDNESS
8 WITH ONLY LIGHT PERCEPTION; OR LOSS OF ONE LOWER EXTREMITY
9 TOGETHER WITH RESIDUALS OR ORGANIC DISEASE OR INJURY WHICH SO
10 AFFECTS THE FUNCTIONS OF BALANCE OR PROPULSION AS TO PRECLUDE
11 LOCOMOTION WITHOUT THE USE OF A WHEELCHAIR.

12 SECTION 2. Applicability. This act shall apply to credits
13 and refunds claimed on real property taxes levied for the year
14 1975 and actually paid in the year 1976 and to personal property
15 and specific ownership taxes and tax-equivalent amounts paid
16 during 1976 and for each succeeding year.

17 SECTION 3. Safety clause. The general assembly hereby
18 finds, determines, and declares that this act is necessary for
19 the immediate preservation of the public peace, health, and
20 safety.

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COMMITTEE ON PROPERTY TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

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COMMITTEE ON PROPERTY TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

Property Tax Assessment Practices

Repeal the Limit on Assessment of Non-producing Oil Shale Lands --
Bill 66

Non-producing oil shale lands are assessed, under current law, on the basis of surface use and the additional value of the undeveloped shale which, by statute, shall not exceed the value for the surface use. The committee concluded that this value is not reflective of actual value and has caused an economic hardship on Garfield County and thus recommends repeal of the special provision for oil shale lands. As a result, the lands would be assessed as other non-producing mineral lands.

Fiscal impact. The proposed legislation would affect only Garfield and Rio Blanco counties. Based on the experience of 1969 in which only Garfield County assessed non-producing oil shale lands in excess of the present limit, a projection can be offered. If oil shale lands were valued at the 1969 assessment of \$30.40 per acre (as contrasted to the present rate of approximately \$2.00 per acre), the assessed value of non-producing oil shale lands would increase from \$510,870 to \$8,739,400 (based on 1974 valuations). Had that been the case, mill levies could have been reduced by nearly 30 mills for taxpayers residing in the DeBeque School District with the equivalent amount of revenue raised. The state school aid to the DeBeque and Grand Valley school districts would have been reduced by nearly 50 percent (\$155,749).

State Assessment of Mines and Oil and Gas Leaseholds and Lands -- Bill
67

Presently, the assessment of all mineral lands is under the jurisdiction of the county assessors, as is the case with all properties except public utilities. The committee concluded that, due to the complexity of valuing mineral producing properties which may require an in-depth knowledge of the industry and production which often overlaps county boundaries, it would be appropriate for the state Property Tax Administrator to assume responsibility for the assessment of all producing minerals, including oil and gas.

Fiscal impact. The Division of Property Taxation estimated that this recommendation would require twelve to twenty additional personnel for the division at a cost of approximately \$144,000. Increased or decreased assessed valuation for local governments cannot be estimated without assumptions concerning the adequacy of local assessment practices. In his report to the State Board of Equalization, dated November 11, 1974, the Property Tax Administrator stated

that a comparison of the assessments with the 1973 Summary of Mineral Industry Activities of the Colorado Division of Mines "indicates that assessors are lax in the assessment of oil and gas, metalliferous, non-metalliferous, and coal".

Legislative Recommendations of the Property Tax Administrator -- Bill 68

At the request of the committee, the Property Tax Administrator submitted a number of items for consideration. The committee considered the proposals of the administrator as an omnibus bill and recommends changes in a number of assessment procedures. These recommendations are as follows:

Requiring the county clerk to provide a copy of any deed subject to a documentary fee to the assessor. There is presently no requirement that the county clerk provide the assessor with a copy of any instrument in writing or deed to which the documentary fee applies. It was the conclusion of the committee that such a requirement would aid the assessor in the accurate valuation of property and in the compilation of sales ratio data. Thus, the committee recommends that the clerk be required to forward a copy to the assessor and that such instruments contain the legal address of the grantee of the instrument, including the road or street address, if applicable.

Factors for determining actual value. Present law requires that assessors use six factors for determining actual value. These factors are: (1) location and desirability; (2) functional use; (3) current replacement cost, new, less depreciation; (4) comparison with other properties of known or recognized value; (5) market value in the ordinary course of trade; and (6) earning or productive capacity. Testimony to the committee indicated that these factors (based on a Nebraska statute which provided for the assessment of personal property) are unnecessarily duplicative or redundant and confuse property owners who attempt to understand the basis for assessments. The committee concluded that factors (1) and (2) are unnecessary since they are incorporated in other factors and thus recommends that they be stricken.

Examination of complaints by the administrator. Under present law, the administrator is empowered to examine all complaints filed with him wherein it is alleged that a class or subclass of property has not been properly appraised or that the property tax laws have in any manner been evaded or violated. However, the administrator has no power of enforcement after examination. The committee recommends that if the administrator finds the complaint justified, he could use his finding as the basis for petitioning the Board of Assessment Appeals for an order of reappraisal.

Intervention by the administrator in proceedings before a court or other tribunal. Present law authorizes the administrator to appear as an interested party only when an abatement or refund of property

taxes is sought. The committee recommends that this authority be enlarged to allow the administrator to appear as party in interest in any property tax cases that involve a statewide assessment policy.

Exemption on non-income producing household furnishings. Under present law, household furnishings are exempt from assessment if they are not used for the production of income "at any time". For summer homes, condominiums, and similar properties, some household furnishings are rented for less than a full year. The present practice is to prorate the assessment for that period of time that the property produces income, a costly and cumbersome procedure. The committee recommends that the exemption be amended to provide that if the property is used for the production of income for any period during the taxable year, it is taxable for the entire year.

Definition of "aircraft", "airline company" and "cable television company". Present law does not clearly distinguish aircraft which are assessed for ad valorem purposes and aircraft subject to specific ownership tax. The committee recommends that this distinction be clarified to provide that airline companies subject to ad valorem taxes be defined as any operator who (1) engages in the carriage by aircraft of persons or property as a common carrier for compensation or hire, (2) carries mail, or (3) operates regularly between two or more points and publishes a flight schedule. In addition, the recommendation adds the term "cable television company" to the definition of public utility. There is also a statement of intent that definitions for this purpose are not to be construed as subjecting any such company or business entity to regulation by the Public Utilities Commission.

Public utilities identify property. Under present law, public utilities are required to report operating property and plant to the administrator for assessment by him but are not required to report other property which is under the jurisdiction of the assessor. As a result, some properties may be omitted from taxation. The committee recommends that such utilities be required to submit a specific identification of each and every item of property owned, leased, or used which is not included in the rendition of the operating property and plant.

Valuation of agricultural improvements. Section 39-5-105 provides that certain improvements on agricultural lands shall be appraised and valued with the land as a unit, whereas section 39-1-103 (5) provides that agricultural improvements shall be valued separate from the land as other property, according to the six factors. It is the recommendation of the committee that the unit provision in 39-5-105 be stricken.

Transfer of property from one county to another. Currently, when property is brought into the state during the taxable year, the owner is required to so notify the assessor. The committee recommends that this provision be enlarged to require notification when property is transferred from one county to another within the state.

Failure to file schedule. Present statutes provide no penalty for a person who fails to complete a schedule of personal property by April 15. Testimony to the committee indicated that a penalty attached to a late filing would facilitate the work schedule of the assessor and would eliminate a great number of hearings during the protest and appeal periods. The committee recommends that such failure be subject to a penalty of 25 percent of the tax bill.

Inspection of tax schedules. If there is an appeal to the county Board of Equalization concerning a personal property assessment, under the present law, assessors are reluctant to reveal the content of the personal property schedules to the county Board of Equalization. The committee recommends that this section be enlarged to provide that personal property schedules shall be considered public records open to inspection and accompanying exhibits or statements be made available to the Board of Assessment Appeals and the county Board of Equalization.

Protest and appeal dates. Because of various amendments to the dates for notices of valuation and taxpayer appeal of such, there are conflicts in the statutes. For example, for the tax year 1975 the assessor had until July 14 to mail his denial of an appeal, yet the taxpayer had to file a copy of his appeal of the denial by July 9. The committee recommendation would: (1) correct the various valuation and appeal dates; (2) require that the notice of increased valuation state, in bold face type, the right of the taxpayer to appeal and the dates and place at which the assessor will hear such protest; (3) strike the provision that notice of hearing by the assessor be given in a newspaper and require, instead, that the assessor send press releases to radio and television stations and newspapers of general circulation; and (4) require that the State Board of Equalization provide similar press releases.

Anticipated location of livestock. Under the formula for livestock assessment adopted by the 1973 General Assembly, the provisions for anticipated location of livestock in two or more counties are no longer applicable. The committee recommends that those references be repealed.

Incorrect documentary fee. Under present law, it is a misdemeanor for the county clerk to willfully and knowingly record any document subject to the documentary fee without first collecting such fee and evidencing payment. The committee recommends that this provision be enlarged to include the willful and knowing receipt of an incorrect fee.

Mounted equipment. There is presently no requirement for coordination between the clerk and the assessor concerning Class F property subject to the specific ownership tax and equipment mounted upon such property which is subject to ad valorem taxation. Testimony to the committee indicated that such property is usually omitted from taxation. The committee recommends that the county clerk be required to list all equipment mounted on or attached to Class F personal property and make such list available to the assessor.

Fiscal impact. Although this proposal is primarily one of technical amendments, the impact should be a small but positive increase in assessed valuation for local governments. The administrator indicated that, in the case of public utilities identifying property and county clerks providing information to the assessors on mounted equipment, the amended language should assist assessors in locating properties which are not now assessed.

Assessment of Subsurface Oil and Gas Equipment -- Bill 69

Present law is silent as to the assessment of subsurface oil and gas equipment. It is the contention of the Property Tax Administrator that such equipment should be separately assessed as other property at 30 percent of actual value, whereas spokespersons for the industry maintain that it is included in the production assessment because it is an integral part of production, and should be subject to no separate assessment. The committee recommends that subsurface oil and gas equipment be separately assessed at 30 percent of actual value.

Fiscal impact. It is likely that subsurface oil and gas equipment could be assessed whether or not this legislation is adopted. Since it has been estimated that above ground oil and gas equipment represents only about 40 percent of the total value of oil and gas equipment, the increase in assessed valuation could approximate \$10,000,000.

Assessment of Livestock -- Bill 70

Current law provides that business stocks of merchandise be assessed on the basis of five percent of the average inventory of the previous year. Livestock are assessed in the same manner but at a level of thirteen percent. In many respects there is little difference between a businessman's inventory and a rancher's livestock -- both are essentially the inventory of a business enterprise. The committee recommends that the assessed value of livestock be five percent of actual value, based on the owner's average inventory for the previous year. In addition, the recommendation contains two clarifying amendments to provide that the actual value of dairy livestock shall be 135 percent of the stock cow actual value as determined by the Colorado Crop and Livestock Reporting Service and that assessors be allowed to use market values in the determination of actual value in cases where data are not available from the service.

Fiscal impact. As this proposal would reduce the assessed value of livestock, the result would be an increase in tax levies for revenue maintenance for those counties and other local governments with livestock. If the proposal had been in effect for 1974, county levies could have increased by as much as 2.15 mills, as indicated on pages 132-134 of the report of the 1974 Committee on State and Local Finance. Levy increases for other local governments cannot be deter-

mined in the absence of information concerning the location of livestock by units of government other than counties. For the state, an additional appropriation would be required under the "School Finance Act" and welfare levy guarantees. The state cost was estimated by the Office of State Planning and Budgeting during the 1975 session at approximately \$1 million.

Mandatory County Mapping -- Bill 71

County mapping is not presently required by statute, although a number of counties are mapped or are in the process of mapping. Testimony to the committee indicated that a full and accurate set of maps is an essential tool for assessors. The committee recommends that assessors be required to prepare and maintain full, accurate, and complete maps, with guidelines for the maps established by the administrator. Provision is included for those counties in which the maps are prepared by an office other than the assessor. The recommendation includes an appropriation of \$60,000 for the administrator to use for contractual personnel or matching funds for counties.

Fiscal impact. The appropriation in the bill of \$60,000 would not cover the entire cost for counties which are not mapped or only partially mapped. The cost to counties would be of an undetermined amount.

Limitations on Local Government Revenues -- Bill 72

Counties, cities, towns, and special districts are presently limited to revenue increases of five percent over the previous year unless greater increases are allowed by the Division of Local Government or, in the case of refusal by the division, a vote of the local electorate. Testimony to the committee indicated that the five percent limit imposes a hardship on local governments in an inflationary period such as at the present. The committee thus recommends that the revenue increase limit be raised from five to ten percent.

Fiscal impact. Any additional cost to taxpayers of counties and other local governments under this proposal would be at the discretion of such governments. If it is assumed that the requirement for approval for revenue increases beyond five percent by the division has resulted in a significant number of rejections and corresponding decisions not to seek local voter approval or if some local governments have limited their revenue increases in order to avoid appeal to the division, the proposal might effectively encourage some governments to increase revenues and, correspondingly, mill levies beyond what would have been the case had the revenue limit not been increased. Local taxpayers would be accordingly affected.

Severed Mineral Interests -- Bill 73

Under legislation adopted by the 1973 General Assembly, severed mineral interests are to be valued at 30 percent of actual value in the same manner as other real property. Testimony to the committee indicated that it would be quite expensive for some counties to comply with this law because of the necessity of determining ownership which may be split among many persons, particularly in the case of oil and gas interests in the eastern portion of the state. It is the recommendation of the committee that the determination of ownership of severed mineral interests be made discretionary for the assessors.

Fiscal impact. This recommendation should have no immediate fiscal impact since those counties presently assessing severed mineral interests would presumably continue to do so. For those counties which have not located ownership of such interests, there would be a cost savings in not having to comply with the 1973 law (estimated at \$300,000 for Weld County) but an ultimate loss in revenue from not assessing such interests.

Income Data by School Districts -- Bill 74

Under legislation adopted by the General Assembly in 1973, the Department of Revenue is required to solicit information on the income tax forms concerning the school district of resident taxpayers. Such information has not, however, been retrieved from the forms by the department. The committee concluded that such information would be necessary if the "School Finance Act" were to be revised to utilize an income factor as a measure of wealth. Thus, the committee recommends that the department be required to report such data annually to the General Assembly and that the department be appropriated the necessary funding to accomplish this requirement.

Fiscal impact. The Department of Revenue indicated to the committee that to retrieve such information and include additional information in the 1976 booklets would require an appropriation of \$79,243.

Sales Ratio to Include Foreclosure Sales -- Bill 75

Although a sizeable percent of sales transactions in some communities may consist of foreclosure sales, there is no provision for the transmittal of the sale price to the assessor for inclusion in sales ratio data. It is the recommendation of the committee that the public trustee be required to transmit information concerning foreclosure sales to the assessor who shall, in turn, transmit summaries of such information to the Property Tax Administrator as is currently the case with other sales.

Fiscal impact. There would be no fiscal impact caused by this recommendation.

Authority for the State Board of Equalization to Adopt Rules and Regulations -- Bill 76

The Property Tax Administrator presently publishes various manuals to assist the assessors in the valuation of properties. As the State Board of Equalization is not empowered to adopt rules and regulations, the administrator is not required to employ the hearing process, as is required of other agencies, prior to adoption of the manuals. The board recommended that it be granted rule making authority in order that the manuals could be adopted as rules of the board and the committee concurs in the recommendation.

Fiscal impact. There would be no fiscal impact caused by this recommendation.

Authority for the Property Tax Administrator to Assist in the Supervision of Administration of Property Tax Laws -- Bill 77

Under present statutes, the Property Tax Administrator is empowered to "assist and cooperate" in the administration of property tax laws. The State Board of Equalization recommended that the administrator be given supervisory powers in order to ensure assessor compliance with the laws and the committee concurs with this recommendation.

Fiscal impact. There would be no direct fiscal impact caused by this recommendation, but two impacts could result. First, the administrator might need an increased staff to effectively supervise the assessors. Second, if supervision leads to compliance with the statutes, valuations for assessment could increase with the result of increased local revenues and a lessened state obligation under the School Finance Act and welfare assistance.

Increasing the Documentary Fee -- Bill 78

The State Board of Equalization informed the committee that Colorado's documentary fee of ten cents per thousand is the lowest of any state and that the committee might wish to consider an increase in the fee. Members of the committee expressed interest in an increased fee as a method of providing additional revenue for assessors to complete mapping of counties and for the Property Tax Administrator to provide assistance to the assessors in mapping. It is the recommendation of the committee that the documentary fee be increased to 50 cents per thousand. One-third of the fee would be credited to the state general fund in contrast to the present law which allocates the entire amount to the counties.

Fiscal impact. On the basis of data contained in the fiscal note to a bill considered during the 1975 session, which would have increased the documentary fee, this proposal would have produced \$1,200,000 in addition to the existing \$300,000 if the bill had been

effective for 1974. Local governments would receive \$1 million annually (an increase of \$700,000) and the state general fund would receive \$500,000.

School Finance

In its consideration of revisions to the School Finance Act, the committee was cognizant of the revenue situation in state government. However, the committee was also aware that if the act is not modified upward many school districts will face mill levy increases next year. The act, with no changes, will require approximately \$25 million more than the fiscal year 1976 appropriation, as adjusted by the action of the Joint Budget Committee and the Governor. The amendments recommended by the committee will necessitate an additional \$13.7 million for fiscal year 1977 and \$26 million for calendar year 1977. The committee suggests that its proposed amendments be evaluated in light of the availability of revenues and that they be considered as a major funding priority.

Counting of Kindergarten Students for the School Finance Act -- Bill 79

The present definition of "aggregate of daily attendance" under the School Finance Act provides that kindergarten students shall be counted the same as all other students, with one day constituting one full period beyond one-half of the number of hours of the school day and one-half day for hours less than that amount. Under regulations adopted by the State Board of Education, four hours, fifteen minutes, constitutes a full kindergarten day. Under the October, 1975 ADAE count, 37,400 kindergarten students were counted as one-half time and 3,500 as full time. If all school districts were to revise their programs to count kindergarten students as full time, some 18,500 additional attendance count would be added at a cost to the state of approximately \$13 million. In order to avoid this possibility and to provide a period for review of the method of counting kindergarten students, the committee recommends that all kindergarten students be counted as one-half time for the period of July 1, 1976 through June 30, 1978.

Fiscal impact. Based on the school year 1976 enrollment of full time kindergarten students, the recommendation would represent a cost savings to the state of \$450,000 to \$500,000 for fiscal year 1977 and \$800,000 to \$900,000 for calendar year 1977.

Increasing the State Equalization Support Level, Limiting the Minimum Guarantee, and Increasing the Authorized Revenue Base for the 1977 Budget Year, and Providing State Assistance to School Districts With a High Concentration of Children From Low Income Families -- Bill 80

Under the School Finance Act of 1973, the state support levels were provided for budget years 1974 through 1976. The committee received recommendations from the Committee on Educational Development and others to revise these levels for the 1977 budget year. The committee recommends legislation which would assist local school districts in the stability of mill levies and provide increased revenues through the authorized revenue base. Specifically, the recommendation is to: (1) increase the state equalization support level from \$29.32 for 1976 to \$30.90 per mill, per student for 1977; (2) provide that for any district with an assessed valuation more than twice the state average, the minimum guarantee would be \$10, whereas for all other districts under the minimum the state aid would be \$10.35 per mill, per student; and (3) increase the authorized revenue base for all districts by \$30 in addition to the seven to twelve percent increases presently allowed.

Under the present School Finance Act, special state aid is granted in recognition of the needs of school districts with declining enrollment and those with small attendance centers. It was proposed to the committee that special assistance should also be granted to those districts with large percentages of children from low income families because of the extra costs involved in the educational program for such students. Thus, it is recommended that the state provide \$100 for each such pupil in excess of 15 percent of the attendance entitlement in any district in which the assessed valuation is less than two hundred percent of the state average.

Fiscal impact. The cost to the state of the recommendations would be as follows (millions of dollars):

	<u>1977 Fiscal Year</u>	<u>1977 Calendar Year</u>
\$30.90 state equalization support	\$5.0	\$10.0
Minimum guarantee	(.05)	(.1)
\$30 increase in ARB	4.0	8.0
Grants for Pupils from Low Income Families	<u>2.7</u>	<u>5.4</u>
TOTALS	11.65	23.3

Funding of Vocational Education Programs -- Bill 81

During consideration of the 1975 Long Appropriations Bill there were two differing interpretations of the statutory formula for vocational education funding. Under the interpretation of the Joint Budget Committee, the appropriation was \$9.7 million, whereas the Division of Occupational Education contended that the appropriation should have been \$11.9. The committee recommends a formula which is between the two interpretations. The recommendation provides that the state would fund 80 percent of the first \$1,250 by which the district's vocational education program exceeds seventy percent of the authorized revenue base and fifty percent of the costs in excess of \$1,250.

Fiscal impact. According to information provided by the division, the recommended legislation would cost \$11.7 million for fiscal year 1977 (an increase of \$2 million over the FY 1976 appropriation) and \$12.4 million for calendar year 1977. This estimate would be decreased somewhat if the authorized revenue base is increased as previously recommended.

Authority for the State School District Budget Review Board to Decrease the Authorized Revenue Base of a School District Requesting an Increase Thereof -- Bill 82

The State School District Budget Review Board was created as a part of the School Finance Act of 1973 for the purpose of authorizing increases in the revenue base of school districts which experience difficulty in operating under the percentage increases allowed by the act. It is the recommendation of the committee that the board be granted the additional authority to decrease the revenue base of a district which requests an increase in the base. As is the case with the board's action on a requested increase, any reduction in the base would be subject to a readjustment by the local electorate.

Fiscal impact. Authority for the board to decrease the revenue base of such districts could result in a cost savings to the state under the School Finance Act.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 66

A BILL FOR AN ACT

1 REQUIRING THAT NONPRODUCING OIL SHALE MINES BE VALUED FOR
2 ASSESSMENT ON THE SAME BASIS AS OTHER NONPRODUCING MINES.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Returns the valuation for assessment of nonproducing oil shale mines to the same basis for valuation as other nonproducing mines and removes the formula under which valuation of nonproducing oil shale mines could not exceed twice the value of the land based on surface use.

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

4 SECTION 1. 39-6-111 (2), Colorado Revised Statutes 1973, is
5 amended to read:

6 39-6-111. Valuation of mines other than producing mines.

7 (2) All mines which are classified as nonproducing mines shall
8 be valued for assessment in the same manner as other real
9 property. In determining the value thereof, the assessor shall
10 take into consideration location, proximity to other mines or
11 mining claims, and any other factors which may enable him to
12 arrive at a fair and equitable valuation for assessment. ~~but,~~
13 ~~because--of--the--impracticability--of--assessing--nonproducing--oil~~

1 shale-mines; each tract of land which includes nonproducing oil
2 shale mines shall be valued for assessment on the basis of its
3 surface use on the assessment date, plus the additional value
4 attributable to such undeveloped oil shale, if any, which shall
5 not exceed the per-acre value for assessment placed on the
6 surface use of such tract on the assessment date.

7 SECTION 2. Effective date - applicability. This act shall
8 take effect January 1, 1977, and apply to taxable years
9 commencing on and after said date.

10 SECTION 3. Safety clause. The general assembly hereby
11 finds, determines, and declares that this act is necessary for
12 the immediate preservation of the public peace, health, and
13 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 67

A BILL FOR AN ACT

1 AUTHORIZING THE DIVISION OF PROPERTY TAXATION TO ASSESS MINES AND
2 OIL AND GAS LEASEHOLDS AND LANDS.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Provides for central assessment of mines and oil and gas leaseholds and lands by the division of property taxation, thereby removing such assessment from county assessors as previously has been done in the case of public utilities.

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

4 SECTION 1. 39-2-109 (1) (a), Colorado Revised Statutes
5 1973, is amended to read:

6 39-2-109. Duties, powers, and authority. (1) (a) To value
7 the property and plant of all public utilities doing business in
8 this state, MINES, AND OIL AND GAS LEASEHOLDS AND LANDS in the
9 manner prescribed by law and to prepare and furnish all forms
10 required to be filed with him by public utilities, OWNERS OR
11 OPERATORS OF MINES, AND OWNERS OR OPERATORS OF OIL AND GAS
12 LEASEHOLDS OR LANDS;

1 SECTION 2. 39-6-103 (1) and (2), Colorado Revised Statutes
2 1973, are amended to read:

3 39-6-103. Listing of mining claims and mines. (1) The
4 ~~assessor~~ ADMINISTRATOR shall list all mining claims and mines
5 located within ~~his-county~~ THE STATE on the assessment date,
6 including for each claim the name of the lode, placer, millsite,
7 or tunnelsite, the United States mineral survey number, if any,
8 the name of the mining district in which such claim is located,
9 and the number of acres contained in such claim. If a claim is
10 not patented, the numbers of the book and page at which the
11 location of such claim is recorded in the county records shall be
12 used in place of the United States mineral survey number. If two
13 or more mining claims are included in one patent with one United
14 States survey number, the ~~assessor~~ ADMINISTRATOR shall list
15 together such mining claims with the one survey number and the
16 total number of acres contained therein. In listing mining
17 claims, abbreviations of words and figures may be used.

18 (2) Whenever, to the knowledge of the ~~assessor~~
19 ADMINISTRATOR, contiguous mining claims are worked or operated
20 through or by means of the same shafts, tunnels, or other
21 openings, they shall be listed as one unit; and whenever, to the
22 knowledge of the ~~assessor~~ ADMINISTRATOR, contiguous placer claims
23 are worked or operated by means of the same ditch or other works,
24 they shall be listed as one unit, including such ditch or other
25 works.

26 SECTION 3. The introductory portion to 39-6-106 (1) and
27 39-6-106 (2), Colorado Revised Statutes 1973, are amended to

1 read:

2 39-6-106. Valuation for assessment of producing mines.

3 (1) Every person owning or operating any mine classified as a
4 producing mine shall, no later than the fifteenth day of April of
5 each year, prepare, sign under the penalty of perjury in the
6 second degree, and file with the ~~assessor-of-the-county--wherein~~
7 ~~such-mine-is-located~~ ADMINISTRATOR a statement showing:

8 (2) On the basis of the information contained in such
9 statement, the ~~assessor~~ ADMINISTRATOR shall value such mine for
10 assessment at an amount equal to twenty-five percent of the gross
11 proceeds, but if the net proceeds exceed twenty-five percent of
12 the gross proceeds, then such mine shall be valued for assessment
13 at the amount of such net proceeds.

14 SECTION 4. 39-6-108, Colorado Revised Statutes 1973, is
15 amended to read:

16 39-6-108. Failure to file statement. If any person owning,
17 operating, or managing any producing mine fails or refuses to
18 prepare and file the statement required in section 39-6-106 or
19 39-6-113, or both, then the ~~assessor~~ ADMINISTRATOR shall list
20 such property and shall value the same for assessment on the
21 basis of the best information available to and obtainable by him.

22 SECTION 5. 39-6-109, Colorado Revised Statutes 1973, is
23 amended to read:

24 39-6-109. Administrator to examine books, records. The
25 ~~assessor~~ ADMINISTRATOR has the authority and right at any time to
26 examine the books, accounts, and records of any person owning,
27 managing, or operating a producing mine in order to verify the

1 statement filed by such person, and if from such examination he
2 finds such statement or any material part thereof to be willfully
3 false or misleading, he shall proceed to value such producing
4 mine for assessment as though no statement had been filed.

5 SECTION 6. 39-6-111 (2), Colorado Revised Statutes 1973, is
6 amended to read:

7 39-6-111. Valuation of mines other than producing mines.

8 (2) All mines which are classified as nonproducing mines shall
9 be valued for assessment in the same manner as other real
10 property. In determining the value thereof, the assessor
11 ADMINISTRATOR shall take into consideration location, proximity
12 to other mines or mining claims, and any other factors which may
13 enable him to arrive at a fair and equitable valuation for
14 assessment; but, because of the impracticability of assessing
15 nonproducing oil shale mines, each tract of land which includes
16 nonproducing oil shale mines shall be valued for assessment on
17 the basis of its surface use on the assessment date, plus the
18 additional value attributable to such undeveloped oil shale, if
19 any, which shall not exceed the per acre value for assessment
20 placed on the surface use of such tract on the assessment date.

21 SECTION 7. 39-6-113, Colorado Revised Statutes 1973, is
22 amended to read:

23 39-6-113. Mine in more than one county. (1) Whenever a
24 mine is situated partly in one county and partly in another
25 county or counties or in lesser political subdivisions, a copy of
26 the statement provided for in section 39-6-106, together with a
27 copy of a list of all machinery and equipment located within the

1 mine, if the mine is a producing mine, shall be filed with the
2 ~~assessor-of-each-such-county~~ ADMINISTRATOR. If the mine is not a
3 producing mine, all machinery and equipment located within the
4 mine shall nevertheless be valued ~~at-an-amount-agreed-upon-by-the~~
5 ~~assessors--of--such-counties~~ BY THE ADMINISTRATOR and apportioned
6 between such counties by allocating the total value thereof
7 between such counties or lesser political subdivisions in the
8 proportion that the acreage of all the mining property of the
9 mine, determined as provided for in sections 39-6-102, 39-6-103,
10 and 39-6-106, within such county or lesser political subdivision
11 bears to the total acreage thereof as so determined, as if the
12 mine were itself a producing mine.

13 (2) Whenever any producing mine, worked or operated by
14 means of an integrated mining system and comprised of
15 consolidated mining property, is situated partly in one county
16 and partly in another county or counties or in lesser political
17 subdivisions, the valuation thereof and of all machinery and
18 equipment located within or upon the mine shall be apportioned
19 between such counties or lesser political subdivisions in the
20 proportion that the acreage of all the mining property of the
21 mine, determined as provided for in sections 39-6-102, 39-6-103,
22 and 39-6-106, within such county or lesser political subdivision
23 bears to the total acreage thereof as so determined. The
24 ~~assessor--of--each--county~~ ADMINISTRATOR shall list and value for
25 assessment the portion of such mine which is situated in such
26 county at the amount determined for such portion by such
27 apportionment, and taxes levied on such valuation for assessment

1 by the board of county commissioners of such county shall be
2 collected by the treasurer of such county as provided by law.

3 (3) Where a mine is situated partly in one county and
4 partly in another county or counties or in lesser political
5 subdivisions, the owner, operator, or manager thereof shall, no
6 later than the fifteenth day of April of each year, prepare and
7 file with the ~~assessor--of--each--such--county~~ ADMINISTRATOR a
8 statement showing the number of acres within each such county
9 contained in the lands comprising the mining property of the
10 mine, determined as provided for in sections 39-6-102, 39-6-103,
11 and 39-6-106, but the statement need not be filed if no changes
12 have occurred since such a statement was theretofore filed. Each
13 ~~assessor~~ THE ADMINISTRATOR shall thereupon compare the acreage
14 therein shown as lying within his EACH county with the abstract
15 and map provided for in section 39-6-102.

16 SECTION 8. 39-6-114, Colorado Revised Statutes 1973, is
17 amended to read:

18 39-6-114. Mines and tunnels in more than one subdivision of
19 a county. Whenever any mine or tunnel is situated partly in one
20 lesser political subdivision of a county and partly in another
21 such subdivision of the same county, the ~~assessor-of--the--county~~
22 ADMINISTRATOR shall apportion the value thereof between such
23 lesser political subdivisions in the manner provided for in
24 sections 39-6-112 and 39-6-113.

25 SECTION 9. Article 6 of title 39, Colorado Revised Statutes
26 1973, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to
27 read:

1 39-6-115. Statement of valuation to counties. No later
2 than June 1 in each year, the administrator shall advise the
3 assessor of each county wherein property of a mine is located and
4 the person owning or operating the mine itself of the amount of
5 valuation for assessment of such mine in such county, and such
6 amount shall be entered on the tax roll of such county by the
7 assessor in the same manner as though determined by him.

8 39-6-116. Complaint - hearing - decision. (1) Any person
9 owning or operating a mine, who believes that the actual value of
10 its property and plant as determined by the administrator is
11 illegal, erroneous, or not uniform with the actual value of like
12 property similarly situated, as determined by the administrator,
13 may file, no later than July 1, a petition or complaint with the
14 administrator, setting forth such illegality, error, or lack of
15 uniformity.

16 (2) Any assessor or board of county commissioners,
17 believing that the actual value of the property and plant of any
18 mine as determined by the administrator is illegal, erroneous, or
19 not uniform with the actual value of like property similarly
20 situated, as determined by the administrator, or that the amount
21 of valuation for assessment of any mine has not been correctly
22 apportioned among the counties entitled thereto may file, no
23 later than July 1, a petition or complaint with the administrator
24 setting forth such illegality, error, lack of uniformity, or
25 incorrect apportionment.

26 (3) Upon the filing of any petition or complaint provided
27 for in this section, the administrator shall cause notice of such

1 filing to be given to the assessor and the board of county
2 commissioners of any county directly affected and to any person
3 owning or operating a mine directly affected, as may appear from
4 such petition or complaint. Such notice shall be mailed at least
5 five days prior to the meeting with the administrator at which
6 such petition or complaint will be heard.

7 (4) On the second Monday in July, and on succeeding days if
8 necessary, the administrator shall hear all such petitions and
9 complaints. In case there are several petitions or complaints
10 filed involving similar questions, the same may be consolidated
11 for the purpose of hearing and determination. The administrator
12 shall hear all evidence presented and listen to arguments
13 touching upon the matters concerning which the petition or
14 complaint was filed. He shall have power to subpoena and compel
15 the attendance of witnesses and to require the production of any
16 books or records deemed necessary to arrive at a proper
17 determination of the matter. Upon good cause, any hearing may be
18 adjourned from time to time, but in no event beyond July 31.
19 Hearings conducted under this section shall be informal, and a
20 verbatim record need not be made, as required under section
21 24-4-105 (13), C.R.S. 1973.

22 (5) The administrator shall render his decision upon any
23 petition or complaint, in writing, no later than August 1 and
24 shall transmit a copy thereof to all parties affected.

25 (6) If the administrator grants the petition, in whole or
26 in part, he shall make the appropriate corrections or changes in
27 the valuation for assessment of such mine, or in the

1 appportionment thereof, and shall certify the same to the assessor
2 of the county affected thereby. Such decision shall control all
3 proceedings thereafter, the same as though originally certified
4 by the administrator.

5 (7) If the administrator denies the petition, in whole or
6 in part, all costs and expenses incurred in conducting the
7 hearing shall be chargeable to the petitioner and shall be
8 enforceable and collectible as in the case of other claims and
9 demands.

10 (8) Further proceedings brought by a party adversely
11 affected by the administrator's decision shall be before the
12 board of assessment appeals under the provisions of section
13 39-2-125, and no judicial review shall be available to any party
14 under the provisions of section 39-4-109 until the board has
15 rendered its decision.

16 39-6-117. Judicial review. (1) Any petitioner or any
17 other person owning or operating a mine, any assessor, or any
18 board of county commissioners adversely affected may appeal any
19 decision of the board of assessment appeals denying a petition in
20 whole or in part to the district court of the judicial district
21 in which the property in question is located or to the district
22 court in the city and county of Denver. No new or additional
23 evidence may be introduced in the district court unless such
24 other person owning or operating a mine, other assessor, or other
25 board of county commissioners adversely affected has had no
26 opportunity to present such evidence at the hearing before the
27 board of assessment appeals; otherwise, the cause shall be heard

1 on the record of the board of assessment appeals, which shall be
2 certified by it to the court in which the appeal was taken.
3 Whenever any new or additional evidence is introduced, the court,
4 in its discretion, may remand the case to the board of assessment
5 appeals for rehearing.

6 (2) An appeal may be taken to the district court at any
7 time prior to August 1 in the following year, but if the appeal
8 is taken by the person actually owning the property involved in
9 the petition to the board of assessment appeals, such owner or
10 operator of a mine shall pay the full amount of all taxes levied
11 upon the valuation for assessment of its property and plant to
12 the treasurer of the county in which the same is located prior
13 to taking its appeal.

14 (3) If, upon appeal to the district court, the petitioner
15 is sustained, in whole or in part, then upon presentation to the
16 treasurer to whom the taxes were paid of a certified copy of the
17 order modifying the valuation for assessment of its property and
18 plant, the treasurer shall forthwith make the appropriate refund
19 of taxes, together with interest thereon at the rate of six
20 percent per annum from the date of payment thereof, and the
21 petitioner shall also be entitled to a refund of costs incurred
22 in the hearing before the board of assessment appeals and in the
23 appeal to the court, or such portion thereof as the court may
24 decree; but if judgment is for the board of assessment appeals,
25 the board of assessment appeals shall receive its costs from the
26 appellant.

27 SECTION 10. The introductory portion to 39-7-101 (1),

1 Colorado Revised Statutes 1973, is amended to read:

2 39-7-101. Statement of owner or operator. (1) Every
3 operator of, or, if there is no operator, every person owning, any
4 oil or gas leasehold or lands within this state, either as a
5 single lease or as a unit, which leaseholds or lands are
6 producing or are capable of producing oil or gas on the
7 assessment date of any year, shall, no later than the fifteenth
8 day of April of each year, prepare, sign under the penalty of
9 perjury in the second degree, and file with the ~~assessor--of--the~~
10 ~~county--wherein--such--oil--and--gas--leaseholds--or--lands--are--located~~
11 ADMINISTRATOR a statement for such lease or unit showing:

12 SECTION 11. 39-7-102, Colorado Revised Statutes 1973, is
13 amended to read:

14 39-7-102. Valuation for assessment. On the basis of the
15 information contained in such statement, the assessor
16 ADMINISTRATOR shall value such oil and gas leaseholds and lands
17 for assessment, as real property, at an amount equal to
18 eighty-seven and one-half percent of the gross value or selling
19 price of the oil or gas produced, saved, and sold therefrom
20 during the preceding calendar year.

21 SECTION 12. 39-7-103, Colorado Revised Statutes 1973, is
22 amended to read:

23 39-7-103. Surface equipment valued separately. All surface
24 oil and gas well equipment located on oil and gas leaseholds or
25 lands shall be separately valued for assessment as personal
26 property, and such valuation may be at an amount determined by
27 the ~~assessors--of--the--several--counties--of--the--state,--approved--by~~

1 the administrator and uniformly applied to all such equipment
2 wherever situated in the state.

3 SECTION 13. 39-7-104, Colorado Revised Statutes 1973, is
4 amended to read:

5 39-7-104. Failure to file statement. If any person owning
6 or operating any oil and gas leaseholds or lands producing or
7 capable of producing oil or gas on the assessment date fails or
8 refuses to prepare and file the statement required by the
9 provisions of section 39-7-101, the ~~assessor~~ ADMINISTRATOR shall
10 list such property and value the same for assessment on the basis
11 of the best information available to and obtainable by him.

12 SECTION 14. 39-7-105, Colorado Revised Statutes 1973, is
13 amended to read:

14 39-7-105. Administrator to examine books, records. The
15 ~~assessor~~ ADMINISTRATOR has the authority and right at any time to
16 examine the books, accounts, and records of any person owning or
17 operating such oil and gas leaseholds and lands in order to
18 verify the statement filed by such person, and, if from such
19 examination he finds such statement or any material part thereof
20 to be willfully false and misleading, he shall proceed to value
21 such oil and gas leaseholds or lands for assessment as though no
22 statement had been filed.

23 SECTION 15. Article 7 of title 39, Colorado Revised
24 Statutes 1973, is amended BY THE ADDITION OF THE FOLLOWING NEW
25 SECTIONS to read:

26 39-7-108. Statement of valuation to counties. No later
27 than June 1 in each year, the administrator shall advise the

1 assessor of each county wherein oil and gas leaseholds and lands
2 are located and the person owning or operating such leaseholds
3 and lands of the amount of valuation for assessment of such oil
4 and gas leaseholds and lands in such county, and such amount
5 shall be entered on the tax roll of such county by the assessor
6 in the same manner as though determined by him.

7 39-7-109. Complaint - hearing - decision. (1) Any person
8 owning or operating oil and gas leaseholds and lands, who
9 believes that the actual value of its property and plant as
10 determined by the administrator is illegal, erroneous, or not
11 uniform with the actual value of like property similarly
12 situated, as determined by the administrator, may file, no later
13 than July 1, a petition or complaint with the administrator,
14 setting forth such illegality, error, or lack of uniformity.

15 (2) Any assessor or board of county commissioners,
16 believing that the actual value of the property and plant of oil
17 and gas leaseholds and lands as determined by the administrator
18 is illegal, erroneous, or not uniform with the actual value of
19 like property similarly situated, as determined by the
20 administrator, or that the amount of valuation for assessment of
21 oil and gas leaseholds and lands has not been correctly
22 apportioned among the counties entitled thereto may file, no
23 later than July 1, a petition or complaint with the administrator
24 setting forth such illegality, error, lack of uniformity, or
25 incorrect apportionment.

26 (3) Upon the filing of any petition or complaint provided
27 for in this section, the administrator shall cause notice of such

1 filing to be given to the assessor and the board of county
2 commissioners of any county directly affected and to a person
3 owning or operating oil and gas leaseholds and lands directly
4 affected, as may appear from such petition or complaint. Such
5 notice shall be mailed at least five days prior to the meeting
6 with the administrator at which such petition or complaint will
7 be heard.

8 (4) On the second Monday in July, and on succeeding days if
9 necessary, the administrator shall hear all such petitions and
10 complaints. In case there are several petitions or complaints
11 filed involving similar questions, the same may be consolidated
12 for the purpose of hearing and determination. The administrator
13 shall hear all evidence presented and listen to arguments
14 touching upon the matters concerning which the petition or
15 complaint was filed. He shall have power to subpoena and compel
16 the attendance of witnesses and to require the production of any
17 books or records deemed necessary to arrive at a proper
18 determination of the matter. Upon good cause, any hearing may be
19 adjourned from time to time, but in no event beyond July 31.
20 Hearings conducted under this section shall be informal, and a
21 verbatim record need not be made, as required under section
22 24-4-105 (13), C.R.S. 1973.

23 (5) The administrator shall render his decision upon any
24 petition or complaint, in writing, no later than August 1 and
25 shall transmit a copy thereof to all parties affected.

26 (6) If the administrator grants the petition, in whole or
27 in part, he shall make the appropriate corrections or changes in

1 the valuation for assessment of such oil and gas leaseholds and
2 lands, or in the apportionment thereof, and shall certify the
3 same to the assessor of the county affected thereby. Such
4 decision shall control all proceedings thereafter, the same as
5 though originally certified by the administrator.

6 (7) If the administrator denies the petition, in whole or
7 in part, all costs and expenses incurred in conducting the
8 hearing shall be chargeable to the petitioner and shall be
9 enforceable and collectible as in the case of other claims and
10 demands.

11 (8) Further proceedings brought by a party adversely
12 affected by the administrator's decision shall be before the
13 board of assessment appeals under the provisions of section
14 39-2-125, and no judicial review shall be available to any party
15 under the provisions of section 39-4-109 until the board has
16 rendered its decision.

17 39-7-110. Judicial review. (1) Any petitioner or any
18 other person owning or operating oil and gas leaseholds and
19 lands, any assessor, or any board of county commissioners
20 adversely affected may appeal any decision of the board of
21 assessment appeals denying a petition in whole or in part to the
22 district court of the judicial district in which the property in
23 question is located or to the district court in the city and
24 county of Denver. No new or additional evidence may be
25 introduced in the district court unless such other person owning
26 or operating oil and gas leaseholds and lands, other assessor, or
27 other board of county commissioners adversely affected has had no

1 opportunity to present such evidence at the hearing before the
2 board of assessment appeals; otherwise, the cause shall be heard
3 on the record of the board of assessment appeals, which shall be
4 certified by it to the court in which the appeal was taken.
5 Whenever any new or additional evidence is introduced, the court,
6 in its discretion, may remand the case to the board of assessment
7 appeals for rehearing.

8 (2) An appeal may be taken to the district court at any
9 time prior to August 1 in the following year, but if the appeal
10 is taken by the person actually owning the property involved in
11 the petition to the board of assessment appeals, such owner or
12 operator of oil and gas leaseholds and lands shall pay the full
13 amount of all taxes levied upon the valuation for assessment of
14 its property and plant to the treasurer of the county in which
15 the same is located prior to taking its appeal.

16 (3) If, upon appeal to the district court, the petitioner
17 is sustained, in whole or in part, then upon presentation to the
18 treasurer to whom the taxes were paid of a certified copy of the
19 order modifying the valuation for assessment of its property and
20 plant, the treasurer shall forthwith make the appropriate refund
21 of taxes, together with interest thereon at the rate of six
22 percent per annum from the date of payment thereof, and the
23 petitioner shall also be entitled to a refund of costs incurred
24 in the hearing before the board of assessment appeals and in the
25 appeal to the court, or such portion thereof as the court may
26 decree; but if judgment is for the board of assessment appeals,
27 the board of assessment appeals shall receive its costs from the

1 appellant.

2 SECTION 16. Repeal. 39-7-107 (3), Colorado Revised
3 Statutes 1973, is repealed.

4 SECTION 17. Effective date - applicability. This act shall
5 take effect January 1, 1977, and apply to taxable years
6 commencing on or after said date.

7 SECTION 18. Safety clause. The general assembly hereby
8 finds, determines, and declares that this act is necessary for
9 the immediate preservation of the public peace, health, and
10 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 68

A BILL FOR AN ACT

1 CONCERNING PROPERTY TAXATION, AND RELATING TO THE ADMINISTRATION
2 AND ENFORCEMENT THEREOF, AND RELATING TO REGISTRATION FEES
3 IN CONNECTION THEREWITH.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Generally updates and clarifies statutory language and repeals inconsistent and outdated provisions. Among other things, clarifies duties of county clerk and recorder to provide information to county assessors, eliminates duplication in the description of the factors to be considered when determining value, clarifies the powers of the property tax administrator to intervene in certain cases and to examine taxpayer complaints, clarifies the taxation of certain personal property used for the production of income, provides a definition of "aircraft" and "airline companies", provides for centralized assessment of cable television, makes personal property schedules open public records, and provides informal notice requirements and a rational set of deadline dates for protest procedures.

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

5 SECTION 1. 30-10-406, Colorado Revised Statutes 1973, is
6 amended to read:

7 30-10-406. County recorder - duties. (1) The county clerk
8 shall be ex officio recorder of deeds and shall have custody of
9 and safely keep and preserve all the books, records, deeds, maps,

1 and papers deposited or kept in his office. He shall also record
2 or cause to be recorded in print or in a plain and distinct
3 handwriting, in suitable books to be provided and kept in his
4 office, all deeds, mortgages, maps, instruments, and writings,
5 authorized by law to be recorded in his office and left with him
6 for that purpose, and shall perform all other duties required of
7 him by law.

8 (2) UPON RECORDING ANY INSTRUMENT IN WRITING OR DEED TO
9 WHICH A DOCUMENTARY FEE APPLIES, THE COUNTY CLERK SHALL FORWARD A
10 CLEAR, COMPLETE, AND ACCURATE COPY OF SUCH INSTRUMENT OR DEED TO
11 THE OFFICE OF THE COUNTY ASSESSOR.

12 SECTION 1. 38-35-109, Colorado Revised Statutes 1973, is
13 amended to read:

14 38-35-109. Instrument may be recorded - validity of
15 unrecorded instruments. (1) All deeds, powers of attorney,
16 agreements, or other instruments in writing conveying,
17 encumbering, or affecting the title to real property,
18 certificates, and certified copies of orders, judgments, and
19 decrees of courts of record may be recorded in the office of the
20 county clerk and recorder of the county where such real property
21 is situated, and no such instrument or document shall be valid as
22 against any class of persons with any kind of rights, except
23 between the parties thereto and such as have notice thereof,
24 until the same is deposited with such county clerk and recorder.
25 In all cases where by law an instrument may be filed, the filing
26 thereof with such county clerk and recorder shall be equivalent
27 to the recording thereof.

28 (2) ON AND AFTER JANUARY 1, 1977, ALL INSTRUMENTS RECORDED

1 WITH THE COUNTY CLERK AND RECORDER PURSUANT TO SUBSECTION (1) OF
2 THIS SECTION SHALL INCLUDE THE LEGAL ADDRESS OF THE GRANTEE OF
3 THE INSTRUMENT, INCLUDING ROAD OR STREET ADDRESS IF APPLICABLE.
4 ANY INSTRUMENT SUBMITTED TO THE COUNTY CLERK AND RECORDER LACKING
5 SUCH ADDRESS SHALL NOT BE RECORDED AND SHALL BE RETURNED TO THE
6 PERSON REQUESTING THE RECORDATION.

7 SECTION 3. 39-1-103 (5), Colorado Revised Statutes 1973, is
8 amended to read:

9 39-1-103. Actual value determined - when. (5) All other
10 real and personal property shall be appraised and the actual
11 value thereof for property tax purposes determined by the
12 assessor of the county wherein such property is located. The
13 actual value of such property, other than agricultural lands
14 exclusive of improvements thereon, shall be that value determined
15 by consideration of the following factors, insofar as the same
16 are applicable to any property: ~~location--and--desirability;~~
17 ~~functional-use;~~ Current replacement cost, new, less depreciation;
18 comparison with other properties of known or recognized value;
19 market value in the ordinary course of trade; AND earning or
20 productive capacity. The actual value of agricultural lands,
21 exclusive of improvements thereon, shall be determined by
22 consideration of the earning or productive capacity of such lands
23 during a reasonable period of time, capitalized at a rate of
24 eleven and one-half percent.

25 SECTION 4. 39-2-111, Colorado Revised Statutes 1973, is
26 amended to read:

27 39-2-111. Complaints. The property tax administrator shall

1 examine all complaints filed with him wherein it is alleged that
2 a class or subclass of taxable property in a county has not been
3 appraised or valued as required by law or has been improperly or
4 erroneously valued or that the property tax laws have in any
5 manner been evaded or violated. Complaints shall be in writing
6 and may be filed only by a taxing authority in a county or by any
7 taxpayer. Complaints may be filed only with respect to property
8 located in the county in which the taxing authority levies taxes
9 or in which the taxpayer owns taxable property. IF THE PROPERTY
10 TAX ADMINISTRATOR FINDS THE COMPLAINT IS JUSTIFIED, HE MAY USE
11 HIS FINDINGS AS THE BASIS FOR PETITIONING THE BOARD OF ASSESSMENT
12 APPEALS FOR AN ORDER OF REAPPRAISAL PURSUANT TO SECTION 39-2-114.

13 SECTION 5. 39-2-113, Colorado Revised Statutes 1973, is
14 REPEALED AND REENACTED, WITH AMENDMENTS, to read:

15 39-2-113. Property tax administrator may intervene. (1)
16 The property tax administrator is authorized to appear as a party
17 in interest in any proceeding before a court or other tribunal in
18 which:

- 19 (a) An abatement or refund of property taxes is sought; or
20 (b) A question bearing on a statewide assessment policy is
21 raised.

22 SECTION 6. 39-3-101 (1) (a), Colorado Revised Statutes
23 1973, is amended to read:

24 39-3-101. Exempt property. (1) (a) Household furnishings,
25 including free-standing household appliances and wall-to-wall
26 carpeting, which are not used for the production of income. at
27 any--time; IF SUCH PROPERTY IS USED FOR THE PRODUCTION OF INCOME

1 FOR ANY PERIOD OF TIME DURING THE TAXABLE YEAR, IT IS TAXABLE FOR
2 THE ENTIRE YEAR.

3 SECTION 7. 39-3-106, Colorado Revised Statutes 1973, is
4 amended to read:

5 39-3-106. Proportional valuation - exempt property. (1)
6 Whenever, subsequent to the assessment date in any year but prior
7 to the date fixed by law for levying the requisite taxes for such
8 year, any property, previously taxable, becomes legally exempt
9 from general taxation or any property, previously legally exempt
10 from general taxation, becomes taxable, then such property shall
11 be valued for assessment in such year at that proportion of its
12 valuation for the entire calendar year as the time such property
13 was taxable bears to the entire calendar year.

14 (2) THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION SHALL
15 NOT BE APPLICABLE TO HOUSEHOLD FURNISHINGS.

16 SECTION 8. 39-4-101, Colorado Revised Statutes 1973, is
17 amended to read:

18 39-4-101. Definitions. As used in this article, unless the
19 context otherwise requires:

20 (1) "AIRCRAFT" MEANS ANY CONTRIVANCE NOW KNOWN OR HEREAFTER
21 INVENTED, USED, OR DESIGNED FOR NAVIGATION OF OR FLIGHT THROUGH
22 THE AIR.

23 (2) "AIRLINE COMPANY" MEANS ANY OPERATOR WHO ENGAGES IN THE
24 CARRIAGE BY AIRCRAFT OF PERSONS OR PROPERTY AS A COMMON CARRIER
25 FOR COMPENSATION OR HIRE, OR THE CARRIAGE OF MAIL, OR ANY
26 AIRCRAFT OPERATOR WHO OPERATES REGULARLY BETWEEN TWO OR MORE
27 POINTS AND PUBLISHES A FLIGHT SCHEDULE. "AIRLINE COMPANY" SHALL

1 NOT INCLUDE OPERATORS WHOSE AIRCRAFT ARE ALL CERTIFIED FOR A
2 GROSS TAKEOFF WEIGHT OF TWELVE THOUSAND FIVE HUNDRED POUNDS OR
3 LESS AND WHO DO NOT ENGAGE IN SCHEDULED OR MAIL CARRIAGE SERVICE.

4 {1} (3) "Public utility" means every SOLE PROPRIETORSHIP,
5 firm, partnership, association, company, or corporation, and the
6 trustees or receivers thereof, whether elected or appointed,
7 which does business in this state as a railroad company, airline
8 company, electric company, rural electric company, telephone
9 company, telegraph company, CABLE TELEVISION COMPANY, gas
10 company, gas pipeline carrier company, domestic water company,
11 pipeline company, ~~street--transportation--company;--sleeping-car~~
12 ~~company;--express-company;~~ or private car line company.

13 SECTION 1. Article 4 of title 39, Colorado Revised Statutes
14 1973, is amended BY THE ADDITION OF A NEW SECTION to read:

15 39-4-101.5. Legislative intent - definitions section. The
16 inclusion of any company or business entity not regulated by the
17 public utilities commission in the definition of the term "public
18 utility" stated in section 39-4-101 (3) and applicable to this
19 article for purposes of valuation for assessment of public
20 utilities is not intended to and shall not be construed as
21 evidencing an intent to make any such company or business entity
22 subject to regulation by the public utilities commission.

23 SECTION 2. 39-4-103 (1), Colorado Revised Statutes 1973, is
24 amended to read:

25 39-4-103. Schedules of property - confidential records.

26 (1) (a) No later than the fifteenth day of April in each year,
27 each public utility doing business in this state shall file with

1 the administrator, on a form provided by the administrator, a
2 statement, signed by an officer of such public utility under the
3 penalties of perjury in the second degree, containing such
4 information concerning itself and all of its property, wherever
5 situated, as the administrator may reasonably require for the
6 purpose of determining the actual value of such public utility in
7 this state and for apportioning the valuation for assessment of
8 such public utility among the several counties of this state.

9 (b) SUCH STATEMENT SHALL INCLUDE A SPECIFIC IDENTIFICATION
10 OF EACH AND EVERY ITEM OF PROPERTY OWNED, LEASED, OR USED WHICH
11 IS NOT INCLUDED IN THE RENDITION OF THE OPERATING PROPERTY AND
12 PLANT AND THE COUNTY IN WHICH EACH ITEM IS LOCATED.

13 SECTION 11. 39-5-105, Colorado Revised Statutes 1973, as
14 amended, is amended to read:

15 39-5-105. Improvements valued separately - when.
16 Improvements shall be appraised and valued separately from land.
17 ~~except--improvements-on-land-which-is-used-selely-and-exclusively~~
18 ~~for-agricultural-purposes;-in-which-case-the-land;-water--rights;~~
19 ~~and--improvements--shall--be--appraised--and-valued-as-a-unit.~~ In
20 appraising and valuing improvements, any device which is attached
21 to a building or structure or which is an integral part of such
22 structure and is designed to provide solar heating or cooling
23 shall be appraised and valued separately from such building or
24 structure. Such separate appraisal and valuation shall be made
25 upon application of the owner of the improvement to the assessor.
26 The property tax administrator shall promulgate regulations for
27 the uniform administration of this section and shall provide an

1 appropriate application form.

2 SECTION 12. 39-5-110 (1), Colorado Revised Statutes 1973,
3 is amended to read:

4 39-5-110. Property brought into state after assessment date
5 - removal before next assessment date - temporary location of
6 inventory. (1) Whenever any taxable personal property is
7 brought from outside the state into any county of the state OR IS
8 TRANSFERRED FROM ONE COUNTY TO ANOTHER WITHIN THE STATE at any
9 time subsequent to the assessment date in any year, then the
10 owner thereof or his agent shall at once secure a personal
11 property schedule from the assessor, complete the same in all
12 pertinent respects, sign it, and file it with the assessor of the
13 county wherein such property shall be located. The assessor
14 shall thereupon list and value such property at such proportion
15 of its value for the full calendar year as the period of time
16 remaining in the year bears to the full calendar year. If the
17 owner of such taxable personal property or his agent fails to
18 secure, complete, and file a personal property schedule with the
19 assessor, then the assessor may value such property on the basis
20 of the best information available to and obtainable by him and
21 shall promptly notify the owner or his agent of such valuation.

22 SECTION 13. 39-5-116, Colorado Revised Statutes 1973, is
23 amended to read:

24 39-5-116. Failure to file schedule. If any person owning
25 taxable personal property to whom a personal property schedule
26 has been mailed, or upon whom the assessor or his deputy has
27 called and left a schedule, fails to complete and return the same

1 to the assessor by the fifteenth day of April next following, or
2 includes in such schedule any information concerning his property
3 which is plainly false, erroneous, or misleading, or fails to
4 include in such schedule any taxable property owned by him, then
5 the assessor may determine the actual value of such person's
6 taxable personal property on the basis of the best information
7 available to and obtainable by him and shall promptly notify such
8 person or his agent of such valuation. ANY PERSON WHO FAILS TO
9 COMPLETE AND RETURN SAID SCHEDULE TO THE ASSESSOR BY THE
10 FIFTEENTH DAY OF APRIL NEXT FOLLOWING SHALL HAVE ADDED TO HIS TAX
11 STATEMENT A PENALTY OF TWENTY-FIVE PERCENT OF THE TAX DUE ON THE
12 PROPERTY LISTED ON THE SCHEDULE.

13 SECTION 1. 39-5-120, Colorado Revised Statutes 1973, as
14 amended, is amended to read:

15 39-5-120. Tax schedules endorsed and filed - availability
16 for inspection. All personal property schedules and exhibits or
17 statements attached thereto returned to or secured by the
18 assessor shall be endorsed with the name of the person whose
19 taxable personal property is listed therein and shall be filed in
20 either alphabetical or numerical order and retained for a period
21 of six years, after which time they may be destroyed. Such
22 schedules and SHALL BE CONSIDERED PUBLIC RECORDS OPEN TO
23 INSPECTION PURSUANT TO PART 2 OF ARTICLE 72 OF TITLE 24, C.R.S.
24 1973. Accompanying exhibits or statements shall be considered
25 private documents and shall be available only to the assessor and
26 the employees of his office, the treasurer and the employees of
27 his office, the executive director of the department of revenue
28 and the employees of his office, and the administrator and the

1 employees of his office, THE BOARD OF ASSESSMENT APPEALS, AND THE
2 COUNTY BOARD OF EQUALIZATION.

3 SECTION 15. 39-5-121, Colorado Revised Statutes 1973, is
4 amended to read:

5 39-5-121. Notice of increased valuation. No later than the
6 ~~first-day-of-June~~ MAY 24 in each year, the assessor shall mail to
7 each person whose taxable personal property has been valued at an
8 amount greater than that returned by him in his personal property
9 schedule and to each person whose land or improvements has been
10 valued at an amount greater than the same was valued in the
11 previous year a notice setting forth the amount of such increase
12 in valuation. THE NOTICE SHALL STATE, IN BOLD-FACED TYPE, THAT
13 THE TAXPAYER HAS THE RIGHT TO PROTEST SUCH INCREASE IN VALUATION
14 AND THE DATES AND PLACE AT WHICH THE ASSESSOR WILL HEAR SUCH
15 PROTEST.

16 SECTION 16. 39-5-122 (1), (2), and (4), Colorado Revised
17 Statutes 1973, are amended to read:

18 39-5-122. Taxpayer's remedies to correct errors.

19 (1) ~~Prior-to-the-first-day-of-June-in~~ ON OR BEFORE MAY 24 OF
20 each year, the assessor shall give public notice ~~in-at-least-one~~
21 ~~issue-of-a-newspaper-published-in-his-county~~ that beginning on
22 the ~~second--Monday--in~~ FIRST WORKING DAY OF June he will sit to
23 hear all objections and protests concerning valuations of taxable
24 property determined by him for the current year. ~~If-there-is--no~~
25 ~~such--newspaper;--then~~ Such notice shall be conspicuously posted
26 in the offices of the assessor, the treasurer, and the county
27 clerk and recorder and in at least two other public places in the

1 county seat. THE ASSESSOR SHALL SEND PRESS RELEASES CONTAINING
2 SUCH NOTICE TO RADIO STATIONS, TELEVISION STATIONS, AND
3 NEWSPAPERS OF GENERAL CIRCULATION IN THE COUNTY.

4 (2) If any person is of the opinion that his property has
5 been valued too high, or has been twice valued, or is exempt by
6 law from taxation, or that he did not own taxable property on the
7 assessment date, or that property has been erroneously assessed
8 to him, he may appear before the assessor on the days specified
9 in the public notice to present his objection and protest and be
10 heard. If the assessor finds any valuation to be erroneous or
11 otherwise improper, he shall correct such error, but if he
12 declines to change any valuation which he has determined, he
13 shall state his reasons in writing on the form described in
14 section 39-8-106, shall insert the information otherwise required
15 by the form, and shall, ~~prior-to-the-first-meeting-of-the-county~~
16 ~~heard-of-equalization;~~ ON OR BEFORE THE LAST REGULAR WORKING DAY
17 OF THE ASSESSOR IN JUNE, mail two copies of such completed form
18 to the person presenting the objection and protest so denied.

19 (4) The assessor shall continue his hearings from day to
20 day until all objections and protests have been heard, but all
21 such hearings shall be concluded by ~~the-close-of-business-on-the~~
22 ~~last-regular-working-day-of-the-assessor-in~~ June 25.

23 SECTION 17. 39-8-105, Colorado Revised Statutes 1973, is
24 amended to read:

25 39-8-105. Report of assessor. At the first meeting of the
26 board of equalization, the assessor shall report the valuation
27 for assessment of all taxable property in the county and shall

1 note any valuations for assessment of ~~livestock--or~~ portable or
2 movable equipment which have been apportioned pursuant to the
3 provisions of ~~sections-39-5-112-and~~ SECTION 39-5-113. He shall
4 submit a list of all persons in the county who have returned
5 insufficient schedules of personal property or who have failed to
6 return any schedule and shall report his action in each case. He
7 shall also submit a list of all persons who have appeared before
8 him to present objections or protests and whose objections or
9 protests have been refused or denied by him.

10 SECTION 18. 39-8-106 (1) (a), Colorado Revised Statutes
11 1973, is amended to read:

12 39-8-106. Petitions for appeal. (1) (a) A statement
13 informing such person of his right to appeal, the time and place
14 at which the county board of equalization will hear appeals from
15 determinations of the assessor, and that, by mailing one copy of
16 the form to the county board of equalization before the second
17 Wednesday MONDAY of July of that year, such person will be deemed
18 to have filed his petition for hearing with the county board of
19 equalization;

20 SECTION 19. 39-8-106 (1) (b) (III), Colorado Revised
21 Statutes 1973, as amended, is amended to read:

22 39-8-106. Petitions for appeal. (1) (b) (III) A specific
23 and detailed statement of the grounds delineated in this
24 subparagraph (III), upon which the assessor relied to justify
25 such valuation. The grounds are: ~~Value-by-the-market-approach;~~
26 ~~including-location-and--desirability--and~~ Market value in the
27 ordinary course of trade; ~~value-by-the-income-approach;-including~~

1 functional--use--and earning or productive capacity; and value by
2 the cost approach, including current replacement cost, new, less
3 depreciation; and comparison with other properties of known or
4 recognized value. For agricultural lands, the grounds are:
5 Earning or productive capacity; carrying capacity; yields;
6 classification; and capitalization rate.

7 SECTION 20. 39-9-102, Colorado Revised Statutes 1973, is
8 amended BY THE ADDITION OF A NEW SUBSECTION to read:

9 39-9-102. Meetings of board. (3) Two weeks before each
10 meeting of the board a press release stating the time and
11 location of the meeting shall be sent throughout the state to
12 radio stations, television stations, and newspapers of general
13 circulation.

14 SECTION 21. 39-13-105, Colorado Revised Statutes 1973, is
15 amended to read:

16 39-13-105. No deed recorded unless documentary fee paid.
17 No deed or instrument in writing to which a documentary fee
18 applies shall be recorded until and unless the documentary fee
19 payable thereon has been paid and evidence of its payment has
20 been imprinted, typed, stamped, or written in ink thereon as
21 provided in section 39-13-103. Any county clerk and recorder who
22 willfully and knowingly records any document to which a
23 documentary fee applies without having first collected such fee
24 and evidenced payment thereof as provided in this article OR WHO
25 WILLFULLY AND KNOWINGLY ALLOWS AN INCORRECT FEE TO BE PAID is
26 guilty of a misdemeanor and, upon conviction thereof, shall be
27 punished by a fine of fifty dollars.

1 SECTION 22. 41-2-104 (1) (b), Colorado Revised Statutes
2 1973, as amended, is amended to read:

3 41-2-104. Aircraft exempt from registration. (1) (b)
4 Aircraft owned or leased by ~~air-carriers-as-such-term-is-defined~~
5 ~~by--the--federal--"Civil-Aeronautics-Act-of-1938";-as-amended;-and~~
6 ~~aircraft-owned--or--leased--by--carriers~~ AIRLINE COMPANIES, AS
7 DEFINED BY SECTION 39-4-101 (2), C.R.S. 1973, AND valued for
8 assessment by the division of property taxation of the department
9 of local affairs;

10 SECTION 23. 42-3-106 (19), Colorado Revised Statutes 1973,
11 is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

12 42-3-106. Taxable value of classes of property - rate of
13 tax - when and where payable - department duties - apportionment
14 of tax collections. (19) (e) The county clerk and recorder
15 shall make a list of all equipment which has been mounted on or
16 attached to Class F personal property and included in the
17 calculation of the annual specific ownership tax. Such list
18 shall be made available to the county assessor.

19 SECTION 24. Repeal. 39-5-112 and 39-5-113 (4), Colorado
20 Revised Statutes 1973, are repealed.

21 SECTION 25. Effective date - applicability. This act shall
22 take effect January 1, 1977, and shall apply to taxable years
23 commencing on and after said date.

24 SECTION 26. Safety clause. The general assembly hereby
25 finds, determines, and declares that this act is necessary for
26 the immediate preservation of the public peace, health, and
27 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 69

A BILL FOR AN ACT

1 REQUIRING THE ASSESSMENT OF SUBSURFACE OIL AND GAS WELL
2 EQUIPMENT.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Provides that in addition to surface oil and gas well equipment, subsurface oil and gas well equipment shall be separately valued for assessment as personal property.

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

4 SECTION 1. 39-7-103, Colorado Revised Statutes 1973, is
5 amended to read:

6 39-7-103. Surface and subsurface equipment valued
7 separately. All surface AND SUBSURFACE oil and gas well
8 equipment located on oil and gas leaseholds or lands shall be
9 separately valued for assessment as personal property, and such
10 valuation may be at an amount determined by the assessors of the
11 several counties of the state, approved by the administrator, and
12 uniformly applied to all such equipment wherever situated in the
13 state.

14 SECTION 2. Effective date - applicability. This act shall

1 take effect January 1, 1977, and apply to taxable years
2 commencing on and after said date.

3 SECTION 3. Safety clause. The general assembly hereby
4 finds, determines, and declares that this act is necessary for
5 the immediate preservation of the public peace, health, and
6 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 70

A BILL FOR AN ACT

1 AMENDING 39-5-109 (6) (b), COLORADO REVISED STATUTES 1973,
2 CONCERNING THE ASSESSMENT OF LIVESTOCK.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Reduces the value of livestock for assessment purposes from thirteen percent to five percent. Requires the actual value of dairy livestock to be one hundred thirty-five percent stock cow value.

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

4 SECTION 1. 39-5-109 (6) (b), Colorado Revised Statutes
5 1973, is amended to read:

6 39-5-109. Inventory schedules - valuation. (6) (b) The
7 term "stocks of merchandise" shall include livestock. In
8 determining the actual value of livestock the assessor shall
9 ascertain, by class of livestock, the total number less those
10 lost by death or theft, as evidenced by normal trade documents
11 and average actual value per head of each such class of livestock
12 bought during the preceding twelve-month period ending the
13 thirty-first day of October of the year preceding the assessment

1 date as reported by the Colorado crop and livestock reporting
2 service of all livestock bought or owned by each taxpayer during
3 the calendar year ending on the last day of December immediately
4 preceding the assessment date. The value for assessment purposes
5 of livestock for the year 1974 1977, and each year thereafter,
6 shall be thirteen FIVE percent of the actual value thereof,
7 multiplied by the months, or any part thereof, such stock was
8 owned by the taxpayer, divided by twelve. THE ACTUAL VALUE OF
9 DAIRY LIVESTOCK SHALL BE ONE HUNDRED AND THIRTY-FIVE PERCENT OF
10 THE STOCK COW ACTUAL VALUE AS DETERMINED BY SAID SERVICE. THE
11 ACTUAL VALUE OF CLASSES OF LIVESTOCK NOT REPORTED BY SAID SERVICE
12 SHALL BE DETERMINED BY THE COUNTY ASSESSOR ON THE BASIS OF MARKET
13 VALUE.

14 SECTION 2. Effective date - applicability. This act shall
15 take effect January 1, 1977, and apply to taxable years
16 commencing on and after said date.

17 SECTION 3. Safety clause. The general assembly hereby
18 finds, determines, and declares that this act is necessary for
19 the immediate preservation of the public peace, health, and
20 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 71

A BILL FOR AN ACT

1 REQUIRING COUNTY ASSESSORS TO MAP PARCELS OF LAND, AND MAKING AN
2 APPROPRIATION THEREFOR.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Requires that county assessors prepare and maintain maps of parcels of land in their counties, and that the property tax administrator establish mapping guidelines. The contents of the maps and guidelines are specified in the act.

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

4 SECTION 1. Article 5 of title 39, Colorado Revised Statutes
5 1973, as amended, is amended BY THE ADDITION OF A NEW SECTION to
6 read:

7 39-5-103.5. Maps of parcels of land in the county. (1) No
8 later than January 1, 1977, each assessor shall commence the
9 preparation and maintenance of full, accurate, and complete maps
10 showing the parcels of land in his county. The maps shall
11 include a master county index map, together with applicable
12 township, section, and quarter-section maps, depending on
13 density. Guidelines shall be established by the property tax

1 administrator to produce uniformity of mapping throughout the
2 state. Such guidelines shall include the definition of a parcel,
3 the development of a parcel numbering system, map size, map
4 scales, and suggestions for minimum information to be plotted.

5 (2) In the fulfillment of the duty imposed upon him by
6 subsection (1) of this section, the assessor may employ other
7 mapping resources or maps available to him.

8 SECTION 2. Appropriation. (1) In addition to any other
9 appropriation, there is hereby appropriated, out of any moneys in
10 the state treasury not otherwise appropriated, to the department
11 of local affairs for allocation to the division of property
12 taxation, for the fiscal year commencing July 1, 1976, the sum of
13 sixty thousand dollars (\$60,000), or so much thereof as may be
14 necessary, for the purpose of implementing this act, by:

15 (a) Hiring, on a contract basis, consultants to assist
16 county assessors; and

17 (b) Making fifty percent matching grants to county
18 assessors.

19 SECTION 3. Safety clause. The general assembly hereby
20 finds, determines, and declares that this act is necessary for
21 the immediate preservation of the public peace, health, and
22 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 72

A BILL FOR AN ACT

1 AMENDING 29-1-103, COLORADO REVISED STATUTES 1973, CONCERNING THE
2 LIMITATION ON LOCAL GOVERNMENT PROPERTY TAX REVENUES.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Raises the amount by which local governments may increase property tax revenues over the preceding year.

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

4 SECTION 1. 29-1-301, Colorado Revised Statutes 1973, is
5 amended to read:

6 29-1-301. Levies reduced - limitation. (1) Except as
7 otherwise provided, all statutory tax levies when applied to the
8 total valuation for assessment of the state, each of the
9 counties, cities, and towns, and each of the fire, sanitation,
10 irrigation, drainage, conservancy, and other special districts
11 established by law shall be so reduced as to prohibit the levying
12 of a greater amount of revenue than was levied in the preceding
13 year plus five TEN percent except to provide for the payment of
14 bonds and interest thereon.

1 (2) If an increase over said five TEN percent is allowed by
2 the division of local government in the department of local
3 affairs or voted by the electors of a taxing district under the
4 provisions of section 29-1-302, the increased revenue resulting
5 therefrom shall be included in determining the five TEN percent
6 limitation in the following year.

7 SECTION 2. Safety clause. The general assembly hereby
8 finds, determines, and declares that this act is necessary for
9 the immediate preservation of the public peace, health, and
10 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 73

A BILL FOR AN ACT

1 PROVIDING THAT COUNTY ASSESSORS HAVE DISCRETION IN DETERMINING
2 THE OWNERSHIP OF MINERAL INTERESTS SEVERED FROM REAL ESTATE.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Provides that a county assessor may, in his discretion, determine ownership of severed mineral interests for purposes of valuation for assessment.

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

4 SECTION 1. 39-1-104 (4), Colorado Revised Statutes 1973, is
5 amended to read:

6 39-1-104. Valuation for assessment. (4) Severed mineral
7 interests are to be valued at thirty percent of actual value in
8 the same manner as other real property. If no value can readily
9 be determined, or if there is no market activity in this type of
10 property, a minimum valuation for assessment of one dollar per
11 acre category of interest shall be used. Where activity in this
12 type of property does exist, the market value should be
13 considered in arriving at the actual value. WHERE OWNERSHIP OF A
14 SEVERED MINERAL INTEREST IS NOT KNOWN, THE ASSESSOR MAY

1 DETERMINE, AT HIS DISCRETION, SUCH OWNERSHIP AND DETERMINE VALUE
2 AS PROVIDED BY THIS SUBSECTION (4).

3 SECTION 2. 39-1-106, Colorado Revised Statutes 1973, is
4 amended to read:

5 39-1-106. Partial interests subject to tax. For purposes
6 of property taxation, it shall make no difference that the use,
7 possession, or ownership of any taxable property is qualified,
8 limited, not the subject of alienation, or the subject of levy or
9 distraint separately from the particular tax derivable therefrom.
10 Severed mineral interests shall MAY also be taxed.

11 SECTION 3. Safety clause. The general assembly hereby
12 finds, determines, and declares that this act is necessary for
13 the immediate preservation of the public peace, health, and
14 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 74

A BILL FOR AN ACT

1 REQUIRING THE DEPARTMENT OF REVENUE TO REPORT TO THE GENERAL
2 ASSEMBLY INDIVIDUAL INCOME TAX INFORMATION ON THE BASIS OF
3 SCHOOL DISTRICT, AND MAKING AN APPROPRIATION THEREFOR.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Requires the department of revenue annually to report to the general assembly individual income tax information on the basis of the school district of residence.

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

5 SECTION 1. 39-21-112, Colorado Revised Statutes 1973, is
6 amended BY THE ADDITION OF A NEW SUBSECTION to read:

7 39-21-112. Duties and powers of executive director and
8 department. (1.5) The department of revenue shall report
9 annually to the general assembly individual income tax
10 information on the basis of the school district of residence.

11 SECTION 2. Appropriation. There is hereby appropriated to
12 the department of revenue, out of any moneys in the state
13 treasury not otherwise appropriated, for the fiscal year
14 commencing July 1, 1976, the sum of _____ dollars (\$),

1 or so much thereof as may be necessary, for the implementation of
2 this act.

3 SECTION 3. Safety clause. The general assembly hereby
4 finds, determines, and declares that this act is necessary for
5 the immediate preservation of the public peace, health, and
6 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 75

A BILL FOR AN ACT

1 REQUIRING REPORTS OF REAL PROPERTY SALES IN CONNECTION WITH THE
2 ASSESSMENT OF TAXES.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Requires county assessors to report to the property tax administrator the amounts for which real property is sold in their counties, and provides for the inclusion of amounts realized from foreclosure sales by public trustees in such reports.

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

4 SECTION 1. 38-37-113 (4), Colorado Revised Statutes 1973,
5 is amended to read:

6 38-37-113. Beneficiary's election to foreclose - notice -
7 disposition of escrow funds. (4) (a) Whenever such public
8 trustee makes a sale of the property described in a deed of
9 trust, he shall enter in a book to be kept by him for that
10 purpose a record of the name of the person executing such deed of
11 trust, the date thereof, a brief description of the property
12 therein described, the date of the sale, the name of the
13 newspaper printing the notice of the sale, a list of the names

1 and addresses of the persons to whom the printed notice was
2 mailed, the name and last post-office address of the purchaser at
3 such sale, and the amount at which such property was sold in
4 separate parcels if so sold or en masse. The public trustee
5 shall not be entitled to any fees whatever for keeping such
6 notice or record.

7 (b) THE PUBLIC TRUSTEE SHALL ALSO TRANSMIT THAT PORTION OF
8 THE INFORMATION PROVIDED FOR IN PARAGRAPH (a) OF THIS SUBSECTION
9 (4) DEALING WITH PROPERTY DESCRIPTION AND THE AMOUNT FOR WHICH IT
10 SOLD TO THE COUNTY ASSESSOR TO ASSIST SAID OFFICER IN THE
11 PERFORMANCE OF HIS DUTIES RELATING TO THE ASSESSMENT OF PROPERTY.

12 SECTION 2. Part 1 of article 5 of title 39, Colorado
13 Revised Statutes 1973, as amended, is amended BY THE ADDITION OF
14 A NEW SECTION to read:

15 39-5-131. Assessor to transmit real estate sales
16 information to property tax administrator. The assessor shall
17 transmit periodically to the administrator summaries of the
18 information received by him concerning the documentary fees
19 showing consideration paid in real property sales transactions in
20 the county as a result of his examination of documents subject to
21 documentary fees, as required by section 39-13-107. He shall
22 also make such summary reports with respect to foreclosure sales
23 based upon information transmitted to him by the public trustee
24 in his county, as required by section 38-37-113, C.R.S. 1973.

25 SECTION 3. Effective date. This act shall take effect July
26 1, 1976.

27 SECTION 4. Safety clause. The general assembly hereby

1 finds, determines, and declares that this act is necessary for
2 the immediate preservation of the public peace, health, and
3 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 76

A BILL FOR AN ACT

1 AUTHORIZING THE STATE BOARD OF EQUALIZATION TO ADOPT, AMEND, OR
2 RESCIND RULES AND REGULATIONS.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Authorizes the state board of equalization to adopt, amend, or rescind rules and regulations not inconsistent with the laws concerning the valuation and assessment of taxable property and levying of property taxes.

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

4 SECTION 1. 39-9-106, Colorado Revised Statutes 1973, is
5 amended to read:

6 39-9-106. Supervision and administration of property tax
7 laws - power to adopt rules and regulations. The state board of
8 equalization shall have supervision of the administration of all
9 laws concerning the valuation and assessment of taxable property
10 and the levying of property taxes AND SHALL HAVE THE POWER,
11 ACTING PURSUANT TO THE APPLICABLE PROVISIONS OF ARTICLE 4 OF
12 TITLE 24, C.R.S. 1973, TO ADOPT, AMEND, OR RESCIND RULES AND
13 REGULATIONS NOT INCONSISTENT WITH SAID LAWS.

1 SECTION 2. Safety clause. The general assembly hereby
2 finds, determines, and declares that this act is necessary for
3 the immediate preservation of the public peace, health, and
4 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 77

A BILL FOR AN ACT

1 AUTHORIZING THE PROPERTY TAX ADMINISTRATOR TO ASSIST IN THE
2 SUPERVISION OF ADMINISTRATION OF PROPERTY TAX LAWS.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Authorizes the property tax administrator to assist the state board in the supervision of administration of all laws concerning the valuing of taxable property, the assessment of same, and the levying of property taxes.

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

4 SECTION 1. 39-2-109 (1) (b), Colorado Revised Statutes
5 1973, is amended to read:

6 39-2-109. Duties, powers, and authority. (1) (b) To
7 assist ~~and-cooperate~~ THE STATE BOARD OF EQUALIZATION in the
8 SUPERVISION OF administration of all laws concerning the valuing
9 of taxable property, the assessment of same, and the levying of
10 property taxes; and to advise the state board of equalization,
11 not later than the first day of July of each year, of any
12 complaints filed by him or upon petition of any tax-levying
13 authority of this state with the board of assessment appeals

1 concerning the valuation for assessment of one or more classes or
2 subclasses of property in any county of the state.

3 SECTION 2. Safety clause. The general assembly hereby
4 finds, determines, and declares that this act is necessary for
5 the immediate preservation of the public peace, health, and
6 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 78

A BILL FOR AN ACT

1 AMENDING 39-13-102 (2) (b) AND 39-13-108, COLORADO REVISED
2 STATUTES 1973, CONCERNING THE DOCUMENTARY FEE ON CONVEYANCES
3 OF REAL PROPERTY, AND PROVIDING FOR THE AMOUNT AND
4 DISPOSITION THEREOF.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Increases the amount of the documentary fee and provides for payment of one-third thereof into the state general fund.

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

6 SECTION 1. 39-13-102 (2) (b), Colorado Revised Statutes
7 1973, is amended to read:

8 39-13-102. Documentary fee imposed - amount - to whom
9 payable. (2) (b) When the consideration, inclusive of the
10 amount of any lien or encumbrance against the property granted or
11 conveyed, exceeds five hundred dollars, the documentary fee
12 payable shall be computed at the rate of ~~one-cent~~ FIVE CENTS for
13 each one hundred dollars, or a major fraction thereof, of such
14 consideration.

1 SECTION 2. 39-13-108, Colorado Revised Statutes 1973, is
2 amended to read:

3 39-13-108. Disposition of fees. All documentary fees
4 collected by the county clerk and recorder shall be deposited
5 with the county treasurer at least once each month and credited
6 by him in the manner prescribed by law. ONE-THIRD OF THE FEES
7 COLLECTED SHALL BE PAID INTO THE STATE GENERAL FUND.

8 SECTION 3. Effective date. This act shall take effect
9 January 1, 1977.

10 SECTION 4. Safety clause. The general assembly hereby
11 finds, determines, and declares that this act is necessary for
12 the immediate preservation of the public peace, health, and
13 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 79

A BILL FOR AN ACT

1 CONCERNING THE COUNTING OF KINDERGARTEN PUPILS FOR THE AGGREGATE
2 OF DAILY ATTENDANCE UNDER THE "PUBLIC SCHOOL FINANCE ACT OF
3 1973".

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Requires that kindergarten students be counted as one-half time for purposes of aggregate of daily attendance during a two year period.

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

5 SECTION 1. 22-50-102 (1), Colorado Revised Statutes 1973,
6 is amended to read:

7 22-50-102. Definitions. (1) "Aggregate of daily
8 attendance", for any period of time, means the cumulative total
9 of the days of attendance in the public schools of a district
10 during the period of time by all regularly enrolled pupils under
11 the age of twenty-one years who have not completed the twelfth
12 grade in any high school, including pupils enrolled in
13 kindergarten classes, counting one day of attendance for each
14 pupil in attendance for at least one full period of the regular

1 instruction program beyond one-half of the number of hours of the
2 school day, and counting one-half day of attendance for each
3 pupil in attendance for at least one full period of the regular
4 instruction program but less than the number of hours required
5 for the counting of a full day of attendance, and counting
6 one-half day of attendance for each pupil attending night school
7 classes for a minimum of two hours, AND, FOR THE PERIOD JULY 1,
8 1976, THROUGH JUNE 30, 1978, COUNTING ONE-HALF DAY OF ATTENDANCE
9 FOR EACH PUPIL IN ANY KINDERGARTEN CLASS.

10 SECTION 2. Effective date. This act shall take effect July
11 1, 1976.

12 SECTION 3. Safety clause. The general assembly hereby
13 finds, determines, and declares that this act is necessary for
14 the immediate preservation of the public peace, health, and
15 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 80

A BILL FOR AN ACT

1 AMENDING 22-50-102, 22-50-105, 22-50-106, 22-50-111 (1), AND
2 ENACTING 22-50-113.5, COLORADO REVISED STATUTES 1973, AS
3 AMENDED, CONCERNING THE STATE EQUALIZATION PROGRAM AND
4 INCREASING THE MINIMUM STATE GUARANTEE LEVEL, INCREASING THE
5 AUTHORITIES REVENUE BASE, AND ASSISTING SCHOOL DISTRICTS
6 WITH A HIGH CONCENTRATION OF CHILDREN FROM LOW-INCOME
7 FAMILIES.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Establishes for 1977 the equalization program support level and minimum guarantee under the "Public School Finance Act of 1973", specifying a lower minimum guarantee for school districts having a valuation for assessment per attendance entitlement which is equal to or greater than twice the statewide average valuation for assessment per attendance entitlement. Makes a flat grant to each school district per child for each child from a low-income family in excess of a certain percentage of attendance entitlement if such district's valuation for assessment per attendance entitlement is less than twice the statewide average valuation for assessment per attendance entitlement. Authorizes for 1977 an increase to the authorized revenue base for all school districts.

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

1 SECTION 1. 22-50-102, Colorado Revised Statutes 1973, is
2 amended BY THE ADDITION OF A NEW SUBSECTION to read:

3 22-50-102. Definitions. (6.5) "Children from low-income
4 families" means those children who qualify for the federal
5 financial assistance program authorized by title I of the
6 "Elementary and Secondary Education Act of 1965", as amended.

7 SECTION 2. 22-50-105 (1) (a), Colorado Revised Statutes
8 1973, as amended, is amended BY THE ADDITION OF A NEW
9 SUBPARAGRAPH to read:

10 22-50-105. State equalization program - district support
11 level - state's share. (1) (a) (IV) For 1977, thirty dollars
12 and ninety cents for each pupil of attendance entitlement for
13 each mill levied for the general fund of the district for
14 collection during 1977.

15 SECTION 3. 22-50-105 (1) (c), Colorado Revised Statutes
16 1973, is amended to read:

17 22-50-105. State equalization program - district support
18 level - state's share. (1) (c) For 1977 1978 and thereafter,
19 the general assembly shall annually review and adjust the program
20 support level.

21 SECTION 4. 22-50-105 (2) (d), Colorado Revised Statutes
22 1973, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

23 22-50-105. State equalization program - district support
24 level - state's share. (2) (d) For 1977, for those districts
25 for which the quotient derived by dividing the district's
26 valuation for assessment by the district's attendance entitlement
27 is equal to or greater than twice the quotient derived by

1 dividing the state's total valuation for assessment by the
2z state's total attendance entitlement, ten dollars for each pupil
3 of attendance entitlement, multiplied by the number of mills
4 levied for the general fund of the district for collection in
5 1977; for all other districts, ten dollars and thirty-five cents
6 for each pupil of attendance entitlement, multiplied by the
7 number of mills levied for the general fund of the district for
8 collection in 1977;

9 SECTION 5. 22-50-105 (2), Colorado Revised Statutes 1973,
10 as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to
11 read:

12 22-50-105. State equalization program - district support
13 level - state's share. (2) (d.5) For 1978 and thereafter, the
14 general assembly shall annually review and adjust the program
15 support level;

16 SECTION 6. 22-50-106, Colorado Revised Statutes 1973, as
17 amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

18 22-50-106. Authorized revenue base per pupil of attendance
19 entitlement - limitation. (6) For the 1977 budget year, after
20 the authorized revenue base for each pupil of attendance
21 entitlement has been established for a school district pursuant
22 to subsection (3) of this section, said authorized revenue base
23 shall be increased by thirty dollars, and the amount of said
24 increase shall be included in determining the state's share of
25 the equalization program of the district.

26 SECTION 7. 22-50-111 (1), Colorado Revised Statutes 1973,
27 is amended to read:

1 22-50-111. State public school fund. (1) There is hereby
2 created in the office of the state treasurer a fund to be known
3 as the "state public school fund". There shall be credited to
4 said fund the net balance of the public school income fund
5 existing as of December 31, 1973, and all distributions from the
6 state public school income fund thereafter made, the state's
7 share of all moneys received from the federal government pursuant
8 to the provisions of section 34-63-102, C.R.S. 1973, and such
9 additional moneys as shall be appropriated by the general
10 assembly which are necessary to meet the total state's share of
11 equalization support, contingency reserve, and small attendance
12 centers, AND AID TO SCHOOL DISTRICTS WITH A HIGH CONCENTRATION OF
13 CHILDREN FROM LOW-INCOME FAMILIES.

14 SECTION 8. Article 50 of title 22, Colorado Revised
15 Statutes 1973, as amended, is amended BY THE ADDITION OF A NEW
16 SECTION to read:

17 22-50-113.5. Districts with a high concentration of
18 children from low-income families. (1) Any school district with
19 a high concentration of children from low-income families shall
20 be entitled to receive additional state support if:

21 (a) The number of children from low-income families in the
22 district exceeds fifteen percent of the attendance entitlement of
23 such district; and

24 (b) The quotient derived by dividing the district's
25 valuation for assessment by the district's attendance entitlement
26 is less than twice the quotient derived by dividing the state's
27 total valuation for assessment by the state's total attendance

1 entitlement.

2 (2) Beginning January 1, 1977, for each budget year, a
3 school district qualifying for additional state support pursuant
4 to the provisions of subsection (1) of this section shall receive
5 one hundred dollars for each child from a low-income family in
6 excess of fifteen percent of the attendance entitlement of such
7 district.

8 (3) The general assembly shall annually make a separate
9 appropriation to the state public school fund to cover the
10 state's share of the estimated cost of additional support to be
11 provided districts pursuant to the provisions of this section.
12 Should the amount of the appropriation made be less than the
13 total amount determined to be the state's actual share of support
14 to be provided all eligible districts pursuant to the provisions
15 of this section, then the amount to be distributed to any
16 district shall be in the same proportion as the amount of the
17 appropriation made bears to such total amount determined to be
18 the state's actual share. Any unexpended balance of the
19 appropriation shall revert to the general fund at the end of the
20 state's fiscal year.

21 SECTION 9. Appropriation. In addition to any other
22 appropriation, there is hereby appropriated out of any moneys in
23 the state treasury not otherwise appropriated, to the department
24 of education, for the fiscal year beginning July 1, 1976, the sum
25 of _____ dollars (\$), or so much thereof as may be
26 necessary, for the implementation of this act as it concerns the
27 "Public School Finance Act of 1973".

1 SECTION 10. Effective date. This act shall take effect
2 July 1, 1976.

3 SECTION 11. Safety clause. The general assembly hereby
4 finds, determines, and declares that this act is necessary for
5 the immediate preservation of the public peace, health, and
6 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 81

A BILL FOR AN ACT

1 AMENDING 23-8-102 (1) (b), COLORADO REVISED STATUTES 1973,
2 CONCERNING THE STATE'S SHARE OF VOCATIONAL EDUCATION PROGRAM
3 SUPPORT.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Rewrites the formula for determining the amount of state funds to be given to school districts conducting approved vocational education courses.

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

5 SECTION 1. 23-8-102 (1) (b), Colorado Revised Statutes
6 1973, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

7 23-8-102. School districts conducting vocational education
8 courses - eligibility for state funds. (1) (b) As vocational
9 education program support, the state shall provide, to each
10 school district conducting an approved vocational education
11 program for each twelve-month period beginning July 1, eighty
12 percent of the first one thousand two hundred fifty dollars, or
13 part thereof, by which the district's approved vocational
14 education program cost per full-time equivalent student exceeds

1 seventy percent of the district's authorized revenue base for the
2 school budget year during which such twelve-month period begins.
3 In addition, if the district's approved vocational education cost
4 per full-time equivalent student exceeds seventy percent of its
5 authorized revenue base by an additional amount in excess of one
6 thousand two hundred fifty dollars, the state shall provide fifty
7 percent of such additional amount.

8 SECTION 2. Effective date. This act shall take effect July
9 1, 1976.

10 SECTION 3. Safety clause. The general assembly hereby
11 finds, determines, and declares that this act is necessary for
12 the immediate preservation of the public peace, health, and
13 safety.

COMMITTEE ON TAX ASSESSMENT
PRACTICES AND SCHOOL FINANCE

BILL 82

A BILL FOR AN ACT

1 AUTHORIZING THE STATE SCHOOL DISTRICT BUDGET REVIEW BOARD TO
2 DECREASE THE AUTHORIZED REVENUE BASE OF A SCHOOL DISTRICT
3 REQUESTING AN INCREASE THEREOF PURSUANT TO SECTION
4 22-50-107, C.R.S. 1973, AS AMENDED.

Bill Summary

(NOTE: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Authorizes the state school district budget review board to reduce the authorized revenue base of a district requesting an increase in its base. If the review board reduces the base, the district's board of education may submit the question of the base for the ensuing budget year to the electors of the district, but, if an increase in the reduced base is not approved by the electors, the reduced base applies for the ensuing budget year.

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

6 SECTION 1. 22-50-107 (2) (a), Colorado Revised Statutes
7 1973, as amended, is amended to read:

8 22-50-107. State school district budget review board -
9 authorization of revenue base in excess of limitation.

10 (2) (a) If the board of education of a district is of the
11 opinion that a revenue base in excess of the authorized revenue
12 base of the district, as determined in accordance with section

1 22-50-106, is necessary to provide for the needs of the district,
2 the board of education may submit, no later than October 5, to
3 the state school district budget review board for its approval or
4 disapproval, no later than November 5, a request for an increase
5 in the district's authorized revenue base. If such request is
6 not approved or disapproved by November 5, it shall be deemed to
7 have been disapproved. The budget review board ~~shall have~~ HAS
8 THE authority to approve or disapprove such request, or it may
9 approve an increase in the authorized revenue base in a lesser
10 amount than requested by the district board. IN ADDITION, THE
11 BUDGET REVIEW BOARD HAS THE AUTHORITY TO REDUCE SAID DISTRICT'S
12 AUTHORIZED REVENUE BASE SUBJECT TO A READJUSTMENT OF SUCH
13 REDUCTION APPROVED IN AN ELECTION HELD PURSUANT TO SECTION
14 22-50-108.

15 SECTION 2. 22-50-108 (4), Colorado Revised Statutes 1973,
16 is amended to read:

17 22-50-108. Election to increase authorized revenue base.
18 (4) If a majority of the votes cast at any such election are in
19 favor of the question, the authorized revenue base of the
20 district for the ensuing budget year shall be as so approved by
21 the registered electors of the district and taxes may be levied
22 for the general fund of the district as so approved, but the
23 district shall not be entitled to receive for said budget year
24 state equalization support for the increase in the authorized
25 revenue base so approved. If the majority of the votes cast at
26 any such election are against the question, the authorized
27 revenue base of the district for the ensuing budget year shall be

1 as determined under section 22-50-106, or as approved by the
2 state school district budget review board, whichever is larger;
3 EXCEPT THAT, IF THE BUDGET REVIEW BOARD HAS REDUCED THE
4 AUTHORIZED REVENUE BASE PURSUANT TO SECTION 22-50-107 (2) (a),
5 THE REDUCED AUTHORIZED REVENUE BASE SHALL BE THE AUTHORIZED
6 REVENUE BASE OF THE DISTRICT FOR THE ENSUING BUDGET YEAR.

7 SECTION 3. Safety clause. The general assembly hereby
8 finds, determines, and declares that this act is necessary for
9 the immediate preservation of the public peace, health, and
10 safety.

LEGISLATIVE COUNCIL
COMMITTEE ON FEDERAL AND STATE LANDS

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COMMITTEE ON FEDERAL AND STATE LANDS

Committee Conclusions and Recommendations

Assessment of Federal Lands -- Resolution - Bill 83

Based upon information gained from extended field trips during the 1974 interim, and an examination of the material summarized in this report, the following conclusions are advanced by the committee. The committee's statement to a Congressional subcommittee, beginning on page 207 of this report, as well as pages 194-203 of the report should be read as background information.

. The \$2.6 million in total public land related funds paid directly to Colorado counties for FY 1975 represents only a slight increase in payments to the counties over prior years. This contrasts dramatically with continued growth both in the value of other properties and the cost of services provided for county residents and visitors.

. There is no indication that the number of land holdings of the federal government will decrease; indeed, it appears that additional land may be added to federal holdings with few transfers of federal property to private ownership.

. If it is in the national interest that large amounts of Colorado land be held by the federal government -- and in many instances withdrawn from any use whatsoever -- then the resulting economic burden should not fall on Colorado state and local governments and the local taxpaying resident alone. Instead, it should be borne by all of the people of these United States.

In support of these conclusions the committee recommends a joint resolution for consideration by the General Assembly during its 1976 session. The resolution includes among its provisions the following:

(a) that the value of \$788 million dollars placed on federal lands and improvements by local assessors is unrealistic (significantly low) and because of this an estimate of the benefits to be derived by many of the payment-in-lieu-of taxes proposals cannot be made with accuracy;

(b) that more accurate assessment information would assist sponsors of federal legislation seeking to change the present shared revenue system;

(c) that repeated requests from the state for more accurate assessments of federal lands by local officials are not being recognized by local officials; and

d) that the General Assembly urges the state property tax administrator to supply all necessary information to help local tax assessors compile accurate assessments of federal lands and also urges the local officials to assist in the matter.

Access to Public Lands -- Bill 84

There are provisions of the state's criminal code which can be used against those who obstruct public highways or other passageways and deface posted notices (see sections 18-9-107 and 18-4-510, C.R.S. 1973). The committee concludes that the penalties for these offenses are appropriate.

Bill 85 would amend Article 2 of Title 43 regarding county, and other public roads. The bill would provide a class 3 misdemeanor penalty for any person, other than a governing body of a municipality or county acting under vacation proceedings, who, without good reason, intentionally blocks, obstructs, or closes any public highway as the term is defined in section 43-2-201, C.R.S. 1973. The provision would be enforceable by any peace officer of the state.

A final section of the bill states that any owner of private land may close a road crossing his land if the road has been abandoned. He would notify the county commissioners of such closure and the commissioners would be obligated to publish notice of such action within 60 days. If the commissioners received no objection to the closure within two years, the action would be upheld.

Pages 205 - 206 of this report should be read as background on the general topic of access to public lands.

Distribution of Mineral Leasing Act Monies

In reviewing the provision of Colorado law regarding distribution of monies received from the Mineral Leasing Act, a number of questions are raised.

(1) Should the General Assembly review the allocation formula (2/3 to county, 1/3 to public school fund) in light of the fact that the state public school fund, with the inclusion of spillover funds, actually receives more money than do all of the counties combined?

(2) Should money returned to school districts from the state public school fund take into account the original contribution made by individual counties in the state in generating mineral leasing revenues?

(3) In view of H.B. 1046 (1974), which created a special oil shale development fund for Colorado and did not specify exclusive uses for monies distributed from the fund, is it necessary that all mineral

for monies distributed from the fund, is it necessary that all mineral leasing monies be earmarked for use only for public schools and roads?

(4) Should the General Assembly act to assist school districts heavily impacted by energy development other than oil shale (coal, for example) through the use of loans with favorable interest rates and which would be repayable to the state public school fund?

Pages 194-197 of this report should be read as background on this topic.

Expansion of Rocky Mountain National Park

With respect to the expansion of Rocky Mountain National Park proposed in H.R. 8360 by Congressman Tim Wirth, after two public hearings on the measure, the committee was left with the following concerns and unanswered questions. Additional information on this topic can be found on page 204 of this report.

(1) Substantive evidence has not been presented on the financial impact park enlargement would have on the four Colorado counties most affected by the expansion. No one has conducted a comprehensive study to show the increase in governmental services that would result from adoption of the bill or the resulting revenue loss to the counties' portion of current shared revenue programs such as the Forest Revenue Act. In addition, an appraisal of the bill's impact on the travel corridors into an expanded park needs to be intensified.

(2) Much of the proposed expansion includes forest service land which can be used for multi-use purposes. If the area in question is changed to park service administration, the use of the land will be restricted--no grazing, mining, or hunting. Although proponents of expansion report that in the Indian Peaks area this activity has never been significant, questions have been raised by the Colorado Wildlife Commission and the Colorado Geological Survey about potential adverse effects of the expansion upon the wildlife and potential mineral resources of the area.

(3) At the present time, 93 percent of the park is proposed to be designated as wilderness area. With the proposed expansion, some 130,000 additional acres would also probably be classified as wilderness area. The wilderness designation of an area appears to have the effect of attracting more people than the same area without this designation. Thus, there is a strong possibility of overuse of the land.

(4) The expansion bill may be premature in view of the fact that the forest service is presently undertaking a comprehensive northern front range planning unit study pursuant to the so-called Brotzman Bill of 1972.

Mandated Costs

During the 1974 and 1975 interim study periods the committee has developed a sensitivity to a growing concern on the part of local governments to what is now commonly called "mandated costs". A mandated cost is defined as an expenditure made by a local government which would not have been made had the state or federal government not passed a law or regulation which seemed to require that expenditure. A limited study in this area has been conducted by the Division of Local Government, Department of Local Affairs.

The Committee on Federal and State Lands recommends that a full compilation of mandated costs be made through the assistance of the Division of Local Government, the Department of Education, other offices of state government, and other agencies including the Colorado Municipal League and Colorado Counties, Inc. The committee also recommends that the staff of the Legislative Council serve as the agency which collates and presents a final report to the General Assembly on the subject.

Background

During the 1975 interim, the Committee on Federal and State Lands examined the issue of access to public lands and, in addition, continued with efforts initiated during the 1974 interim to more accurately measure the adverse financial effects of federal land ownership on counties as well as propose a method of increasing the county tax base or other revenue sources to offset the impact of these tax exempt holdings. In responding to these directives, the committee held meetings and public hearings, including a hearing at Winter Park, Colorado, and submitted a lengthy statement on payment in lieu of taxes to the Congressional Subcommittee on Energy and the Environment of the House Interior and Insular Affairs Committee. A copy of the statement is appended to this report.

Impact of Federal Lands

Measuring the Impact. Of the monies returned to Colorado as its share of the federal receipts from sales, bonuses, royalties, and revenues from the seven major public land related acts for fiscal year 1975, counties received approximately \$2.6 million in direct payments ^{1/}. Under provisions of Colorado law, \$24.6 million was placed in a special oil shale impact fund and nearly \$8 million was deposited in the public school fund for distribution through the state's public school finance aid program.

^{1/} The major shared revenue programs are Mineral Leasing, Taylor Grazing, Lands and Materials, Forest Revenues, Flood Control Lands, Migratory Bird Conservation, and Bankhead-Jones Farm Tenant acts.

A review of the returns for fiscal year 1975 from the Mineral Leasing Act shows both the disbursement from the largest revenue producing program and also the problems that the federal and state distribution formulas cause to Colorado counties. The Mineral Leasing Act of 1920 provides that 37 1/2 percent of the gross revenue receipts from sales, bonuses, royalties and revenues obtained from the granting of leasing rights to certain mineral bearing properties on public lands in Colorado be paid to the state. The purpose is to compensate the state for the loss of revenues which otherwise would have accrued had the lands been in private ownership.

For fiscal year 1975, exclusive of oil shale royalties, the act provided over \$1.6 million of the \$2.6 million in total public land related funds paid directly to the counties. Article 63 of Title 34, C.R.S. 1973, provides for the distribution of these monies. The distribution formula has not been changed since 1953. Two thirds of the monies received are distributed to those counties from which the money was derived, except no county can receive an amount in excess of \$200,000 per fiscal year. These monies are used for the benefit of schools and roads in those counties receiving the funds. Spillover monies (those funds in excess of \$200,000 for any one county) in addition to one-third of the total mineral leasing allocation go to the state public school fund. The fund consists of monies received through an annual legislative appropriation of general fund monies, earnings from the public school income fund (rentals of school lands), and the mineral leasing allocations. These monies become a part of the appropriation made by the legislature for the support of school districts through the "Public School Finance Act of 1973".

A review of the table below indicates that the limitation on monies which any one county can receive under the Mineral Leasing Act (\$200,000 per fiscal year) has the effect of leveling off the total allocation to counties over the years. Thus statistics for FY 1975 show that counties received \$1,617,656, while the state public school fund received \$7,980,369 -- \$4,781,027 of which represents spillover funds from the allocations for Moffat and Rio Blanco counties (\$380,612 from Moffat County and \$4,400,415 from Rio Blanco County).

Mineral Leasing Act Receipts:	<u>FY 75</u>	<u>FY 74</u>	<u>FY 73</u>	<u>FY 72</u>	<u>FY 71</u>	<u>FY 70</u>	<u>FY 69</u>
To Counties	\$1,617,656	\$1,467,354	\$1,177,396	\$1,214,361	\$ 982,522	\$ 958,112	\$ 910,886
To Public School Fund	3,199,342	2,631,978	1,384,287	1,174,119	986,043	1,030,055	1,038,825
Spillover	<u>4,781,027</u>	<u>3,796,602</u>	<u>1,591,178</u>	<u>1,133,876</u>	<u>986,398</u>	<u>1,101,998</u>	<u>1,156,053</u>
Total	\$9,598,025	\$7,895,934	\$4,152,861	\$3,522,356	\$2,958,128	\$3,090,165	\$3,116,476

H.B. 1046, 1974 session, amending Article 63 of Title 34, created a special fund for all monies received by the state from sales, bonuses, royalties, and leases of oil shale lands under the Mineral Leasing Act. The act provides that monies from the fund shall be appropriated by the General Assembly "to state agencies, school districts, and political subdivisions of the state affected by the

development and production of energy resources from oil shale lands, primarily for use by such entities in planning for and providing facilities and services necessitated by such development and production and secondarily for other state purposes." The state has received two payments of \$24,607,020 each for FY 1974 and FY 1975 from the federal government under provisions of Section 35 of the Mineral Leasing Act.

The appropriations act for FY 1975 allocated \$451,187 from the oil shale fund for oil shale planning and coordination at the state level and for Mesa, Garfield, Rio Blanco, and Moffat counties. For fiscal year 1976, some \$10.4 million are appropriated from the fund.

An example of the inadequacies of the federal and state distribution formulas under the leasing act and the resulting burden on local budgets was reported to the committee by the school superintendent of Delta County Joint School District #50. District #50 encompasses a geographic area including the town of Delta, a major portion of northeastern Delta County and a portion of western Gunnison County, including the Somerset coal field. The school district and Delta County government is being heavily impacted by children of employees of the Gunnison County coal fields. For fiscal year 1975, Delta County received \$16,545 as its share of the royalties paid the federal government under provisions of the Mineral Leasing Act. Gunnison received more than Delta County -- \$42,905 -- but like the case of Delta County, the demands on public services resulting from growth of the coal mining industry have been far greater than the shared revenue program generated by the industry.

The following table details the portion of Mineral Leasing Act royalties returned to Colorado from coal leases during fiscal year 1975. As the table indicates, there were fourteen counties with thirteen producing and 115 non-producing coal leases for the reporting period. The leases were for 121,470 acres of Bureau of Land Management managed lands. Column 5 of the table shows the rents paid for the period to the U.S. government from the non-producing leases. Column 6 details the money paid to the U.S. government from the producing leases in the fourteen counties. Column 8 represents the 37 1/2 percent of the federal revenue receipts from coal for FY 1975 sent to Colorado, while column 9 specifies the portion of column 8 that is sent to the counties. Column 10 shows the total amount of money sent to Colorado as our share of revenues from all mineral leasing activities in the fourteen counties during the fiscal year. Column 11 provides the percentage that the coal royalties comprise of the total revenues Colorado receives under the leasing act from all mineral royalties in the fourteen counties. Column 12 details the allocation to the counties, under state law, of all Mineral Leasing Act receipts.

FY 1975 Distribution of Royalties from Coal Under the Mineral Leasing Act

(1) County	(2) Number of Leases Pro- ducing		(3) Non-Pro- ducing	(4) Total Acres	(5) Minimum Royalties (Rent)	(6) Royalty Producing Leases	(7) Total Royalties Col. (5) + Col. (6))	(8) Royalties to Colorado	(9) 2/3 Allo- cation to Counties	(10) Total State Receipts from Mineral Leas- ing Act	(11) Percentage of Col. (8) of Col. (10)	(12) 2/3 Allocation to Counties of Mineral Leasing Act Receipts
Delta	1	6		4,679	\$ 3,391	\$ 62,795	\$ 66,186	\$ 24,820	\$ 16,545	\$ 77,802	31.9%	\$ 51,868
Elbert	0	4		2,684	2,684	---	2,684	1,006	670	1,996	50.4	1,331
Garfield	0	7		15,050	15,052	---	15,052	5,644	3,762	164,298	3.4	109,532
Gunnison	7	26		21,763	17,721	153,916	171,637	64,364	42,905	97,332	66.1	64,888
Jackson	0	5		4,240	4,240	---	4,240	1,590	1,060	100,015	1.6	66,677
La Plata	1	0		160	---	2,750	2,750	1,032	688	14,574	7.1	9,716
Las Animas	0	2		1,002	1,002	---	1,002	376	251	92,232	0.4	61,488
Mesa	0	8		10,504	10,507	---	10,507	3,940	2,626	286,447	1.4	190,965
Moffat	0	11		14,623	15,269	---	15,269	5,726	3,817	870,919	0.7	200,000
Montrose	0	5		4,980	4,981	---	4,981	1,868	1,245	96,352	1.9	64,235
Ouray	0	4		4,062	4,062	---	4,062	1,523	1,015	3,893	39.1	2,595
Pitkin	1	9		7,378	6,944	5,128	12,072	4,527	3,018	24,181	18.7	16,121
Rio Blanco	1	11		15,241	14,929	1,295	16,224	6,084	4,055	6,900,623	0.08	200,000
Routt	2	17		15,105	14,795	137,807	152,602	57,226	38,147	123,530	46.3	82,353
Total	13	115		121,470	\$115,577	\$363,692	\$479,269	\$179,726	\$119,804	\$8,854,194	2.03%	\$1,121,769

NOTE: Figures in columns 4, and 6 through 10 have been rounded.

Compiled by the Legislative Council Staff
from information provided by the U.S.
Geological Survey and the Colorado Treas-
urer's Office, November 14, 1975.

Alternative methods of compensating counties. In response to the small amount of money received under current provisions of federal shared revenue programs, the limitations imposed by the earmarking of these funds by both federal and state statute, and the state's distribution formula for Mineral Leasing Act receipts, alternative approaches have been advocated for dealing with the impact that federal lands have upon counties. Two of those alternatives are outlined below.

The following table details the effect on county mill levies of the addition of the assessed value of federal lands to the county's assessed valuation and a reduction from the county's revenue source of the present shared revenue payments. The table should be read with caution because the value placed on federal lands by local assessors is highly suspect. County assessors are under no obligation to place a value on federal properties within their jurisdictions although 56 counties do report some figure. The Office of the State Property Tax Administrator does not publish a suggested methodology to aid local assessors in determining a value for these holdings.

The assessed valuations placed on federal lands in Montezuma and San Miguel Counties in Southwest Colorado seem to be good examples of the unreliability of current local assessment practices. Both counties contain similar kinds of federal lands yet one county is assessed by the local assessor at over thirteen times the value of the other county.

	<u>Montezuma</u>	<u>San Miguel</u>
AV of Federal Lands for FY 74:	\$27,229,360	\$1,940,100
Total Acres Managed:	432,246	474,309
Revenues Returned for FY 74:	118,385	84,227

In calculating column 8 of the table, current federal in-lieu payments were added to the county's revenue as a means of establishing a total revenue need for the county. This was done because it is unlikely that any alteration to the present program of payments to counties would allow the county to assess federal lands and also continue to receive the shared revenue payments under programs like the Mineral Leasing Act. Thus, payments under these current federal acts would be lost if the county was allowed to levy a tax on the assessed value of federal holdings and, therefore, the amount of money that the county would have to raise from the property tax would be increased by the amount of money lost from the present shared revenue payments.

POTENTIAL IMPACT OF AN ASSESSMENT OF FEDERAL LANDS ON COUNTY MILL LEVIES

(1) County	(2) 1974 Assessed Value for Federal Holdings	(3) 1974 County Assessed Valuation		(4) Column (2) plus Column (3)		(5) Shared Revenue Payments 1/	(6) 1974 Total County Revenue	(7) Column (6) plus Column (8)	(8) Revised Mill Levy	(9) 1974 County Mill Levy	(10) Potential Or Mill Levy Ch
		\$		\$							
Adams	5,167,299,950	\$ 463,422,150	\$ 480,152,100	\$ 240	\$ 8,327,954	\$ 8,328,194	17.34	18.00	- .66		
Alamosa	2,823,230	26,611,190	29,434,410	18,619	564,689	583,308	19.82	21.22	- 1.40		
Arapahoe	8,813,960	670,696,230	679,510,190	9,898	5,902,126	5,912,024	8.70	8.80	- .10		
Arapahoe	77,430,690	15,888,200	93,318,890	100,404	1,503,937	1,504,341	2.69	9.50	- 6.81		
Baca	627,250	26,695,683	27,315,933	32,785	528,535	561,320	20.55	19.80	+ .75		
Bent	1,974,830	18,171,160	20,145,990	40,510	460,638	501,148	24.87	25.35	- .48		
Boulder	17,896,090	436,780,910	454,277,090	5,210	9,696,978	9,704,188	21.36	22.21	- .85		
Chaffee	10,947,400	29,418,120	40,265,520	7,857	495,695	503,552	12.50	16.85	- 4.35		
Cheyenne	-0-	13,996,950	18,996,950	354	306,785	307,139	16.17	16.15	+ .02		
Clear Creek	-0-	39,524,990	39,524,990	18,295	942,668	960,963	24.31	23.85	+ .46		
Conejos	1,657,540	13,431,530	15,089,120	36,072	237,452	273,524	18.13	17.68	+ .45		
Costilla	300	18,060,570	18,061,170	210	329,095	330,205	18.28	18.24	+ .04		
Crowley	12,580	10,074,460	10,087,040	5,565	180,232	183,797	18.22	17.89	+ .33		
Custer	698,450	7,538,690	3,147,140	6,534	116,850	123,384	15.14	15.50	- .36		
Delta	4,550,220	35,952,570	40,502,790	65,899	435,384	499,283	12.55	12.11	+ .44		
Denver	42,588,760	1,768,116,700	1,810,705,460	-0-	22,651,343	22,651,343	12.51	12.81	- .30		
Dolores	1,195,090	6,452,470	7,954,560	206,643	135,649	342,292	43.05	21.00	+22.05		
Douglas	131,900	49,798,440	49,930,340	2,631	1,436,684	1,459,315	28.85	28.85	- .02		
Eagle	32,980	57,940,120	57,973,100	71,538	854,616	926,154	15.97	14.75	+ 1.22		
Elbert	24,460	25,532,920	23,557,380	1,556	433,591	425,147	18.05	18.00	+ .05		
El Paso	410,470	791,632,980	792,042,550	2,342	12,800,333	12,802,675	18.24	18.35	- .11		
Fremont	911,990	52,701,570	52,613,470	2,068	930,628	952,696	17.73	18.00	- .27		
Garfield	-0-	52,972,890	52,972,800	153,455	979,997	1,153,450	21.40	18.50	+ 2.90		
Gilpin	-0-	9,764,750	9,764,750	2,465	282,690	285,155	29.20	28.95	+ .25		
Grand	-0-	32,672,400	32,672,400	87,869	798,338	796,207	24.57	21.68	+ 2.69		
Gunnison	127,605,540	25,204,630	150,909,490	117,010	386,696	503,706	3.34	16.60	-13.26		
Hinsdale	15,474,860	5,952,090	16,527,760	75,515	72,048	147,563	8.93	23.60	-14.67		
Huerfano	36,990	16,096,840	16,096,830	16,997	377,406	394,403	24.50	23.50	+ 1.00		
Jackson	11,773,410	14,482,890	26,256,300	102,927	181,759	294,686	10.84	12.55	- 1.71		
Jefferson	80,521,730	772,425,570	852,947,300	1,834	12,729,575	12,731,407	14.93	16.48	- 1.55		
Kiowa	40,090	16,824,630	16,864,720	3,799	252,370	256,169	15.19	15.00	+ .19		
Vit Carson	190	30,895,430	30,895,620	499	769,905	761,404	24.65	24.63	+ .02		
Lake	4,903,100	47,707,000	51,711,000	2,684	740,902	743,586	14.38	15.53	- 1.15		
La Plata	2,532,270	59,787,520	62,319,590	111,969	1,180,800	1,292,769	20.64	19.75	+ .89		
Larimer	28,611,860	275,616,600	302,228,460	28,431	4,791,027	4,819,476	15.95	17.51	- 1.56		

POTENTIAL IMPACT OF AN ASSESSMENT OF FEDERAL LANDS ON COUNTY MILL LEVIES

(1) County	(2) 1974 Assessed Value For Federal Holdings	(3) 1974 County Assessed Valuation	(4) Column(2) plus Column(3)	(5) Shared Reven- ue Payments 1/	(6) 1974 Total County Revenue	(7) Column(5) plus Column(6)	(8) Revised Mill Levy	(9) 1974 County Mill Levy	(10) Potential Mill Levy
Las Animas	\$ 319,630	\$ 34,476,270	34,795,900	\$ 34,602	\$ 813,985	\$ 848,587	24.39	23.61	+ .
Lincoln	6,920	22,611,070	22,617,990	1,307	411,520	413,327	18.27	18.20	+ .
Logan	344,840	71,093,020	71,437,860	2,194	392,217	894,411	12.52	12.55	- .
Mesa	4,679,630	129,478,320	134,157,950	139,978	2,259,397	2,449,375	18.26	17.45	+ .
Mineral	13,663,450	6,006,340	19,669,790	78,714	58,202	136,916	6.96	9.69	- 2.
Offat	5,726,690	29,908,380	35,635,070	227,191	702,845	930,036	26.10	23.50	+ 2.
Montezuma	27,229,360	29,254,550	56,483,910	118,385	511,955	630,340	11.16	17.50	- 6.
Montrose	2,284,040	40,710,380	42,994,420	80,922	891,557	972,479	22.62	21.90	+ .
Morgan	1,107,720	63,646,540	64,754,260	10,656	1,031,074	1,041,730	16.09	16.20	- .
Otero	1,594,660	47,066,730	48,661,390	30,235	890,505	920,738	18.92	18.92	- 0.
Ourray	-0-	6,764,330	6,764,330	10,673	135,285	145,958	21.58	20.00	+ 1.
Park	75,258,600	20,232,180	95,490,780	19,017	573,581	738,556	7.73	28.35	-20.
Phillips	69,300	18,898,710	18,968,010	355	233,966	234,321	12.35	12.38	- .
Pitkin	37,980,720	67,010,940	104,991,660	54,874	1,212,898	1,267,772	12.07	18.10	- 6.
Prowers	68,710	36,303,550	36,372,260	3,856	878,909	882,765	24.27	24.21	+ .
- 200 -									
Pueblo	1,772,470	280,379,820	282,152,290	6,067	5,551,520	5,557,587	19.70	19.80	- .
Rio Blanco	13,980	97,448,200	97,462,180	243,469	857,544	1,101,013	11.30	8.80	+ 2.
Rio Grande	9,783,560	32,728,820	42,512,380	49,191	490,932	540,123	12.70	15.00	- 2.
Routt	-0-	61,315,720	61,315,720	120,270	1,149,669	1,269,939	20.71	18.75	+ 1.
Saguache	41,126,170	18,169,700	59,295,870	88,043	339,773	427,816	7.21	18.70	-11.
San Juan	10,956,550	4,987,910	15,944,460	37,384	84,645	122,029	7.65	16.97	- 9.
San Miguel	1,940,100	11,551,430	13,471,530	64,227	138,377	222,604	16.52	12.00	+ 4.
Sedgwick	400	14,490,790	14,491,190	1,409	246,343	247,752	17.10	17.00	+ .
Summit	5,539,330	72,558,410	78,097,740	33,356	1,184,153	1,217,509	15.59	16.32	- .
Teller	633,850	21,511,860	22,145,710	2,952	552,640	554,692	25.05	25.69	- .
Washington	68,700	39,378,120	39,446,820	5,974	511,915	517,889	13.13	13.00	+ .
Weld	1,057,060	321,662,620	322,719,680	47,344	7,552,638	7,559,982	23.55	23.48	+ .
Yuma	75,720	40,535,130	40,610,850	5,018	547,224	552,242	13.60	13.50	+ .
Total	\$701,365,250	\$7,484,157,890	\$8,185,523,120	\$2,655,721	\$122,061,540	\$124,715,261			

Footnote:

1/ This figure represents a total distribution to counties for FY 74 under the following programs:
 *Mineral Leasing, Taylor Grazing, Lands and Materials, Forest Revenues, Flood Control Lands,
 *Migratory Bird Conservation and Bankhead-Jones Farm Tenant Acts. Specifically excluded are
 monies received under P.L. 874.

Prepared by the Legislative Council, November 6, 1975

In reviewing the table, the following is noteworthy:

- 31 counties would have realized decreases in their county mill levy for 1974 while 31 counties would have realized increases in their county mill levies;
- the greatest decrease in a 1974 county mill levy would have been in Hinsdale County (14.67 mills);
- the greatest increase in a 1974 county mill levy would have been in Dolores County (22.03 mills); and
- because seven counties did not report a valuation for federal holdings, in each of the seven counties the county mill levy increased for purposes of the table.

On September 19, 1975, U.S. Representative Frank Evans of Colorado introduced a bill (H.R. 9719) which would provide an alternative to the present method of compensating those states with federal lands managed by agencies like the Forest Service and the Bureau of Land Management. The measure would specify that a state or local government entitled to receive any payment under one or more public land related shared revenue programs may elect to receive, in lieu of those payments, 75 cents for each acre of land "within the boundaries of the State or political subdivision with respect to which a payment is authorized (or would be authorized if revenue were produced from such land)...".

The following table indicates the effect the Evans proposal would have had on county revenues and mill levies for FY 1974. In summary, if revenues from the Evans proposal were substituted for the federal shared revenues, the county mill levy in 46 counties would decrease, increase in fifteen counties, and remain the same in two counties. In thirteen counties (Archuleta, Conejos, Custer, Gunnison, Hinsdale, Jackson, Mineral, Moffat, Montezuma, Rio Blanco, Saguache, San Juan, and San Miguel) the effect of the Evans proposal on county mill levies would not only reduce the levy to zero but, in most cases, result in a substantial "windfall" to the counties' budgets.

In examining the table, several facts about the present shared revenue programs should be emphasized. The receipts shown as a part of column 4 reflect only those monies distributed directly to the counties. A significant amount of money is not directly distributed to the counties, i.e., \$6.8 million for fiscal year 1974 from the Mineral Leasing Act that goes into the state public school fund and \$24.6 million oil shale impact money held in a special fund.

Bureau of Land Management and Forest Service Surface Acres Managed and Receipts Returned for
 FY 1975 (distributed during FY 76) and a Comparison of Total Receipts to H.R. 9719 as Introduced

County	Acreage			Revenues Returned for FY 1975			Return With
	BLM (1)	Forest Service (2)	Total (3)	BLM 1/ (4)	Forest Service 2/ (5)	Total (6)	\$0.75 Acre 3/ (7)
Adams	-0-	-0-	-0-	\$ 110.00	\$ -0-	\$ 110.00	\$ -0-
Alamosa	37,889	28,091	65,980	3,957.92	1,630.89	5,588.81	49,485.00
Arapahoe	-0-	-0-	-0-	8,760.57	-0-	8,760.57	-0-
Archuleta	10,457	423,862	434,319	3,296.64	27,153.88	30,450.52	325,739.25
Baca	520	205,133	205,653	11,048.97	21,253.22	32,302.19	154,239.75
Bent	1,576	-0-	1,576	18,801.87	-0-	18,801.87	1,182.00
Boulder	5,079	137,722	142,801	79.21	4,483.88	4,563.09	107,100.75
Chaffee	53,041	451,010	504,051	812.81	9,213.30	10,026.11	378,038.25
Cheyenne	300	-0-	300	350.36	-0-	350.36	225.00
Clear Creek	22,917	167,384	190,301	51.50	24,941.73	24,993.23	142,725.75
Conejos	172,788	299,274	472,062	5,541.45	17,402.00	22,943.45	354,046.50
Costilla	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Crowley	4,427	-0-	4,427	3,801.38	-0-	3,801.38	3,320.25
Custer	21,025	163,799	184,824	4,122.74	3,346.12	7,468.86	138,618.00
Delta	205,668	191,650	397,318	52,837.71	8,183.53	61,021.24	297,988.50
Denver	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Dolores	55,244	353,011	408,255	143,996.10	22,735.44	166,731.54	306,191.25
Douglas	-0-	141,231	141,231	15.00	2,976.16	2,991.16	105,923.25
Eagle	255,292	579,362	834,654	20,162.29	49,818.05	69,980.34	625,990.50
Elbert	-0-	-0-	-0-	1,503.25	-0-	1,503.25	-0-
El Paso	4,719	100,151	104,870	761.85	2,110.49	2,872.34	78,652.50
Fremont	349,044	99,997	449,041	1,803.18	2,042.75	3,845.93	336,780.75
Garfield	632,322	514,646	1,146,968	113,154.62	43,903.60	157,058.22	860,226.00
Gilpin	5,894	39,452	45,346	61.50	2,956.62	3,018.12	34,009.50
Grand	145,893	552,244	698,137	32,533.33	85,407.81	117,941.14	523,602.75
Gunnison	371,856	1,264,826	1,636,682	68,369.37	48,841.94	117,211.31	1,227,511.50
Hinsdale	114,075	557,677	671,752	613.27	31,980.49	32,593.76	503,814.00
Huerfano	71,373	139,559	210,932	20,695.12	2,850.94	23,546.06	158,199.00
Jackson	195,559	333,593	529,152	67,814.26	26,397.54	94,211.80	396,864.00
Jefferson	3,419	100,188	103,607	-0-	2,400.33	2,400.33	77,705.25
Kiowa	8,201	-0-	8,201	10,195.13	-0-	10,195.13	6,150.75
Kit Carson	-0-	-0-	-0-	477.25	-0-	477.25	-0-
Lake	23,928	155,926	179,854	358.00	3,185.28	3,543.28	134,890.50
La Plata	29,344	393,703	423,047	9,847.72	25,356.18	35,203.90	317,285.25
Larimer	28,149	617,340	645,489	3,178.84	20,099.05	23,277.89	484,116.75

County	Acreage			Revenues Returned for FY 1975			Return With Evans Proposal
	BLM (1)	Forest Service (2)	Total (3)	BLM 1/ (4)	Forest Service 2/ (5)	Total (6)	\$0.75 Acre 3/ (7)
Las Animas	14,601	74,649	89,250	\$ 61,851.36	\$ 5,902.55	\$ 67,753.91	\$ 66,937.50
Lincoln	2,145	-0-	2,145	2,048.63	-0-	2,048.63	1,608.75
Logan	1,117	-0-	1,117	1,822.89	-0-	1,822.89	837.75
Mesa	978,084	545,681	1,523,765	195,177.69	35,825.69	231,003.38	1,142,823.75
Mineral	-0-	525,258	525,258	-0-	31,377.36	31,377.36	393,943.50
Moffat	1,453,520	41,763	1,495,283	214,504.14	3,285.97	217,790.11	1,121,462.25
Montezuma	188,930	243,315	432,245	60,845.26	15,670.54	76,515.80	324,183.75
Montrose	636,307	327,353	963,660	67,232.63	22,983.58	90,216.21	722,745.00
Morgan	2,527	-0-	2,527	6,081.35	-0-	6,081.35	1,895.25
Otero	2,284	161,334	163,618	20,240.75	16,715.56	36,956.31	122,713.50
Ouray	38,758	126,905	165,663	2,996.43	9,435.42	12,431.85	124,247.25
Park	75,500	650,560	726,060	8,416.13	14,559.84	22,975.97	544,515.00
Phillips	-0-	-0-	-0-	405.25	-0-	405.25	-0-
Pitkin	23,583	485,573	509,156	16,217.14	41,753.34	57,970.48	381,867.00
Prowers	752	-0-	752	4,058.35	-0-	4,058.35	564.00
Pueblo	16,845	32,833	49,678	15,638.63	670.72	16,309.35	37,258.50
Rio Blanco	1,170,614	358,574	1,529,188	209,908.17	29,941.81	239,849.98	1,146,891.00
Rio Grande	58,612	274,766	333,378	411.19	15,985.44	16,396.63	250,033.50
Routt	79,556	582,915	662,471	90,288.02	45,950.14	136,238.16	496,853.25
Saguache	352,125	959,673	1,311,798	4,129.98	47,190.51	51,320.49	983,841.75
San Juan	48,720	170,393	219,113	216.40	10,842.21	11,058.61	164,334.75
San Miguel	298,733	175,909	474,642	74,144.14	13,037.47	87,181.61	355,981.50
Sedgwick	273	-0-	273	320.77	-0-	320.77	204.75
Summit	18,192	297,325	315,517	341.53	47,783.66	48,125.19	236,637.75
Teller	33,308	125,497	158,805	621.70	2,644.61	3,266.31	119,105.25
Washington	879	-0-	879	5,830.37	-0-	5,830.37	659.25
Weld	5,491	193,060	198,551	10,467.48	38,783.21	49,250.69	148,913.25
Yuma	441	-0-	441	6,747.63	-0-	6,747.63	330.75
TOTALS	8,531,896	14,364,167	22,696,063	\$1,690,077.22	\$941,010.85	\$2,631,088.07	\$17,022,012.00

1/ These figures represent monies generated during FY 1975 for distribution to Colorado counties during FY 1976 under the Mineral Leasing, Taylor Grazing, and Lands and Materials Acts. The counties receive approximately \$68,000 from Taylor Grazing receipts and \$4,500 from Lands and Materials for FY 1975.

2/ These figures represent monies generated for distribution to Colorado counties during FY 1976 under the Forest Revenues and Bankhead-Jones Acts. The Forest Revenues Act monies represent \$858,806 of the total and were generated during FY 1975. The bankhead-Jones monies (\$82,204) are reported by the calendar year and thus the monies shown are for calendar year 1974.

3/ These figures result from multiplying \$.75 times the total BLM and Forest Service acreage (Col. 3) "within the boundaries of the state or political subdivision with respect to which a payment is authorized (or would be authorized if revenue were produced from such land)...".

Calculated by the Legislative Council staff from materials supplied by the BLM, the Forest Service, and the Colorado State Treasurer's Office, October 20, 1975.

Proposed expansion of Rocky Mountain National Park. At the final meeting of the interim as well as a meeting in Winter Park, the committee heard interested citizens, representatives of various groups, and county, state and federal officials express their attitudes toward H.R. 8360, which would expand the size of Rocky Mountain National Park by some 50 percent. Expansion would affect Boulder, Jackson, Grand, and Larimer counties in particular. The bill was introduced June 26, 1975, by U. S. Representative Tim Wirth of Colorado's second congressional district

The committee's specific concern with the expansion bill followed the directive from the General Assembly to measure the monetary effect of federal lands upon communities and county governments and their ability to provide services to residents and visitors. However, testimony from 35 people at the two public hearings did not provide the necessary kind of information for the committee to respond to the legislature's directive.

Among the comments of particular interest to the committee was a statement that the 127,000 acres of new park land contained only 400 hundred acres of privately held land while the remaining area presently lies in the Roosevelt and Arapahoe national forests. Thus, it was concluded that the extracted forest lands constitute less than one percent of the national forest lands in the state, and secondly, almost all of the land to be included in the park is already federally owned. The comments recalled for the committee a recent report authored by two U. S. Department of Interior professionals and published by the American Mining Congress. The report shows that nationally, through specific federal governmental actions often involving small withdrawals, nearly 400 million acres have been withdrawn nation-wide from the operation of the Mining Law of 1872 and over 500 million acres have been withdrawn from the federal leasing laws. An additional 170 million acres are encumbered or managed in such a manner as to constitute a de facto withdrawal from mineral development. Represented as a percentage, in 1968, about seventeen percent of the public domain was withdrawn from operation of the Mining Law. By 1974, that figure had changed to 53 percent, with an additional fourteen percent included in de facto withdrawals. In 1968 about seventeen percent of the available land was withdrawn from the leasing laws. By 1974, that figure had grown to 64 percent. The report concludes that there is now more public land withdrawn from mineral development than open for such development.

Thus, bit by bit, with no assessment of the cumulative impact of what amounts to thousands of withdrawal actions, public lands are being removed from mineral exploration and development. Although similar comprehensive studies on the specific impact of withdrawal actions on other activities--grazing and timber harvesting, for example--have not been brought to the attention of the committee, the implication of the American Mining Congress study for these activities is staggering.