

## Colo. Rev. Stat. § 39-3-124

Section 39-3-124 - Property used by state entity - installment sales or lease agreement - financed purchase of an asset, certificate of participation, or leveraged lease agreement - exemption

**(1)**

**(a)** Property, real and personal, that is used by the state or any of its political subdivisions pursuant to the provisions of any installment sales agreement, financed purchase of an asset agreement, certificate of participation agreement, or any other agreement whereby the state or such political subdivision shall be entitled to acquire title to such property at the end of the agreement term without cost or for only nominal consideration shall be exempt from the levy and collection of property tax.

**(b)**

**(I)**

**(A)** Subject to the provisions of sub-subparagraph (B) of this subparagraph (I), on and after January 1, 2009, the part of real property that is used by the state, a political subdivision, or a state-supported institution of higher education pursuant to the provisions of any lease or rental agreement for at least a one-year term, with or without an option to purchase, and pursuant to which the subject real property is used for purposes of the state, political subdivision, or institution of higher education, as applicable, shall be exempt from the levy and collection of property tax. If the state or any political subdivision or state-supported institution of higher education enters into a lease or rental agreement or is already in a lease or rental agreement on or after January 1, 2009, and is exempt from the levy and collection of property tax pursuant to this section, the state, political subdivision, or state-supported institution of higher education, as applicable, shall file a copy of the lease or rental agreement with the county assessor's office. The state or a political subdivision or institution of higher education shall notify the county assessor's office in the event that the lease or rental agreement is terminated prior to the term stated in such lease or rental agreement. Nothing in this paragraph (b) shall affect property tax exemptions allowed pursuant to section 8-82-104, 22-32-127, 29-4-227, 30-11-104.2, 31-15-802, or 43-1-214, C.R.S.

**(B)** The state, a political subdivision, or a state-supported institution of higher education shall reduce, deduct, or offset property taxes from rent due under any lease or rental agreement pursuant to sub-subparagraph (A) of this subparagraph (I). Upon receipt of a lease or rental agreement for the state, a political subdivision, or a state-supported institution of higher education, the county assessor shall send a notice to the landlord acknowledging receipt of the lease or rental agreement. The notice shall identify the property, the property address, and the parties to the lease or rental agreement.

**(C)** To the extent that real property taxes are shared and payable by one or more tenants under the lease of property that are not the state, a political subdivision, or a state-supported institution of higher education, real property taxes otherwise due but

for the application of this paragraph (b) shall be deemed taxes paid by the property owner or the landlord of a property leased in part to the state, a political subdivision, or a state-supported institution of higher education.

**(D)** Only a tenant that is the state, a political subdivision, or a state-supported institution of higher education shall receive any benefit related to the tenant's property tax-exempt status pursuant to this paragraph (b).

**(E)** It is the general assembly's intent that the application of this paragraph (b) be cost-neutral in that the tax reduction and the rent reduction pursuant to this paragraph (b) are equal.

**(II)** For purposes of this paragraph (b), "state-supported institution of higher education" includes, but need not be limited to, all postsecondary institutions in the state supported in whole or in part by state funds, including community colleges, extension programs of the state-supported universities and colleges, local district colleges, area technical colleges, and the institutions governed by the regents of the university of Colorado.

**(2)** A leasehold interest in real or personal property that is owned by the state or by a political subdivision of the state and that has been leased to a private person, the use and possession of which has been leased back to the state or a political subdivision of the state, shall be exempt from the levy and collection of property tax during the term of the use and possession of the property by the state or a political subdivision of the state. Property that is the subject of a leveraged leasing agreement executed by the state or by a political subdivision of the state shall be treated as tax-exempt property owned by the state for purposes of any state or local tax.

**(3)** The lease of property by a political subdivision of the state to a private person and the sublease of the property back to the political subdivision of the state pursuant to a leveraged leasing agreement shall not cause the private person to whom the property has been leased to incur any liability in tort by virtue of the private person's status as a lessor under the leveraged leasing agreement.

*C.R.S. § 39-3-124*

Amended by 2021 Ch. 325, § 77, eff. 7/1/2021.

Amended by 2016 Ch. 58, § 43, eff. 8/10/2016.

L. 89: Entire article R&RE, p. 1477, § 1, effective April 23. L. 2003: Entire section amended, p. 1720, § 3, effective May 14. L. 2008: (1) amended, p. 1631, § 1, effective August 5. L. 2009: (1)(b)(I) amended, (HB 09-1365), ch. 320, p. 1710, § 1, effective June 1. L. 2016: (1)(b)(II) amended, (HB 16 -1082), ch. 153, p. 153, § 43, effective August 10. L. 2021: (1)(a) amended, (HB 21-1316), ch. 2062, p. 2062, § 77, effective July 1.

*This section is similar to former § 39-3-101 (1)(p) as it existed prior to 1989.*