

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0782.01 Ed DeCecco

SENATE BILL 11-162

SENATE SPONSORSHIP

Hodge, Steadman, Lambert

HOUSE SPONSORSHIP

Ferrandino, Becker, Gerou

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 CONCERNING THE SUSPENSION OF THE PAYMENT OF CIGARETTE TAX
102 REBATES TO LOCAL GOVERNMENTS, AND, IN CONNECTION
103 THEREWITH, MODIFYING APPROPRIATIONS MADE TO THE
104 TAXATION BUSINESS GROUP IN THE 2010-11 FISCAL YEAR
105 GENERAL APPROPRIATION BILL.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

2010-11 budget balancing bill. The state currently distributes an

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

amount equal to 27% of state cigarette tax revenues to cities, towns, and counties (local governments). Such distribution is done in proportion to the amount of state sales tax revenues collected within the boundaries of the local governments and is contingent upon a local government not imposing their own fees, licenses, or taxes on cigarette sales.

The bill suspends these distributions to the local governments from the effective date of this bill and until July 1, 2013.

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

2 **SECTION 1.** 39-22-623 (1) (a) (II) (A), Colorado Revised
3 Statutes, is amended, and the said 39-22-623 is further amended BY THE
4 ADDITION OF A NEW SUBSECTION, to read:

5 **39-22-623. Disposition of collections.** (1) The proceeds of all
6 moneys collected under this article, less the reserve retained for refunds,
7 shall be credited as follows:

8 (a) (II) (A) EXCEPT AS SET FORTH IN SUBSECTION (2) OF THIS
9 SECTION, effective July 1, 1987, an amount equal to twenty-seven percent
10 of the gross state cigarette tax shall be apportioned to incorporated cities
11 and incorporated towns which levy taxes and adopt formal budgets and
12 to counties. For the purposes of this section, a city and county shall be
13 considered as a city. The city or town share shall be apportioned
14 according to the percentage of state sales tax revenues collected by the
15 department of revenue in an incorporated city or town as compared to the
16 total state sales tax collections that may be allocated to all political
17 subdivisions in the state; the county share shall be the same as that which
18 the percentage of state sales tax revenues collected in the unincorporated
19 area of the county bears to total state sales tax revenues which may be
20 allocated to all political subdivisions in the state. The department of
21 revenue shall certify to the state treasurer, at least annually, the
22 percentage for allocation to each city, town, and county, and such

1 percentage for allocation so certified shall be applied by said department
2 in all distributions to cities, towns, and counties until changed by
3 certification to the state treasurer. In order to qualify for distributions of
4 state income tax moneys, units of local government are prohibited from
5 imposing fees, licenses, or taxes on any person as a condition for
6 engaging in the business of selling cigarettes or from attempting in any
7 manner to impose a tax on cigarettes. For purposes of this paragraph (a),
8 the "gross state cigarette tax" means the total tax before the discount
9 provided for in section 39-28-104 (1).

10 (2) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (1) OF THIS
11 SECTION TO THE CONTRARY, NO MONEYS SHALL BE DISTRIBUTED TO A
12 CITY, TOWN, OR COUNTY PURSUANT TO THIS SECTION AFTER THE
13 EFFECTIVE DATE OF THIS SUBSECTION (2) AND PRIOR TO JULY 1, 2013.

14 **SECTION 2. Appropriation - adjustments in long bill.** For the
15 implementation of this act, the general fund appropriation made in the
16 annual general appropriation act for the fiscal year beginning July 1,
17 2010, to the department of revenue, taxation business group, special
18 purpose division for the cigarette tax rebate, is decreased by two million
19 eight hundred fifty thousand dollars (\$2,850,000).

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