

CHAPTER 317

PUBLIC UTILITIES

HOUSE BILL 25-1080

BY REPRESENTATIVE(S) Lukens and Soper, Bacon, Bird, Boesenecker, Duran, Froelich, Lindsay, Marshall, McCormick, Rutinel, Stewart K., McCluskie;
also SENATOR(S) Hinrichsen, Cutter, Jodeh, Roberts.

AN ACT

CONCERNING MEASURES TO INCENTIVIZE THE DEPLOYMENT OF WIRELESS TELEPHONE INFRASTRUCTURE IN THE STATE.

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

SECTION 1. In Colorado Revised Statutes, **add** 39-3-139 as follows:

39-3-139. Property tax relief for communication services deployment - legislative declaration - definitions. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) THE INTENDED PURPOSE OF THE TAX RELIEF CREATED IN THIS SECTION IS TO ENCOURAGE THE DEPLOYMENT OF COMMUNICATION SERVICES INFRASTRUCTURE THROUGHOUT THE STATE, PARTICULARLY IN RURAL, UNSERVED, AND UNDERSERVED AREAS, AND TO CREATE INCENTIVES FOR INVESTMENTS IN NEW COMMUNICATION SERVICES INFRASTRUCTURE IN ADDITION TO INCENTIVES ALREADY CREATED BY OTHER STATE OR FEDERAL LAW;

(b) FINANCIAL INCENTIVES IN THE FORM OF TAX RELIEF ARE NECESSARY TO ATTRACT INVESTMENT AND FREE UP RESOURCES FOR COMMUNICATION SERVICES DEPLOYMENT, PARTICULARLY IN AREAS THAT HAVE BEEN DESIGNATED AS UNSERVED OR UNDERSERVED. THE INCENTIVES CAN BE PARTICULARLY EFFECTIVE WHEN OFFERED AT THE LOCAL LEVEL BY COUNTIES THAT HAVE THE AUTHORITY TO APPROVE THE RELIEF BASED ON SPECIFIC CRITERIA.

(c) PROVIDING TAX RELIEF STIMULATES ECONOMIC DEVELOPMENT IN THE STATE AND SUPPORTS THE EXPANSION OF ESSENTIAL COMMUNICATION SERVICES TO UNSERVED AND UNDERSERVED AREAS; AND

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(d) WIRELESS TELECOMMUNICATIONS TECHNOLOGIES, WHILE SEEMINGLY INDEPENDENT, CRITICALLY RELY ON FORMS OF BROADBAND LIKE FIBER AND LANDLINE NETWORKS FOR ESSENTIAL FUNCTIONS, SUCH AS BACKHAUL, WHICH CONNECTS CELL TOWERS TO THE INTERNET BACKBONE AND WHICH IS OFTEN PERFORMED BY NONWIRELESS PROVIDERS. THEREFORE, THE POLICIES THAT IMPACT BROADBAND INFRASTRUCTURE MUST CONSIDER THE INTERCONNECTEDNESS OF ALL TECHNOLOGIES, INCLUDING THE DEPENDENCE OF WIRELESS TELECOMMUNICATIONS ON THE BROADER ECOSYSTEM, TO ENSURE EFFECTIVE AND COMPREHENSIVE WIRELESS AND BROADBAND ACCESS FOR ALL COLORADANS.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COUNTY" MEANS A COUNTY OR A CITY AND COUNTY.

(b) (I) "QUALIFIED COMMUNICATION SERVICES FACILITY" MEANS ANY FACILITY, INFRASTRUCTURE, EQUIPMENT, OR OTHER REAL OR PERSONAL PROPERTY USED IN THE PROVISION OF FIXED BROADBAND OR MOBILE BROADBAND INTERNET ACCESS SERVICE, AS DEFINED BY THE FEDERAL COMMUNICATIONS COMMISSION, AND INCLUDES, BUT IS NOT LIMITED TO:

(A) ASYNCHRONOUS TRANSFER MODE SWITCHES;

(B) DIGITAL SUBSCRIBER LINE ACCESS MULTIPLEXERS;

(C) ROUTERS;

(D) SERVERS;

(E) MULTIPLEXERS;

(F) FIBER OPTICS; AND

(G) ANY RELATED EQUIPMENT.

(II) "QUALIFIED COMMUNICATION SERVICES FACILITY" INCLUDES ANY INFRASTRUCTURE OR EQUIPMENT USED TO PROVIDE FIXED OR MOBILE WIRELESS BROADBAND INTERNET ACCESS SERVICE, INCLUDING, BUT NOT LIMITED TO, MACRO CELL TOWERS AND MICROCELL TOWERS.

(c) "UNDERSERVED AREA" MEANS A GEOGRAPHIC AREA IN WHICH BROADBAND INTERNET ACCESS SERVICE IS NOT AVAILABLE FROM MORE THAN ONE PROVIDER AT SPEEDS MEETING OR EXCEEDING THE MINIMUM BROADBAND BENCHMARKS ESTABLISHED BY THE FEDERAL COMMUNICATIONS COMMISSION FOR FIXED BROADBAND OR MOBILE BROADBAND. A COUNTY SHALL DETERMINE WHETHER AN AREA IS UNDERSERVED BY REFERENCE TO THE FEDERAL COMMUNICATIONS COMMISSION BROADBAND COVERAGE MAPS AVAILABLE AS OF JANUARY 1 IN THE CALENDAR YEAR IN WHICH THE COUNTY AND THE TAXPAYER NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT.

(d) "UNSERVED AREA" MEANS A GEOGRAPHIC AREA IN WHICH BROADBAND INTERNET ACCESS SERVICE IS NOT AVAILABLE FROM ANY PROVIDER AT SPEEDS

MEETING OR EXCEEDING THE MINIMUM BROADBAND BENCHMARKS ESTABLISHED BY THE FEDERAL COMMUNICATIONS COMMISSION FOR FIXED BROADBAND AND MOBILE BROADBAND. A COUNTY SHALL DETERMINE WHETHER AN AREA IS UNSERVED BY REFERENCE TO THE FEDERAL COMMUNICATIONS COMMISSION BROADBAND COVERAGE MAPS AVAILABLE AS OF JANUARY 1 IN THE CALENDAR YEAR IN WHICH THE COUNTY AND THE TAXPAYER NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT.

(3) (a) NOTWITHSTANDING ANY LAW TO THE CONTRARY, A COUNTY MAY NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT WITH A TAXPAYER THAT ESTABLISHES OR EXPANDS A QUALIFIED COMMUNICATION SERVICES FACILITY IN THE COUNTY IF THE FACILITY SERVES AN UNSERVED OR UNDERSERVED AREA.

(b) THE BURDEN IS ON A TAXPAYER SEEKING TAX RELIEF TO DEMONSTRATE, TO THE SATISFACTION OF THE COUNTY, THAT THE AREA TO BE SERVED BY THE PROPOSED INVESTMENT IS AN UNSERVED OR UNDERSERVED AREA. THE TAXPAYER SHALL RELY ON THE FEDERAL COMMUNICATIONS COMMISSION BROADBAND COVERAGE MAPS AVAILABLE AS OF JANUARY 1 IN THE CALENDAR YEAR IN WHICH THE COUNTY AND THE TAXPAYER NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT TO MAKE THE DETERMINATION.

(c) A COUNTY SHALL NOT NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT THAT EXCEEDS THE AMOUNT OF THE TAXES LEVIED BY THE COUNTY UPON THE TAXABLE REAL PROPERTY OR BUSINESS PERSONAL PROPERTY LOCATED AT OR WITHIN THE QUALIFIED COMMUNICATION SERVICES FACILITY FOR THE CURRENT PROPERTY TAX YEAR.

(4) A COUNTY SHALL EXERCISE THE AUTHORITY GRANTED UNDER THIS SECTION IN A NONDISCRIMINATORY, NONEXCLUSIVE, AND COMPETITIVELY NEUTRAL MANNER. TO THE EXTENT THAT A COUNTY AWARDS AN INCENTIVE PAYMENT OR CREDIT UNDER THIS SECTION, THE COUNTY SHALL AWARD SUBSEQUENT INCENTIVE PAYMENTS OR CREDITS UNDER SIMILAR TERMS AND CONDITIONS AS THE INITIAL AWARD AND BASED ON A PROPORTIONATE LEVEL OF INVESTMENT IN A QUALIFIED COMMUNICATION SERVICES FACILITY IN THE COUNTY.

(5) A COUNTY THAT NEGOTIATES AN AGREEMENT PURSUANT TO THIS SECTION SHALL INFORM ANY MUNICIPALITY, SPECIAL DISTRICT AS DEFINED IN SECTION 32-1-103, AND SCHOOL DISTRICT IN WHICH THE QUALIFIED COMMUNICATION SERVICES FACILITY WILL BE ESTABLISHED OR EXPANDED OF THE NEGOTIATIONS WITH THE TAXPAYER.

(6) A COUNTY MAY ADJUST THE AMOUNT OF ITS TAX LEVY AUTHORIZED PURSUANT TO SECTION 29-1-301 OR PURSUANT TO A COUNTY HOME RULE CHARTER, WHICHEVER IS APPLICABLE, BY AN ADDITIONAL AMOUNT THAT DOES NOT EXCEED THE TOTAL AMOUNT OF ANNUAL INCENTIVE PAYMENTS OR CREDITS THAT THE COUNTY MAKES.

SECTION 2. In Colorado Revised Statutes, **add** 32-1-1703 as follows:

32-1-1703. Property tax relief for communication services deployment - legislative declaration - definitions. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) THE INTENDED PURPOSE OF THE TAX RELIEF CREATED IN THIS SECTION IS TO ENCOURAGE THE DEPLOYMENT OF COMMUNICATION SERVICES INFRASTRUCTURE THROUGHOUT THE STATE, PARTICULARLY IN RURAL, UNSERVED, AND UNDERSERVED AREAS, AND TO CREATE INCENTIVES FOR INVESTMENTS IN NEW COMMUNICATION SERVICES INFRASTRUCTURE IN ADDITION TO INCENTIVES ALREADY CREATED BY OTHER STATE OR FEDERAL LAW;

(b) FINANCIAL INCENTIVES IN THE FORM OF TAX RELIEF ARE NECESSARY TO ATTRACT INVESTMENT AND FREE UP RESOURCES FOR COMMUNICATION SERVICES DEPLOYMENT, PARTICULARLY IN AREAS THAT HAVE BEEN DESIGNATED AS UNSERVED OR UNDERSERVED. THE INCENTIVES CAN BE PARTICULARLY EFFECTIVE WHEN OFFERED AT THE LOCAL LEVEL BY SPECIAL DISTRICTS THAT HAVE THE AUTHORITY TO APPROVE THE RELIEF BASED ON SPECIFIC CRITERIA.

(c) PROVIDING TAX RELIEF STIMULATES ECONOMIC DEVELOPMENT IN THE STATE AND SUPPORTS THE EXPANSION OF ESSENTIAL COMMUNICATION SERVICES TO UNSERVED AREAS; AND

(d) WIRELESS TELECOMMUNICATIONS TECHNOLOGIES, WHILE SEEMINGLY INDEPENDENT, CRITICALLY RELY ON FORMS OF BROADBAND LIKE FIBER AND LANDLINE NETWORKS FOR ESSENTIAL FUNCTIONS, SUCH AS BACKHAUL, WHICH CONNECTS CELL TOWERS TO THE INTERNET BACKBONE AND WHICH IS OFTEN PERFORMED BY NONWIRELESS PROVIDERS. THEREFORE, THE POLICIES THAT IMPACT BROADBAND INFRASTRUCTURE MUST CONSIDER THE INTERCONNECTEDNESS OF ALL TECHNOLOGIES, INCLUDING THE DEPENDENCE OF WIRELESS TELECOMMUNICATIONS ON THE BROADER ECOSYSTEM, TO ENSURE EFFECTIVE AND COMPREHENSIVE WIRELESS AND BROADBAND ACCESS FOR ALL COLORADANS.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "QUALIFIED COMMUNICATION SERVICES FACILITY" HAS THE MEANING SET FORTH IN SECTION 39-3-139 (2)(b).

(b) "UNDERSERVED" HAS THE MEANING SET FORTH IN SECTION 39-3-139 (2)(c) AND APPLIES TO A SPECIAL DISTRICT'S DETERMINATION OF WHETHER AN AREA IS UNDERSERVED IN THE SAME MANNER DESCRIBED FOR A COUNTY'S DETERMINATION IN SECTION 39-3-139 (2)(c).

(c) "UNSERVED AREA" HAS THE MEANING SET FORTH IN SECTION 39-3-139 (2)(d) AND APPLIES TO A SPECIAL DISTRICT'S DETERMINATION OF WHETHER AN AREA IS UNSERVED IN THE SAME MANNER DESCRIBED FOR A COUNTY'S DETERMINATION IN SECTION 39-3-139 (2)(d).

(3)(a) NOTWITHSTANDING ANY LAW TO THE CONTRARY, A SPECIAL DISTRICT MAY NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT WITH A TAXPAYER THAT ESTABLISHES OR EXPANDS A QUALIFIED COMMUNICATION SERVICES FACILITY IN THE SPECIAL DISTRICT IF THE FACILITY SERVES AN UNSERVED OR UNDERSERVED AREA.

(b) THE BURDEN IS ON A TAXPAYER SEEKING TAX RELIEF TO DEMONSTRATE, TO THE SATISFACTION OF THE SPECIAL DISTRICT, THAT THE AREA TO BE SERVED BY THE PROPOSED INVESTMENT IS AN UNSERVED OR UNDERSERVED AREA. THE TAXPAYER

SHALL RELY ON THE FEDERAL COMMUNICATIONS COMMISSION BROADBAND COVERAGE MAPS AVAILABLE AS OF JANUARY 1 IN THE CALENDAR YEAR IN WHICH THE SPECIAL DISTRICT AND THE TAXPAYER NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT TO MAKE THE DETERMINATION.

(c) A SPECIAL DISTRICT SHALL NOT NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT THAT EXCEEDS THE AMOUNT OF THE TAXES LEVIED BY THE SPECIAL DISTRICT UPON THE TAXABLE REAL PROPERTY OR BUSINESS PERSONAL PROPERTY LOCATED AT OR WITHIN THE QUALIFIED COMMUNICATION SERVICES FACILITY FOR THE CURRENT PROPERTY TAX YEAR.

(4) A SPECIAL DISTRICT SHALL EXERCISE THE AUTHORITY GRANTED UNDER THIS SECTION IN A NONDISCRIMINATORY, NONEXCLUSIVE, AND COMPETITIVELY NEUTRAL MANNER. TO THE EXTENT THAT A SPECIAL DISTRICT AWARDS AN INCENTIVE PAYMENT OR CREDIT UNDER THIS SECTION, THE SPECIAL DISTRICT SHALL AWARD SUBSEQUENT INCENTIVE PAYMENTS OR CREDITS UNDER SIMILAR TERMS AND CONDITIONS AS THE INITIAL AWARD AND BASED ON A PROPORTIONATE LEVEL OF INVESTMENT IN A QUALIFIED COMMUNICATION SERVICES FACILITY IN THE SPECIAL DISTRICT.

(5) A SPECIAL DISTRICT THAT NEGOTIATES AN AGREEMENT PURSUANT TO THIS SECTION SHALL INFORM ANY MUNICIPALITY AND COUNTY IN WHICH THE QUALIFIED COMMUNICATION SERVICES FACILITY WILL BE ESTABLISHED OR EXPANDED OF THE NEGOTIATIONS WITH THE TAXPAYER.

(6) A SPECIAL DISTRICT MAY ADJUST THE AMOUNT OF ITS TAX LEVY AUTHORIZED PURSUANT TO SECTION 29-1-301 BY AN ADDITIONAL AMOUNT THAT DOES NOT EXCEED THE TOTAL AMOUNT OF ANNUAL INCENTIVE PAYMENTS OR CREDITS THAT THE SPECIAL DISTRICT MAKES.

SECTION 3. In Colorado Revised Statutes, **add** 22-40-111 as follows:

22-40-111. Property tax relief for communication services deployment - legislative declaration - definitions. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) THE INTENDED PURPOSE OF THE TAX RELIEF CREATED IN THIS SECTION IS TO ENCOURAGE THE DEPLOYMENT OF COMMUNICATION SERVICES INFRASTRUCTURE THROUGHOUT THE STATE, PARTICULARLY IN RURAL, UNSERVED, AND UNDERSERVED AREAS, AND TO CREATE INCENTIVES FOR INVESTMENTS IN NEW COMMUNICATION SERVICES INFRASTRUCTURE IN ADDITION TO INCENTIVES ALREADY CREATED BY OTHER STATE OR FEDERAL LAW;

(b) FINANCIAL INCENTIVES IN THE FORM OF TAX RELIEF ARE NECESSARY TO ATTRACT INVESTMENT AND FREE UP RESOURCES FOR COMMUNICATION SERVICES DEPLOYMENT, PARTICULARLY IN AREAS THAT HAVE BEEN DESIGNATED AS UNSERVED OR UNDERSERVED. THE INCENTIVES CAN BE PARTICULARLY EFFECTIVE WHEN OFFERED AT THE LOCAL LEVEL BY SCHOOL DISTRICTS THAT HAVE THE AUTHORITY TO APPROVE THE RELIEF BASED ON SPECIFIC CRITERIA.

(c) PROVIDING TAX RELIEF STIMULATES ECONOMIC DEVELOPMENT IN THE STATE

AND SUPPORTS THE EXPANSION OF ESSENTIAL COMMUNICATION SERVICES TO UNSERVED AND UNDERSERVED AREAS; AND

(d) WIRELESS TELECOMMUNICATIONS TECHNOLOGIES, WHILE SEEMINGLY INDEPENDENT, CRITICALLY RELY ON FORMS OF BROADBAND LIKE FIBER AND LANDLINE NETWORKS FOR ESSENTIAL FUNCTIONS, SUCH AS BACKHAUL, WHICH CONNECTS CELL TOWERS TO THE INTERNET BACKBONE AND WHICH IS OFTEN PERFORMED BY NONWIRELESS PROVIDERS. THEREFORE, THE POLICIES THAT IMPACT BROADBAND INFRASTRUCTURE MUST CONSIDER THE INTERCONNECTEDNESS OF ALL TECHNOLOGIES, INCLUDING THE DEPENDENCE OF WIRELESS TELECOMMUNICATIONS ON THE BROADER ECOSYSTEM, TO ENSURE EFFECTIVE AND COMPREHENSIVE WIRELESS AND BROADBAND ACCESS FOR ALL COLORADANS.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "QUALIFIED COMMUNICATION SERVICES FACILITY" HAS THE MEANING SET FORTH IN SECTION 39-3-139 (2)(b).

(b) "UNDERSERVED" HAS THE MEANING SET FORTH IN SECTION 39-3-139 (2)(c) AND APPLIES TO A SCHOOL DISTRICT'S DETERMINATION OF WHETHER AN AREA IS UNDERSERVED IN THE SAME MANNER DESCRIBED FOR A COUNTY'S DETERMINATION IN SECTION 39-3-139 (2)(c).

(c) "UNSERVED AREA" HAS THE MEANING SET FORTH IN SECTION 39-3-139 (2)(d) AND APPLIES TO A SCHOOL DISTRICT'S DETERMINATION OF WHETHER AN AREA IS UNSERVED IN THE SAME MANNER DESCRIBED FOR A COUNTY'S DETERMINATION IN SECTION 39-3-139 (2)(d).

(3) (a) NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE BOARD OF EDUCATION OF A SCHOOL DISTRICT MAY NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT WITH A TAXPAYER THAT ESTABLISHES OR EXPANDS A QUALIFIED COMMUNICATION SERVICES FACILITY IN THE SCHOOL DISTRICT IF THE FACILITY SERVES AN UNSERVED OR UNDERSERVED AREA.

(b) THE BURDEN IS ON A TAXPAYER SEEKING TAX RELIEF TO DEMONSTRATE, TO THE SATISFACTION OF THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT, THAT THE AREA TO BE SERVED BY THE PROPOSED INVESTMENT IS AN UNSERVED OR UNDERSERVED AREA. THE TAXPAYER SHALL RELY ON THE FEDERAL COMMUNICATIONS COMMISSION BROADBAND COVERAGE MAPS AVAILABLE AS OF JANUARY 1 IN THE CALENDAR YEAR IN WHICH THE SCHOOL DISTRICT AND THE TAXPAYER NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT TO MAKE THE DETERMINATION.

(c) THE BOARD OF EDUCATION OF A SCHOOL DISTRICT SHALL NOT NEGOTIATE AN INCENTIVE PAYMENT OR CREDIT THAT EXCEEDS THE AMOUNT OF THE TAXES LEVIED BY THE SCHOOL DISTRICT UPON THE TAXABLE REAL PROPERTY OR BUSINESS PERSONAL PROPERTY LOCATED AT OR WITHIN THE QUALIFIED COMMUNICATION SERVICES FACILITY FOR THE CURRENT PROPERTY TAX YEAR.

(4) THE BOARD OF EDUCATION OF A SCHOOL DISTRICT SHALL EXERCISE THE AUTHORITY GRANTED UNDER THIS SECTION IN A NONDISCRIMINATORY,

NONEXCLUSIVE, AND COMPETITIVELY NEUTRAL MANNER. TO THE EXTENT THAT A SCHOOL DISTRICT AWARDS AN INCENTIVE PAYMENT OR CREDIT UNDER THIS SECTION, THE SCHOOL DISTRICT SHALL AWARD SUBSEQUENT INCENTIVE PAYMENTS OR CREDITS UNDER SIMILAR TERMS AND CONDITIONS AS THE INITIAL AWARD AND BASED ON A PROPORTIONATE LEVEL OF INVESTMENT IN A QUALIFIED COMMUNICATION SERVICES FACILITY IN THE SCHOOL DISTRICT.

(5) THE BOARD OF EDUCATION OF A SCHOOL DISTRICT THAT NEGOTIATES AN AGREEMENT PURSUANT TO THIS SECTION SHALL INFORM ANY MUNICIPALITY AND COUNTY IN WHICH THE QUALIFIED COMMUNICATION SERVICES FACILITY WILL BE ESTABLISHED OR EXPANDED OF THE NEGOTIATIONS WITH THE TAXPAYER.

SECTION 4. In Colorado Revised Statutes, 39-26-129, **amend** (1) as follows:

39-26-129. Refund for property used in rural broadband service - legislative declaration - tax preference performance statement - definitions - repeal.

(1) (a) The general assembly FINDS AND declares that: ~~the intended purpose of the tax refund created in this section is to encourage broadband providers to deploy broadband infrastructure in rural areas of the state and to create incentives for investment in broadband infrastructure in addition to the incentives already created by other state or federal law.~~

(I) EXPANDING ACCESS TO WIRELESS AND OTHER COMMUNICATION SERVICES IS CRITICAL TO THE ECONOMIC AND SOCIAL WELL-BEING OF COLORADO'S RESIDENTS AND BUSINESSES. RELIABLE COMMUNICATIONS INFRASTRUCTURE SUPPORTS EDUCATION, HEALTH CARE, WORKFORCE DEVELOPMENT, AND ECONOMIC COMPETITIVENESS.

(II) COLORADO RECEIVES ONGOING FEDERAL FUNDING OF MORE THAN ONE BILLION DOLLARS TO FACILITATE BROADBAND DEPLOYMENT TO UNSERVED AND UNDERSERVED HOUSEHOLDS IN THE STATE;

(III) REQUIRING COMMUNICATIONS PROVIDERS TO PAY SALES AND USE TAXES ON FEDERAL-FUNDED AND STATE-FUNDED DEPLOYMENT IS COUNTERPRODUCTIVE, BECAUSE IT REDUCES THE EFFICACY AND IMPACT OF THESE GRANTS BY EFFECTIVELY TAXING MONEY INTENDED FOR COMMUNICATIONS EXPANSION AND CREATING A STRUCTURAL INEFFICIENCY;

(IV) THE PURPOSE OF THIS SECTION IS TO UPDATE AND STREAMLINE THE ADMINISTRATION OF THE EXISTING SALES TAX REBATE FOR BROADBAND INFRASTRUCTURE ENACTED IN 2014. THIS SECTION ENSURES THAT TAX RELIEF IS MORE EFFICIENTLY DELIVERED, MORE EFFECTIVELY TARGETS AREAS OF COLORADO IN NEED OF COMMUNICATION SERVICES, AND EASES THE ADMINISTRATIVE BURDEN ON COMMUNICATIONS PROVIDERS THAT APPLY FOR THE EXISTING REBATE PROGRAM.

(V) WIRELESS TELECOMMUNICATIONS TECHNOLOGIES, WHILE SEEMINGLY INDEPENDENT, CRITICALLY RELY ON FORMS OF BROADBAND LIKE FIBER AND LANDLINE NETWORKS FOR ESSENTIAL FUNCTIONS, SUCH AS BACKHAUL, WHICH CONNECTS CELL TOWERS TO THE INTERNET BACKBONE AND WHICH IS OFTEN PERFORMED BY NONWIRELESS PROVIDERS. THEREFORE, THE POLICIES THAT IMPACT BROADBAND INFRASTRUCTURE MUST CONSIDER THE INTERCONNECTEDNESS OF ALL

TECHNOLOGIES, INCLUDING THE DEPENDENCE OF WIRELESS TELECOMMUNICATIONS ON THE BROADER ECOSYSTEM, TO ENSURE EFFECTIVE AND COMPREHENSIVE WIRELESS AND BROADBAND ACCESS FOR ALL COLORADANS.

(b) PURSUANT TO SECTION 39-21-304, THE GENERAL ASSEMBLY ADOPTS THE FOLLOWING TAX PREFERENCE PERFORMANCE STATEMENT FOR THE EXEMPTION CREATED IN THIS SECTION:

(I) THE SALES AND USE TAX EXEMPTION ESTABLISHED IN THIS SECTION IS INTENDED TO:

(A) ELIMINATE THE STRUCTURAL INEFFICIENCY ASSOCIATED WITH TAXING BROADBAND DEPLOYMENT GRANTS;

(B) STREAMLINE THE ADMINISTRATION OF TAX RELIEF FOR PROVIDERS; AND

(C) INCENTIVIZE PRIVATE SECTOR INVESTMENT IN INFRASTRUCTURE; AND

(II) THE EFFECTIVENESS OF THIS TAX EXPENDITURE SHALL BE MEASURED BY:

(A) THE TOTAL AMOUNT OF PRIVATE AND PUBLIC INVESTMENT IN BROADBAND INFRASTRUCTURE WITHIN COLORADO, INCLUDING INFRASTRUCTURE FINANCED IN PART BY STATE AND FEDERAL GRANTS;

(B) THE EXTENT TO WHICH BROADBAND PROVIDERS UTILIZE THE EXEMPTION TO INCREASE THE EFFICIENCY OF BROADBAND DEPLOYMENT AND TO REDUCE PROJECT COSTS; AND

(C) THE AMOUNT BY WHICH ADMINISTRATIVE BURDENS ON BROADBAND PROVIDERS ARE REDUCED, INCLUDING THE NUMBER OF ENTITIES UTILIZING THE SALES TAX REFUND COMPARED TO THOSE PREVIOUSLY APPLYING FOR THE SALES TAX REFUND.

SECTION 5. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 30, 2025