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Aurora Urban Renewal Authority v. Kaiser

Colorado Court of Appeals, Division II - January 6, 2022 - P.3d - 2022 WL 67850 - 2022 COA 5

City urban renewal authority, metropolitan districts, and limited liability company (LLC) brought action against county assessor and state Property Tax Administrator, alleging that apportionment methodology of Administrator's manual to calculate base and increment values in tax value of property violated urban renewal law seeking both declaratory and injunctive relief.

The District Court determined metropolitan districts and LLC lacked constitutional standing, urban renewal authority and metropolitan districts lacked standing to sue Administrator, and granted county assessor's motion for summary judgment. Urban renewal authority, metropolitan districts, and LLC appealed.

The Court of Appeals held that:

- Metropolitan districts and LLC adequately alleged facts sufficient to demonstrate injury in fact;
- Metropolitan districts and LLC had legally protected interest;
- Metropolitan districts had standing to bring action against Administrator;
- Urban renewal authority had standing to bring action against Administrator and county assessor;
- Urban renewal authority, metropolitan districts, and LLC did not fail to exhaust administrative remedies by failure to seek judicial review of Stat Board of Equalization action within 35 days;
- Portion of Administrator's manual that allowed county assessor to proportionately adjust base and increment tax values of property any time there was general reassessment was not contrary to urban renewal law; and
- Distinction of manual between direct and indirect benefits was contrary to urban renewal law's express purpose of rehabilitating slum or blighted areas.

Distinction of state Property Tax Administrator's manual used to calculate base and increment tax values of property between direct and indirect benefits was contrary to urban renewal law's express purpose of rehabilitating slum or blighted areas; proportionate allocation resulted in very small percentage of increase in value caused by urban renewal plan being allocated to urban renewal authority, manual's methodology did not effectuate legislature's intent to credit base value with increases in value caused by urban renewal plan, resulting virtual defunding of tax increment financing and urban renewal authorities made objective of urban renewal law impossible to achieve, and urban renewal plan did not authorize distinction between direct and indirect benefits.