A BILL FOR AN ACT

CONCERNING THE PROPERTY-RELATED EXPENSE ASSISTANCE GRANTS

FOR LOW-INCOME SENIORS AND INDIVIDUALS WITH DISABILITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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://leg.colorado.gov.)

A low-income senior or individual with a disability is currently eligible for 2 types of annual state assistance grants administered by the department of revenue related to his or her property: A grant for their
property taxes or rent paid, with the latter being deemed a tax-equivalent payment (property tax and rent assistance grant), and a grant for heat or fuel expenses (heat assistance grant). Together these are commonly known as the "PTC" rebate.

The bill expands the property tax and rent assistance grant by repealing the requirement that rent must be paid to a landlord that pays property tax. For grants claimed for 2018, the bill also increases the:

- Maximum property tax and rent assistance grant from $700 to $753;
- Maximum heat assistance grant from $192 to $206; and
- Flat grant amount, which is the minimum grant amount, from $227 to $244 for the property tax and rent assistance grant and from $73 to $78 for the heat assistance grant, assuming that the actual expenses exceed these amounts.

All of these increases reflect inflationary growth since 2014, and all of these amounts will continue to be adjusted annually for inflation.

Under current law, the maximum eligible income amounts and the phase-out amount are also annually adjusted for inflation, albeit without being defined as such. The amounts specified for grants claimed for 2018 are the inflation-adjusted amounts, and they will continue to be adjusted for inflation in the future.

Obsolete provisions relating to grants claimed for past years are repealed and other provisions relating to grants prior to 2018 are repealed after they become obsolete in the future.

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

SECTION 1. In Colorado Revised Statutes, 39-31-101, amend (2)(a.5), (2)(c), (2.3), (3) introductory portion, (3)(b) introductory portion, (4), and (5); repeal (2)(a) introductory portion, (2)(a)(III), (2)(b) introductory portion, and (2)(b)(III); and add (2)(d) as follows:

39-31-101. Real property tax - tax equivalent - assistance - eligibility - applicability - definitions - repeal. (2) A grant is the amount of the general property taxes actually paid on the residence or the amount of taxes actually paid on a mobile home, plus any tax-equivalent payments computed pursuant to subsection (4) of this section, with respect to the rent of a trailer space during the year for which the grant is
claimed, the amount of the specific ownership tax actually paid on a trailer coach, or the amount of the tax-equivalent payments, computed pursuant to subsection (4) of this section, actually made during the year for which such grant is claimed, but in no event may it exceed:

(a) In the case of an individual:

(III) For grants claimed for years commencing on or after January 1, 2008, but before January 1, 2014, six hundred dollars reduced by ten percent of the amount by which the individual's income exceeds six thousand dollars in 2008, and, each year thereafter, the amount for the prior year adjusted for inflation.

(a.5) (I) Except as set forth in subsection (2.3) of this section, for grants claimed for years commencing on or after January 1, 2014, but before January 1, 2018, in the case of an individual whose income is less than or equal to twelve thousand seven hundred twenty dollars, seven hundred dollars reduced by ten percent of the amount by which the individual's income exceeds six thousand six hundred thirty-nine dollars or two hundred twenty-seven dollars, whichever amount is greater.

(II) This subsection (2)(a.5) is repealed, effective July 1, 2020.

(b) In the case of spouses:

(III) For grants claimed for years commencing on or after January 1, 2008, but before January 1, 2014, six hundred dollars reduced by ten percent of their income over nine thousand seven hundred dollars in 2008, and, each year thereafter, the amount for the prior year adjusted for inflation:

c (I) Except as set forth in subsection (2.3) of this section, for grants claimed for years commencing on or after January 1, 2014, but
BEFORE JANUARY 1, 2018, in the case of spouses whose income is less than or equal to seventeen thousand one hundred forty-six dollars, seven hundred dollars reduced by ten percent of their income over ten thousand seven hundred thirty-one dollars, or two hundred twenty-seven dollars, whichever amount is greater.

(II) THIS SUBSECTION (2)(c) IS REPEALED, EFFECTIVE JULY 1, 2020.

(d) FOR A GRANT CLAIMED FOR THE 2018 CALENDAR YEAR, EITHER SEVEN HUNDRED FIFTY-THREE DOLLARS REDUCED BY TEN PERCENT OF THE CLAIMANT’S INCOME OVER THE PHASE-OUT AMOUNT OR THE FLAT GRANT AMOUNT, WHICHEVER AMOUNT IS GREATER. FOR A GRANT CLAIMED FOR YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, EITHER THE MAXIMUM GRANT AMOUNT ALLOWED UNDER THIS SUBSECTION (2)(d) FOR THE PRIOR YEAR, ADJUSTED FOR INFLATION AND REDUCED BY TEN PERCENT OF THE CLAIMANT’S INCOME OVER THE PHASE-OUT AMOUNT, OR THE FLAT GRANT AMOUNT, WHICHEVER AMOUNT IS GREATER.

(2.3) (I) For grants claimed for years commencing on or after January 1, 2015, BUT PRIOR TO JANUARY 1, 2018, the income thresholds used to determine the eligibility for and amount of a grant pursuant to subsection (2) of this section are equal to the income thresholds for the prior year adjusted for inflation.

(II) THIS SUBSECTION (2.3) IS REPEALED, EFFECTIVE JULY 1, 2020.

(3) Such grant shall be allowed to such persons as described in subsection (1) of this section who meet the following requirements:

   (b) Have income from all sources for the taxable year of less than the maximum ELIGIBLE INCOME amount, for which such persons are eligible to receive a grant based on the operation of paragraphs (a), (a.5), (b), and (c) of subsection (2) of this section, including WHICH INCLUDES,
but is not limited to, for this purpose, alimony, support money, cash public assistance and relief, pension or annuity benefits, federal social security benefits, veterans' benefits, nontaxable interest, workers' compensation, and unemployment compensation benefits. For the purposes of this paragraph (b) SUBSECTION (3)(b), the following shall not be considered income:

(4) (a) The tax-equivalent amount for persons otherwise qualified who paid rent for the right to occupy premises upon which ad valorem taxes were levied, as a residence during the taxable year shall be considered as IS twenty percent of the actual rent paid during the taxable year, not including any charge for utilities or food.

(b) To qualify as a tax-equivalent payment, rent must have been paid as a part of a bona fide tenancy or leasing agreement and shall not include any portion of payments made to institutions or facilities commonly known as nursing homes, but shall include rent paid to a public housing authority and rent paid for the use of a mobile home or paid on trailer space if paid as a part of a bona fide tenancy.

(5) As used in this section:

(a) "FLAT GRANT AMOUNT" MEANS AN AMOUNT EQUAL TO TWO HUNDRED FORTY-FOUR DOLLARS FOR THE 2018 CALENDAR YEAR, AND FOR EACH YEAR THEREAFTER THE AMOUNT FOR THE PRIOR YEAR ADJUSTED FOR INFLATION.

(b) "Inflation" means the annual percentage change in the United States department of labor, bureau of labor statistics, consumer price index for Denver-Boulder-Greeley, DENVER-AURORA-LAKEWOOD FOR all items AND all urban consumers, or its successor index.

(c) "MAXIMUM ELIGIBLE INCOME AMOUNT" MEANS:
(I) FOR AN INDIVIDUAL, INCOME THAT IS LESS THAN OR EQUAL TO
FOURTEEN THOUSAND SIX HUNDRED EIGHT DOLLARS FOR THE 2018
CALENDAR YEAR AND FOR EACH YEAR THEREAFTER, THE AMOUNT FOR THE
PRIOR YEAR ADJUSTED FOR INFLATION; AND

(II) FOR SPOUSES, INCOME THAT IS LESS THAN OR EQUAL TO
EIGHTEEN THOUSAND NINE HUNDRED SIXTY-FOUR DOLLARS FOR THE 2018
CALENDAR YEAR AND FOR EACH YEAR THEREAFTER, THE AMOUNT FOR THE
PRIOR YEAR ADJUSTED FOR INFLATION.

(d) "PHASE-OUT AMOUNT" MEANS:

(I) IN THE CASE OF AN INDIVIDUAL, AN AMOUNT EQUAL TO SEVEN
THOUSAND ONE HUNDRED THIRTY-SEVEN DOLLARS FOR THE 2018
CALENDAR YEAR AND FOR EACH YEAR THEREAFTER, THE AMOUNT FOR THE
PRIOR YEAR ADJUSTED FOR INFLATION; AND

(II) IN THE CASE OF SPOUSES, AN AMOUNT EQUAL TO ELEVEN
THOUSAND FIVE HUNDRED THIRTY-EIGHT DOLLARS FOR THE 2018
CALENDAR YEAR AND FOR EACH YEAR THEREAFTER, THE AMOUNT FOR THE
PRIOR YEAR ADJUSTED FOR INFLATION.

SECTION 2. In Colorado Revised Statutes, 39-31-102, amend
(4) as follows:

39-31-102. Procedures to obtain grant - department of revenue
- responsibilities. (4) The property tax assistance A GRANT AUTHORIZED
BY SECTION 39-31-101 THAT IS CLAIMED FOR GENERAL PROPERTY TAXES
shall in no case NOT exceed the amount of the general property
taxes actually paid. A grant for property taxes or tax-equivalent amounts paid
under section 39-31-101 shall not be made unless properly claimed on or
before the expiration of twenty-four months after the end of the income
tax year during which such taxes or tax-equivalent amounts were actually
SECTION 3. In Colorado Revised Statutes, 39-31-104, amend
(1)(a)(II), (2) introductory portion, (2)(a.5), (2)(c), (2.3), (3) introductory
portion, (3)(b) introductory portion, and (4); repeal (2)(a) introductory
portion, (2)(a)(III), (2)(b) introductory portion, and (2)(b)(III); and add
(2)(d) as follows:

39-31-104. Heat or fuel expenses assistance - eligibility -
applicability - definitions - repeal. (1) (a) (II) For persons otherwise
qualified who paid heat or fuel expenses indirectly as part of their rental
payments, it shall be presumed that ten percent of the actual rent paid
during the taxable year was for heat or fuel expenses. For rental payments
to qualify under this subparagraph (II)
SUBSECTION (1)(a)(II), they must
have been paid as a part of a bona fide tenancy or lease agreement. Rental
payments made to institutions or facilities commonly known as nursing
homes shall not qualify. but rental payments made to a public housing
authority or for the use of a mobile home shall qualify if paid as a part of
a bona fide tenancy or lease agreement.

(2) The AMOUNT OF THE grant shall be as follows IS:

(a) In the case of an individual:

(III) For grants claimed for years commencing on or after January
1, 2008, but before January 1, 2014, one hundred ninety-two dollars
reduced by three and two-tenths percent of the amount by which the
individual's income exceeds six thousand dollars in 2008, and, each year
thereafter, the amount for the prior year adjusted for inflation.

(a.5) (I) Except as set forth in subsection (2.3) of this section, for
grants claimed for years commencing on or after January 1, 2014, but
before January 1, 2018, in the case of an individual whose income is
less than or equal to twelve thousand seven hundred twenty dollars, one
hundred ninety-two dollars reduced by three and two-tenths percent of the
amount by which the individual's income exceeds six thousand six
hundred thirty-nine dollars or seventy-three dollars, whichever amount is
greater.

(II) THIS SUBSECTION (2)(a.5) IS REPEALED, EFFECTIVE JULY 1, 2020.

(b) In the case of spouses:

(III) For grants claimed for years commencing on or after January
1, 2008, but before January 1, 2014, one hundred ninety-two dollars
reduced by three and two-tenths percent of their income over nine
thousand seven hundred dollars in 2008, and, each year thereafter, the
amount for the prior year adjusted for inflation.

(c) (I) Except as set forth in subsection (2.3) of this section, for
grants claimed for years commencing on or after January 1, 2014, but
before January 1, 2018, in the case of spouses whose income is less
than or equal to seventeen thousand one hundred forty-six dollars, one
hundred ninety-two dollars reduced by three and two-tenths percent of
their income over ten thousand seven hundred thirty-one dollars or
seventy-three dollars, whichever amount is greater.

(II) THIS SUBSECTION (2)(c) IS REPEALED, EFFECTIVE JULY 1, 2020.

(d) FOR A GRANT CLAIMED FOR THE 2018 CALENDAR YEAR, EITHER
two hundred six dollars reduced by ten percent of the
claimant's income over the phase-out amount or the flat grant
amount, whichever amount is greater. For a grant claimed for
years commencing on or after January 1, 2019, either the
maximum grant amount allowed under this subsection (2)(d) for
THE PRIOR YEAR, ADJUSTED FOR INFLATION AND REDUCED BY TEN
PERCENT OF THE CLAIMANT’S INCOME OVER THE PHASE-OUT AMOUNT, OR
THE FLAT GRANT AMOUNT, WHICHEVER AMOUNT IS GREATER.

(2.3) (I) For grants claimed for years commencing on or after
January 1, 2015, BUT PRIOR TO JANUARY 1, 2018, the income thresholds
used to determine the eligibility for and amount of a grant pursuant to
subsection (2) of this section are equal to the income thresholds for the
prior year adjusted for inflation.

(II) THIS SUBSECTION (2.3) IS REPEALED, EFFECTIVE JULY 1, 2020.

(3) Such grant shall be IS allowed to such persons as described in
subsection (1) of this section who meet the following requirements:

(b) Have income from all sources for the taxable year of less than
the maximum ELIGIBLE INCOME amount, for which such persons are
eligible to receive a grant based on the operation of paragraphs (a), (a.5),
(b), and (c) of subsection (2) of this section, including WHICH INCLUDES,
but IS not limited to, for this purpose, alimony, support money, cash
public assistance and relief, pension or annuity benefits, federal social
security benefits, veterans' benefits, nontaxable interest, workers'
compensation, and unemployment compensation benefits. For the
purposes of this paragraph (b) SUBSECTION (3)(b), the following shall
not be considered income:

(4) As used in this section:

(a) "FLAT GRANT AMOUNT" MEANS AN AMOUNT EQUAL TO
SEVENTY-EIGHT DOLLARS FOR THE 2018 CALENDAR YEAR, AND FOR EACH
YEAR THEREAFTER THE AMOUNT FOR THE PRIOR YEAR ADJUSTED FOR
INFLATION.

(b) "Inflation" means the annual percentage change in the United
States department of labor, bureau of labor statistics, consumer price index for Denver-Boulder-Greeley, DENVER-AURORA-LAKEWOOD for all items AND all urban consumers, or its successor index.

(c) "MAXIMUM ELIGIBLE INCOME AMOUNT" HAS THE SAME MEANING AS SET FORTH IN SECTION 39-31-101 (5)(c).

(d) "PHASE-OUT AMOUNT" HAS THE SAME MEANING AS SET FORTH IN SECTION 39-31-101 (5)(d).

SECTION 4. Appropriation. (1) For the 2018-19 state fiscal year, $24,847 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) $10,467 for use by the executive director's office for personal services;

(b) $13,180 for tax administration IT system (GenTax) support; and

(c) $1,200 for the purchase of document management services.

(2) For the 2018-19 state fiscal year, $1,200 is appropriated to the department of personnel. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(c) of this section. To implement this act, the department of personnel may use this appropriation to provide document management services for the department of revenue.

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 (August 8, 2018, if adjournment sine die is on May 9, 2018); 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 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.