

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

February 23, 2026
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB26-1065 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 5, after line 24 insert:

2 "(2) (a) Pursuant to section 39-26-104 (3), sales delivered to a
3 purchaser within a transit investment area are properly sourced to the
4 transit investment area;

5 (b) Due to technical limitations, the increment calculation can
6 only factor in sales made in person within the TIF area, even though
7 additional online and delivery sales will be induced through more housing
8 availability and attractive living options due to transit access provided;

9 (c) According to the United States census bureau's Quarterly
10 Retail E-Commerce Sales Report, approximately fifteen percent of sales
11 nationally are made online, and therefore we assume that of the calculated
12 increment from in-person sales, inflating by an additional twenty percent
13 were unable to be captured due to technical limitations, but would
14 otherwise be included in the allocated increment; and

15 (d) Therefore, it may be necessary to allow the department to
16 allocate a small amount of state sales tax revenue in excess of the state
17 sales tax collected on in-person sales made within each transit investment
18 area. A small amount of the general fund is needed to fulfill the increment
19 that would have been calculated if tracking at that level of detail were
20 feasible, and is a technical adjustment, not state fiscal year spending."

21 Renumber the succeeding subsection accordingly.

22 Page 5, line 25, strike "House Bill _____," and substitute "House Bill
23 26-1065,".

24 Page 6, line 3, strike "House Bill _____." and substitute "House Bill

1 26-1065."

2 Page 6, after line 3 insert:

3 "(4) Given that communities across the state can use support to
4 further invest in infrastructure, transit, and housing, the general assembly
5 finds and declares that the new financing options created in this House
6 Bill 26-1065 are available to communities throughout the state, and this
7 financing option should be used in a manner that considers geographic
8 diversity.

9 (5) Although this House Bill 26-1065 only allows the Colorado
10 economic development commission to approve six transit investment
11 projects, the general assembly anticipates that these transit investment
12 projects will be successful and it is the intent of the general assembly to
13 later authorize the Colorado economic development commission to
14 approve additional transit investment projects as state resources allow."

15 Page 6, line 18, after "(2)" insert "(a)".

16 Page 6, after line 23 insert:

17 "(b) AFTER THE FIRST TWELVE MONTHS OF COLLECTION AND
18 DISTRIBUTION PURSUANT TO SECTION 24-46-406 (1), AND ANNUALLY
19 THEREAFTER, THE DEPARTMENT SHALL ADJUST THE BASE YEAR REVENUE
20 BY THE AMOUNT OF THE BASELINE GROWTH RATE ESTABLISHED BY THE
21 COMMISSION PURSUANT TO SECTION 24-46-404 (3)(d)(I)."

22 Page 7, after line 5, insert:

23 "(4) "BOND" MEANS A BOND OR OTHER CONTRACTUAL OBLIGATION
24 AND FORM OF INDEBTEDNESS FOR THE PAYMENT OF WHICH A FINANCING
25 ENTITY HAS PROMISED TO PLEDGE STATE SALES TAX INCREMENT REVENUE
26 OR ANY OTHER LEGALLY AVAILABLE REVENUES PLEDGED AT THE
27 DISCRETION OF THE FINANCING ENTITY."

28 Renumber succeeding subsections accordingly.

29 Page 10, line 16, after "(17)" insert "(a)".

30 Page 10, line 18, strike "(a)" and substitute "(I)" and strike "TAXES," and
31 substitute "TAXES".

32 Page 10, strike line 19.

33 Page 10, line 20, strike "RATE,".

1 Page 10, line 24, strike "(b)" and substitute "(II)" and strike "BASE YEAR
2 REVENUE," and substitute "AMOUNT CALCULATED PURSUANT TO
3 SUBSECTION (17)(a)(I) OF THIS SECTION,".

4 Page 10, strike line 25 and substitute "TWENTY PERCENT APPROXIMATES
5 SALES DELIVERED FROM WITHOUT THE DESIGNATED TRANSIT INVESTMENT
6 AREA THAT ARE UNABLE TO BE MEASURED AND THEREFORE NOT
7 INCLUDED".

8 Page 10, after line 27 insert:

9 "(b) (I) EXCEPT THAT, AS APPLIED FOR A TRANSIT INVESTMENT
10 AREA THAT IS WITHIN A REGIONAL TOURISM ZONE ESTABLISHED BY THE
11 COLORADO ECONOMIC DEVELOPMENT COMMISSION PURSUANT TO SECTION
12 24-46-305 (3), "STATE SALES TAX INCREMENT REVENUE" MEANS AN
13 ANNUAL AMOUNT EQUAL TO THE LESSER OF:

14 (A) STATE SALES TAX INCREMENT REVENUE AS DETERMINED
15 PURSUANT TO SUBSECTION (17)(a) OF THIS SECTION; OR

16 (B) THE EXCESS, IF ANY, OF THE REGIONAL TOURISM ACT STATE
17 SALES TAX INCREMENT REVENUE OVER THE PAYABLE REGIONAL TOURISM
18 ACT STATE SALES TAX INCREMENT REVENUE.

19 (II) AS USED IN THIS SUBSECTION (17)(b), UNLESS THE CONTEXT
20 OTHERWISE REQUIRES:

21 (A) "COLORADO ECONOMIC DEVELOPMENT COMMISSION" HAS THE
22 SAME MEANING AS IN SECTION 24-46-303 (2).

23 (B) "PAYABLE REGIONAL TOURISM ACT STATE SALES TAX
24 INCREMENT REVENUE" MEANS THE AMOUNT OF REGIONAL TOURISM ACT
25 STATE SALES TAX INCREMENT REVENUE THAT, PURSUANT TO SECTION
26 24-46-307 (1)(b), THE DEPARTMENT ALLOCATES AND PAYS INTO A SPECIAL
27 FUND CREATED BY A FINANCING ENTITY IN ACCORDANCE WITH THE
28 AMOUNT OF REGIONAL TOURISM ACT STATE SALES TAX INCREMENT
29 REVENUE AUTHORIZED FOR ALLOCATION BY THE DEPARTMENT TO THE
30 FINANCING ENTITY BY THE COLORADO ECONOMIC DEVELOPMENT
31 COMMISSION PURSUANT TO SECTION 24-46-305 (4).

32 (C) "REGIONAL TOURISM ACT STATE SALES TAX INCREMENT
33 REVENUE" MEANS THE AMOUNT OF "STATE SALES TAX INCREMENT
34 REVENUE", AS DEFINED IN SECTION 24-46-303 (12), ATTRIBUTED TO THE
35 PORTION OF A REGIONAL TOURISM ZONE THAT IS WITHIN THE TRANSIT
36 INVESTMENT AREA.

37 (D) "REGIONAL TOURISM ZONE" HAS THE MEANING SET FORTH IN
38 SECTION 24-46-303 (11).".

39 Page 11, strike lines 11 through 15 and substitute "AREA:

40 (a) SHALL NOT EXTEND INTO THE TERRITORIAL BOUNDARIES OF

1 ANY LOCAL GOVERNMENT, UNLESS THE LOCAL GOVERNMENT REQUESTS
2 THAT THE TRANSIT INVESTMENT AREA IS WITHIN ITS BOUNDARIES AT
3 LEAST IN PART;

4 (b) MAY ONLY INCLUDE PART OF A LOCAL GOVERNMENT'S
5 JURISDICTION;

6 (c) MAY INCLUDE NONCONTIGUOUS TRACTS OR PARCELS OF
7 PROPERTY IN THE SAME TRANSIT INVESTMENT AREA; AND

8 (d) MAY EXTEND BEYOND THE RELEVANT TRANSIT INVESTMENT
9 ZONE DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT PURSUANT
10 TO SECTION 24-48.5-136, IF THE RELEVANT TRANSIT INVESTMENT ZONE
11 ENCOMPASSES A COMMUNITY THAT IS NOT EVENLY DISTRIBUTED DUE TO
12 GEOGRAPHICAL CONSTRAINT INCLUDING MOUNTAINS, WATER FEATURES,
13 AND OTHER NATURAL TOPOGRAPHICAL FEATURES, BUT IN SO DOING SHALL
14 NOT EXTEND FURTHER THAN THREE MILES FROM A TRANSPORTATION
15 FACILITY AS CALCULATED BY MEASURING THE DISTANCE ALONG A ROAD
16 OR PEDESTRIAN NETWORK THAT IS USED TO ACCESS THE TRANSPORTATION
17 FACILITY."

18 Page 11, line 27, strike "A PHYSICAL" and substitute "AN IN-PERSON".

19 Page 13, line 9, after "DATA" insert "USED TO ESTIMATE THE STATE SALES
20 TAX INCREMENT REVENUE".

21 Page 13, line 22, strike "CONTRACTOR" and substitute "ANALYST".

22 Page 13, line 25, strike "FOUR" and substitute "SEVEN".

23 Page 16, after line 21 insert:

24 "(II) AN ANNUAL DOLLAR AMOUNT OF REVENUE THAT CAN BE
25 ALLOCATED TO THE FINANCING ENTITY;"

26 Renumber succeeding subparagraphs accordingly.

27 Page 16, line 25, strike "PERCENTAGE OF".

28 Page 17, strike lines 11 through 16 and substitute "OFFICE OF ECONOMIC
29 DEVELOPMENT SHALL REQUIRE A LOCAL GOVERNMENT THAT SUBMITS AN
30 APPLICATION PURSUANT TO SUBSECTION (1) OF THIS SECTION TO PAY THE
31 COSTS FOR THE THIRD-PARTY ANALYST CHOSEN BY THE OFFICE OF
32 ECONOMIC DEVELOPMENT PURSUANT TO THIS SUBSECTION (3)(j) TO
33 COMMISSION THE REPORT; EXCEPT THAT, IF THE OFFICE OF ECONOMIC
34 DEVELOPMENT, IN COLLABORATION WITH THE DEPARTMENT OF LOCAL

1 AFFAIRS, DETERMINES THAT THE PAYMENT OF THESE COSTS BY A LOCAL
2 GOVERNMENT WOULD CONSTITUTE AN EXTREME NEGATIVE FINANCIAL
3 HARDSHIP FOR THE LOCAL GOVERNMENT, THE OFFICE OF ECONOMIC
4 DEVELOPMENT SHALL PAY THESE COSTS FROM THE TRANSIT INVESTMENT
5 ZONES CASH FUND CREATED IN SUBSECTION (6) OF THIS SECTION OR, IF
6 THERE IS INSUFFICIENT MONEY IN THE TRANSIT INVESTMENT ZONES CASH
7 FUND, THE OFFICE OF ECONOMIC DEVELOPMENT SHALL PAY THESE COSTS
8 FROM THE GENERAL FUND. AS PART OF CREATING THE REPORT, THE
9 THIRD-PARTY ANALYST MUST:".

10 Page 17, lines 21 and 22, strike "EACH LOCAL GOVERNMENT THAT IS A
11 PARTY TO A MULTIPARTY APPLICATION" and substitute "THE FINANCING
12 ENTITY".

13 Page 21, line 19, strike "AUTHORITY; AND" and substitute "AUTHORITY;
14 "(D) THE BASELINE GROWTH RATE, TAKING INTO ACCOUNT THE
15 BASELINE GROWTH RATE DETERMINED BY THE THIRD-PARTY ANALYST
16 PURSUANT TO SECTION 24-46-403 (2)(a);

17 (E) THE DOLLAR AMOUNT THAT CAN BE ANNUALLY DEDICATED TO
18 THE TRANSIT INVESTMENT PROJECT, AS DETERMINED PURSUANT TO
19 SUBSECTION (3)(d)(II) OF THIS SECTION; AND".

20 Reletter the succeeding sub-subparagraph accordingly.

21 Page 21, line 22, strike "(3)(d)(II)" and substitute "(3)(d)(III)".

22 Page 21, after line 22 insert:

23 "(II) IN DETERMINING THE ANNUAL DOLLAR AMOUNT THAT CAN BE
24 DEDICATED TO THE TRANSIT INVESTMENT PROJECT PURSUANT TO
25 SUBSECTION (3)(b)(I)(E) OF THIS SECTION, THE COMMISSION SHALL
26 CONSIDER THE AMOUNT IDENTIFIED BY THE APPLICANT PURSUANT TO
27 SECTION 24-46-403 (3)(i)(II) AND SHALL ENSURE THAT THE ANNUAL
28 DOLLAR AMOUNT DOES NOT PREVENT DEDICATING THE CUMULATIVE
29 DOLLAR AMOUNT ESTABLISHED BY THE COMMISSION PURSUANT TO THIS
30 SUBSECTION (3)(d) TO THE TRANSIT INVESTMENT PROJECT. AFTER
31 ADOPTING THE RESOLUTION REQUIRED PURSUANT TO THIS SUBSECTION
32 (3)(d), THE COMMISSION MAY ADOPT A SUBSEQUENT RESOLUTION THAT
33 INCREASES THE ANNUAL DOLLAR AMOUNT THAT CAN BE DEDICATED TO
34 THE TRANSIT INVESTMENT PROJECT, BUT THE COMMISSION SHALL NOT
35 INCREASE THE ANNUAL DOLLAR AMOUNT BY AN AMOUNT THAT WOULD
36 RESULT IN DEDICATING A TOTAL DOLLAR AMOUNT TO THE TRANSIT
37 INVESTMENT PROJECT THAT EXCEEDS THE CUMULATIVE DOLLAR AMOUNT
38 ESTABLISHED BY THE COMMISSION PURSUANT TO THIS SUBSECTION

- 1 (3)(d)."
- 2 Renumber the succeeding subparagraph accordingly.
- 3 Page 24, after line 2 insert:
4 "(II) THE DEPARTMENT TO ADJUST THE BASE YEAR REVENUE BY
5 THE AMOUNT OF THE BASELINE GROWTH RATE SPECIFIED IN THE
6 RESOLUTION APPROVING A TRANSIT INVESTMENT PROJECT;"
- 7 Renumber succeeding subparagraphs accordingly.
- 8 Page 25, line 25, strike "TRANSIT INVESTMENT AUTHORITY" and substitute
9 "APPLICANT".
- 10 Page 26, line 5, after "AGENCY" insert "OR ENTITY".
- 11 Page 26, line 8, strike "TRANSIT INVESTMENT AUTHORITY" and substitute
12 "APPLICANT".
- 13 Page 26, line 13, after "AGENCY" insert "OR ENTITY".
- 14 Page 26, line 19, strike "TRANSIT INVESTMENT AUTHORITY" and substitute
15 "APPLICANT".
- 16 Page 27, strike line 1 and substitute "COMMISSION; AND
17 "(d) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY OR ENTITY
18 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF
19 THE PROPOSED TRANSIT INVESTMENT PROJECT."
- 20 Page 30, line 17, strike "IS".
- 21 Page 30, strike lines 26 and 27.
- 22 Page 31, strike lines 1 through 3 and substitute "SUBSECTION (1)(b) OF
23 THIS SECTION, TO THE EXTENT NECESSARY TO ACCOUNT FOR THE AMOUNT
24 SET FORTH IN SECTION 24-46-402 (17)(a)(II), THE DEPARTMENT MAY
25 ALLOCATE STATE SALES TAX REVENUE IN EXCESS OF THE STATE SALES TAX
26 COLLECTED ON IN-PERSON SALES MADE WITHIN THE TRANSIT INVESTMENT
27 AREA, WHICH ALLOCATION IS NEVERTHELESS STATE SALES TAX
28 INCREMENT REVENUE."
- 29 Page 32, after line 6 insert:
30 "(5) NO LOCAL GOVERNMENT SHALL BE LIABLE FOR ANY DEBT

- 1 ISSUANCE OF THE FINANCING ENTITY, AND A DEBT ISSUANCE OF THE
2 FINANCING ENTITY SHALL NOT CONSTITUTE A DEBT OF A LOCAL
3 GOVERNMENT."
- 4 Renumber the succeeding subsection accordingly.
- 5 Page 32, line 10, strike "DELIVERY SALES" and substitute "SALES
6 DELIVERED FROM WITHOUT THE TRANSIT INVESTMENT AREA".
- 7 Page 38, line 7, after "RENEWAL," insert "REFINANCING,".
- 8 Page 38 strike lines 9 and 10 and substitute "SECTION."
- 9 Page 38, line 12, strike "SPECIAL".
- 10 Page 38, line 15, strike "ARE" and substitute "MAY BE".
- 11 Page 39, line 4, strike "GENERAL OBLIGATION".
- 12 Page 39, line 21, strike "ANY OTHER LAW OR OF".
- 13 Page 39, line 25, strike "RESOLUTION" and substitute "RESOLUTION,
14 INDENTURE, OR OTHER DOCUMENT PURSUANT TO WHICH SUCH
15 OBLIGATIONS ARE ISSUED".
- 16 Page 39, line 27, strike "A TIME" and substitute "SUCH TIME AS MAY BE".
- 17 Page 40, line 2, strike "24-46-406 (4);" and substitute "24-46-406 (4) AND
18 IN ACCORDANCE WITH ARTICLE 57 OF TITLE 11;".
- 19 Page 40, lines 22 and 23, strike "MORTGAGE; EXCEPT THAT AT LEAST ONE
20 SIGNATURE ON EACH BOND SHALL BE A MANUAL SIGNATURE." and
21 substitute "MORTGAGE."
- 22 Page 41, line 8, strike "APPROPRIATE," and substitute "APPROPRIATE IN
23 ACCORDANCE WITH SECTION 24-6-402,".
- 24 Page 41, line 13, after "OFFICIALS" insert "AFTER THE AUTHORIZATION
25 THEREOF, BUT".
- 26 Page 42, lines 4 and 5, strike "ANY SUIT, ACTION, OR PROCEEDING
27 INVOLVING" and substitute "NO LEGAL OR EQUITABLE ACTION BROUGHT
28 WITH RESPECT TO".

- 1 Page 42, line 7, strike "WITHIN THIRTY DAYS OF" and substitute "MORE
2 THAN THIRTY DAYS AFTER".
- 3 Page 45, line 5, strike "24-46-402 (10)." and substitute "24-46-402 (11).".
- 4 Page 45, line 7, strike "24-46-402 (16)." and substitute "24-46-402 (17).".
- 5 Page 45, line 9, strike "24-46-402 (19)." and substitute "24-46-402 (20).".
- 6 Page 45, line 20, strike "DEPARTMENT" and substitute "OFFICE".
- 7 Page 45, line 26, strike "DEPARTMENT'S" and substitute "OFFICE'S".
- 8 Page 46, after line 2 insert:
- 9 (a) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
10 DEVELOPMENT CREATED IN SECTION 24-48.5-101.".
- 11 Reletter succeeding paragraphs accordingly.
- 12 Page 46, line 6, strike "ONE AND ONE-HALF" and substitute "TWO".
- 13 Page 46, line 11, strike "24-46-402 (22)." and substitute "24-46-402
14 (23).".
- 15 Page 47, line 20, strike "24-46-402 (19)," and substitute "24-46-402
16 (20),".
- 17 Page 48, line 19, strike "24-46-402 (16)." and substitute "24-46-402
18 (17).".
- 19 Page 49, line 1, strike "24-46-402 (19)," and substitute "24-46-402 (20),".
- 20 Page 50, line 1, strike "24-46-402 (16)." and substitute "24-46-402 (17).".
- 21 Page 50, line 17, strike "24-46-402 (9)" and substitute "24-46-402 (10)".
- 22 Page 51, line 11, strike "24-46-402 (16)." and substitute "24-46-402
23 (17).".
- 24 Page 51, strike lines 20 through 25 and substitute "TITLE 24; AND".
- 25 Page 52, line 4, strike "ADMINISTRATOR" and substitute "ANALYST".

- 1 Strike "TAXABLE" and substitute "INCOME TAX" on: **Page 54**, line 10;
2 **Page 55**, line 23; **Page 58**, line 27; **Page 59**, line 27; **Page 60**, lines 4, 10,
3 12 and 16.
- 4 Strike "SALES MADE AT PHYSICAL SITES" and substitute "IN-PERSON SALES
5 MADE" on: **Page 6**, lines 19 and 20, 25 and 26, and line 27 and page 7,
6 line 1; **Page 10**, lines 20 and 26; and **Page 30**, lines 5, 11, 15 and 16, and
7 line 24.
- 8 Strike "THIRD PARTY" and substitute "THIRD-PARTY ANALYST" on: **Page**
9 **13**, line 17; **Page 14**, line 2; and **Page 19**, line 22.
- 10 Strike "(3)(d)(I)(D)" and substitute "(3)(d)(I)(F)" on: **Page 21**, line 25;
11 **Page 22**, line 14; and **Page 23**, line 2.
- 12 Strike "(3)(d)(II)(A)" and substitute "(3)(d)(III)(A)" on **Page 22**, line 3
13 and line 18.

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