

HOUSE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chairman of Committee

March 15, 2018  
Date

Committee on Transportation & Energy.

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

HB18-1291 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 2, after line 1 insert:

2 "SECTION 1. In Colorado Revised Statutes, 12-61-702, **add** (6.5)  
3 as follows:

4 **12-61-702. Definitions.** As used in this part 7, unless the context  
5 otherwise requires:

6 (6.5) "DEPARTMENT" MEANS THE DEPARTMENT OF REGULATORY  
7 AGENCIES.

8 **SECTION 2.** In Colorado Revised Statutes, 12-61-724, **amend** (1)  
9 introductory portion, (1)(b), (2) introductory portion, (2)(e), (3), (6), (7)  
10 introductory portion, (8), (9), (10), (11), and (13) as follows:

11 **12-61-724. Certification of conservation easement holders -**  
12 **rules - definition - repeal.** (1) The ~~division~~ DEPARTMENT shall, in  
13 consultation with the commission created in section 12-61-725, establish  
14 and administer a certification program for qualified organizations under  
15 section 170 (h) of the federal "Internal Revenue Code of 1986", as  
16 amended, that hold conservation easements for which a tax credit is  
17 claimed pursuant to section 39-22-522. ~~C.R.S.~~ The purposes of the  
18 program are to:

19 (b) Identify fraudulent or unqualified applicants, as determined  
20 under the rules of the ~~division~~ DEPARTMENT, to prevent them from  
21 becoming certified by the program.

22 (2) The ~~division~~ DEPARTMENT shall establish and accept  
23 applications for certification. The ~~division~~ DEPARTMENT shall conduct a

1 review of each application and consider the recommendations of the  
2 commission before making a final determination to grant or deny  
3 certification. In reviewing an application and in granting certification, the  
4 division and the commission may consider:

5 (e) Any other information deemed relevant by the ~~division~~  
6 DEPARTMENT or the commission; and

7 (3) At the time of submission of an application, and each year the  
8 entity is certified pursuant to this section, the applicant shall pay the  
9 ~~division~~ DEPARTMENT a fee, as prescribed by the ~~division~~ DEPARTMENT,  
10 to cover the costs of the ~~division~~ DEPARTMENT and the commission in  
11 administering the certification program for entities that hold conservation  
12 easements for which tax credits are claimed pursuant to section  
13 39-22-522. The ~~division~~ DEPARTMENT shall have the authority to accept  
14 and expend gifts, grants, and donations for the purposes of this section.  
15 The state treasurer shall credit fees, gifts, grants, and donations collected  
16 pursuant to this subsection (3) to the ~~division of real estate~~ DEPARTMENT  
17 OF REGULATORY AGENCIES CONSERVATION EASEMENT CERTIFICATION  
18 cash fund created in section 12-61-111.5. On or before each January 1,  
19 the division shall certify to the general assembly the amount of the fee  
20 prescribed by the ~~division~~ DEPARTMENT pursuant to this subsection (3).

21 (6) The commission shall meet at least quarterly and make  
22 recommendations to the division regarding the certification program. The  
23 ~~division~~ DEPARTMENT is authorized to determine whether an applicant for  
24 certification possesses the necessary qualifications for certification  
25 required by the rules adopted by the ~~division~~ DEPARTMENT. If the ~~division~~  
26 DEPARTMENT determines that an applicant does not possess the applicable  
27 qualifications for certification or that the applicant has violated any  
28 provision of this part 7, the rules promulgated by the ~~division~~  
29 DEPARTMENT, or any ~~division~~ DEPARTMENT order, the ~~division~~  
30 DEPARTMENT may deny the applicant a certification or deny the renewal  
31 of a certification, and, in such instance, the ~~division~~ DEPARTMENT shall  
32 provide the applicant with a statement in writing setting forth the basis of  
33 the ~~division's~~ DEPARTMENT'S determination. The applicant may request a  
34 hearing on the determination as provided in section 24-4-104 (9). ~~C.R.S.~~  
35 The ~~division~~ DEPARTMENT shall notify successful applicants in writing.  
36 An applicant that is not certified may reapply for certification in  
37 accordance with procedures established by the ~~division~~ DEPARTMENT.

38 (7) The ~~division~~ DEPARTMENT shall implement the certification  
39 program in a manner that either commences accepting applications for  
40 certification:

41 (8) A conservation easement tax credit certificate application may

1 be submitted pursuant to section 12-61-727 only if the entity has been  
2 certified in accordance with this section at the time the donation of the  
3 easement is made. The ~~division~~ DEPARTMENT shall make information  
4 available to the public concerning the date that it commences accepting  
5 applications for entities that hold conservation easements and the  
6 requirements of this subsection (8).

7 (9) The ~~division~~ DEPARTMENT shall maintain and update an online  
8 list, accessible to the public, of the organizations that have applied for  
9 certification and whether each has been certified, rejected for  
10 certification, or had its certification revoked or suspended in accordance  
11 with this section.

12 (10) The ~~division~~ DEPARTMENT may investigate the activities of  
13 any entity that is required to be certified pursuant to this section and to  
14 impose discipline for noncompliance, including the suspension or  
15 revocation of a certification or the imposition of fines. The ~~division~~  
16 DEPARTMENT may promulgate rules in accordance with article 4 of title  
17 24 ~~C.R.S.~~, for the certification program and discipline authorized by this  
18 section.

19 (11) The ~~division~~ DEPARTMENT may subpoena persons and  
20 documents, which subpoenas may be enforced by a court of competent  
21 jurisdiction if not obeyed, for purposes of conducting investigations  
22 pursuant to subsection (10) of this section.

23 (13) This section is repealed, effective ~~July 1, 2018~~ SEPTEMBER  
24 1, 2025. Prior to the repeal, the department of ~~regulatory agencies~~ shall  
25 review the certification requirement as provided for in section 24-34-104.  
26 ~~C.R.S.~~".

27 Renumber succeeding sections accordingly.

28 Page 2, line 3, strike "(8)" and substitute "(1) introductory portion, (3)(a),  
29 (4), (6), and (8); and **add** (6.5)".

30 Page 2, strike lines 5 through 8 and substitute "**created - repeal.**  
31 (1) There is hereby created in the ~~division~~ DEPARTMENT a conservation  
32 easement oversight commission. The commission shall exercise its  
33 powers and perform its duties and functions under the ~~division~~  
34 DEPARTMENT as if transferred thereto by a **type 2** transfer, as defined in  
35 the "Administrative Organization Act of 1968", article 1 of title 24.  
36 ~~C.R.S.~~ The commission consists of nine members as follows:

37 (3) (a) At the request of the ~~division~~ DEPARTMENT or the  
38 department of revenue, the commission shall advise the ~~division~~

1 DEPARTMENT and the department of revenue regarding conservation  
2 easements for which a state income tax credit is claimed pursuant to  
3 section 39-22-522. ~~C.R.S.~~

4 (4) The commission shall meet not less than once each quarter.  
5 The ~~division~~ DEPARTMENT shall convene the meetings of the commission  
6 and provide staff support as requested by the commission. A majority of  
7 the members of the commission constitutes a quorum for the transaction  
8 of all business, and actions of the commission require a vote of a majority  
9 of the members present in favor of the action taken. The commission may  
10 delegate to the EXECUTIVE director OF THE DEPARTMENT OR HIS OR HER  
11 DESIGNEE the authority to act on behalf of the commission on occasions  
12 and in circumstances that the commission deems necessary for the  
13 efficient and effective administration and execution of the commission's  
14 responsibilities under this part 7.

15 (6) (a) The commission shall advise and make recommendations  
16 to the EXECUTIVE director OF THE DEPARTMENT OR HIS OR HER DESIGNEE  
17 regarding the certification of conservation easement holders in  
18 accordance with section 12-61-724. The ~~division~~ DEPARTMENT may  
19 determine whether an applicant for certification possesses the necessary  
20 qualifications for certification required by the rules adopted by the  
21 ~~division~~ DEPARTMENT.

22 (b) If the ~~division~~ DEPARTMENT determines that an applicant does  
23 not possess the applicable qualifications for certification or that the  
24 applicant has violated any provision of this part 7, the rules promulgated  
25 by the ~~division~~ DEPARTMENT, or any ~~division~~ DEPARTMENT order, the  
26 ~~division~~ DEPARTMENT may deny the applicant a certification or deny the  
27 renewal of a certification. In such instance, the ~~division~~ DEPARTMENT  
28 shall provide the applicant with a statement in writing setting forth the  
29 basis of the ~~division's~~ DEPARTMENT'S determination. The applicant may  
30 request a hearing on the determination as provided in section 24-4-104  
31 (9). ~~C.R.S.~~

32 (c) The ~~division~~ DEPARTMENT shall notify successful applicants  
33 in writing.

34 (d) An applicant that is not certified may reapply for certification  
35 in accordance with the procedure established by the ~~division~~  
36 DEPARTMENT.

37 (6.5) THE COMMISSION SHALL PROMULGATE RULES TO EFFECTUATE  
38 THE DUTIES OF THE COMMISSION PURSUANT TO ARTICLE 4 OF TITLE 24.  
39 SUCH RULES SHALL SPECIFICALLY ADDRESS THE FOLLOWING:

40 (a) A PROCESS FOR EXPEDITED OR AUTOMATIC CERTIFICATION OF  
41 AN ENTITY THAT IS CURRENTLY ACCREDITED BY NATIONAL LAND

1 CONSERVATION ORGANIZATIONS THAT ARE BROADLY ACCEPTED BY THE  
2 CONSERVATION INDUSTRY;

3 (b) A STREAMLINED AND LOWER-COST PROCESS FOR  
4 CONSERVATION EASEMENT HOLDERS THAT DO NOT INTEND TO ACCEPT  
5 NEW DONATIONS OF CONSERVATION EASEMENTS FOR WHICH TAX CREDITS  
6 WOULD BE CLAIMED THAT FOCUSES ON THE HOLDER'S STEWARDSHIP  
7 CAPABILITIES;

8 (c) THE FEES CHARGED PURSUANT TO SECTION 12-61-724 (3) OR  
9 12-61-727 (6), SPECIFICALLY ENSURING THAT THE FEES ARE ADEQUATE TO  
10 PAY FOR ADMINISTRATIVE COSTS BUT NOT SO HIGH AS TO ACT AS A  
11 DISINCENTIVE TO THE CREATION OF CONSERVATION EASEMENTS IN THE  
12 STATE; AND

13 (d) THE ADOPTION OF BEST PRACTICES, PROCESSES, AND  
14 PROCEDURES USED BY OTHER ENTITIES THAT REGULARLY REVIEW  
15 CONSERVATION EASEMENT TRANSACTIONS, INCLUDING A PRACTICE,  
16 PROCESS, OR PROCEDURE DEEMING CONSERVATION EASEMENT APPRAISALS  
17 APPROVED BY THESE ENTITIES BASED ON THEIR INDEPENDENT REVIEWS AS  
18 CREDIBLE FOR PURPOSES OF THE CONSERVATION EASEMENT TAX CREDIT.

19 (8) This section is repealed, effective ~~July 1, 2018~~ SEPTEMBER 1,  
20 2025. Prior to the repeal, the department of regulatory agencies shall  
21 review the commission as provided in section 24-34-104. ~~C.R.S.~~.

22 Page 2, line 12, strike "DIVISION" and substitute "DEPARTMENT".

23 Page 2, line 15, strike "DIVISION" and substitute "DEPARTMENT".

24 Page 4, after line 5 insert:

25 **"SECTION 5.** In Colorado Revised Statutes, 12-61-726, **amend**  
26 (1) introductory portion, (2), and (3) as follows:

27 **12-61-726. Conservation easement tax credit certificates -**  
28 **rules.** (1) The ~~division~~ DEPARTMENT shall receive tax credit certificate  
29 applications from and issue certificates to landowners for income tax  
30 credits for conservation easements donated on or after January 1, 2011,  
31 in accordance with section 39-22-522 (2.5) ~~C.R.S.~~, and this part 7.  
32 Nothing in this section restricts or limits the authority of the ~~division~~  
33 DEPARTMENT to enforce this part 7. The ~~division~~ DEPARTMENT may  
34 promulgate rules in accordance with article 4 of title 24 ~~C.R.S.~~, for the  
35 issuance of the certificates. In promulgating rules, the ~~division~~  
36 DEPARTMENT may include provisions governing:

37 (2) The ~~division~~ DEPARTMENT shall apply the amount claimed in

1 a completed tax credit certificate application against the annual tax credit  
2 limit in the order that completed applications are received. The ~~division~~  
3 DEPARTMENT shall apply claimed tax credit amounts that exceed the  
4 annual limit in any year against the limit for the next available year and  
5 issue tax credit certificates for use in the year in which the amount was  
6 applied to the annual limit.

7 (3) The ~~division~~ DEPARTMENT shall not issue tax credit certificates  
8 that in aggregate exceed the limit set forth in section 39-22-522 (2.5)  
9 ~~C.R.S.~~, during a particular calendar year.

10 **SECTION 6.** In Colorado Revised Statutes, 12-61-727, **amend**  
11 (1)(e), (2)(a) introductory portion, (3)(a), (4), (5) introductory portion, (6),  
12 (7)(a), (8)(c), (10), (11), (12)(b), (12)(c), (12)(d), (13)(a) introductory  
13 portion, (13)(b), (14)(a), (14)(b), (14)(d), (15), and (16); and **add** (18) as  
14 follows:

15 **12-61-727. Conservation easement tax credit certificate**  
16 **application process - definitions - rules.** (1) For purposes of this  
17 section:

18 (e) "Director" means the EXECUTIVE director of the ~~division of real~~  
19 ~~estate~~ DEPARTMENT or his or her designee.

20 (2) (a) The ~~division~~ DEPARTMENT shall establish and administer  
21 a process by which a landowner seeking to claim an income tax credit for  
22 any conservation easement donation made on or after January 1, 2014,  
23 must apply for a tax credit certificate as required by section 39-22-522  
24 (2.5) and (2.7). ~~C.R.S.~~ The purpose of the application process is to  
25 determine whether a conservation easement donation for which a tax  
26 credit will be claimed:

27 (3) For the purpose of reviewing applications and making  
28 determinations regarding the issuance of tax credit certificates, including  
29 the dollar amount of the tax credit certificate to be issued:

30 (a) ~~Division~~ DEPARTMENT staff shall review each application and  
31 advise and make recommendations to the director and the commission  
32 regarding the application;

33 (4) The department of revenue is not authorized to disallow a  
34 conservation easement tax credit based on any requirements that are  
35 under the jurisdiction of the ~~division~~ DEPARTMENT, the director, or the  
36 commission pursuant to this section.

37 (5) A complete tax credit certificate application must be made by  
38 the landowner to the ~~division~~ DEPARTMENT and must include:

39 (6) A landowner submitting an application for a tax credit  
40 certificate pursuant to this section or an application for an optional  
41 preliminary advisory opinion pursuant to subsection (14) of this section

1 shall pay the ~~division~~ DEPARTMENT a fee as prescribed by the ~~division~~  
2 DEPARTMENT. The application fee for an optional preliminary advisory  
3 opinion may be a different dollar amount than the application fee for a tax  
4 credit certificate. The fees must cover the costs of the ~~division~~  
5 DEPARTMENT and the commission in administering the requirements of  
6 this section. The state treasurer shall credit the fees collected pursuant to  
7 this subsection (6) to the ~~division of real estate~~ DEPARTMENT OF  
8 REGULATORY AGENCIES CONSERVATION EASEMENT CERTIFICATION cash  
9 fund created in ~~section 12-61-111.5~~ SUBSECTION (18) OF THIS SECTION.  
10 On or before January 1, 2014, and on or before each January 1 thereafter,  
11 the ~~division~~ DEPARTMENT shall certify to the general assembly the amount  
12 of any fees prescribed by the ~~division~~ DEPARTMENT pursuant to this  
13 subsection (6).

14 (7) (a) If, during the review of an application for a tax credit  
15 certificate, the director or the commission identifies any potential  
16 deficiencies, the director or commission shall document the potential  
17 deficiencies in a letter sent to the landowner by first class mail. The  
18 ~~division~~ DEPARTMENT shall send letters documenting potential  
19 deficiencies to landowners in a timely manner so that the average number  
20 of days between the date a completed application is received by the  
21 ~~division~~ DEPARTMENT and the mailing date of the ~~division's~~  
22 DEPARTMENT'S letter to the landowner does not exceed one hundred  
23 twenty days.

24 (8) The director or the commission may deny an application if the  
25 landowner:

26 (c) Fails to timely respond to any written request or notice from  
27 the ~~division~~ DEPARTMENT, the director, or the commission.

28 (10) If the director and the commission do not identify any  
29 potential deficiencies with an application, the director and the  
30 commission shall approve the application, and the ~~division~~ DEPARTMENT  
31 shall issue a tax credit certificate to the landowner pursuant to section  
32 12-61-726 in a timely manner so that the average number of days between  
33 the date a completed application is received by the ~~division~~ DEPARTMENT  
34 and the date the tax credit certificate is issued does not exceed one  
35 hundred twenty days. Once a tax credit certificate is issued, the landowner  
36 may claim and use the tax credit subject to any other applicable  
37 procedures and requirements under title 39. ~~C.R.S.~~

38 (11) (a) If all potential deficiencies that have been identified are  
39 subsequently addressed to the satisfaction of the director and the  
40 commission, the director and the commission shall approve the  
41 application, and the ~~division~~ DEPARTMENT shall issue a tax credit

1 certificate to the landowner pursuant to section 12-61-726. Once a tax  
2 credit certificate is issued, the landowner may claim and use the tax credit  
3 subject to any other applicable procedures and requirements under title  
4 39. ~~C.R.S.~~

5 (b) If any potential deficiencies that have been identified are not  
6 subsequently addressed to the satisfaction of the director and the  
7 commission, the ~~division~~ DEPARTMENT shall issue a written denial of the  
8 application to the landowner documenting those deficiencies that were the  
9 specific basis for the denial. The ~~division~~ DEPARTMENT shall date the  
10 written denial and send it by first class mail to the landowner at the  
11 address provided by the landowner on the application. The ~~director~~  
12 DEPARTMENT may act on behalf of the commission for purposes of  
13 administering the process for issuing approvals and denials of  
14 applications and for administering subsection (12) of this section.

15 (12) (b) If the landowner fails to appeal the denial of an  
16 application within thirty days after the issuance of the denial, the denial  
17 becomes final, and the ~~division~~ DEPARTMENT shall not issue a tax credit  
18 certificate to the landowner.

19 (c) Administrative hearings must be conducted in accordance with  
20 section 24-4-105. ~~C.R.S.~~ At the discretion of the director, hearings may  
21 be conducted by an authorized representative of the director or the  
22 commission or an administrative law judge from the office of  
23 administrative courts in the department of personnel. All hearings must  
24 be held in the county where the ~~division~~ DEPARTMENT is located unless  
25 the director designates otherwise. The decision of the director or the  
26 commission is subject to judicial review by the court of appeals and is  
27 subject to the provisions of section 24-4-106. ~~C.R.S.~~

28 (d) In conducting settlement discussions with a landowner, the  
29 director and the commission may compromise on any of the deficiencies  
30 identified in the application and supporting documentation, including the  
31 dollar amount of the tax credit certificate to be issued. The director shall  
32 place on file in the ~~division~~ DEPARTMENT a record of any compromise and  
33 the reasons for the compromise.

34 (13) (a) Commencing with the 2014 calendar year, and for each  
35 calendar year thereafter, the ~~division~~ DEPARTMENT shall create a report,  
36 which shall be made available to the public, containing the following  
37 aggregate information:

38 (b) The ~~division~~ DEPARTMENT may include additional  
39 easement-specific information in the public report that, notwithstanding  
40 the provisions of this part 7 or any other law to the contrary, would  
41 otherwise be publicly available.



1 (14) (a) In addition to the tax credit certificate application process  
2 set forth in this section, a landowner may submit a proposed conservation  
3 easement donation to the ~~division~~ DEPARTMENT to obtain an optional  
4 preliminary advisory opinion regarding the transaction. The opinion may  
5 address the proposed deed of conservation easement, appraisal,  
6 conservation purpose, or other relevant aspect of the transaction.

7 (b) The ~~division~~ DEPARTMENT, the director, and the commission  
8 shall review the information and documentation provided in a manner  
9 consistent with the scope of their authority and responsibilities for  
10 reviewing tax credit certificate applications as outlined in subsection (3)  
11 of this section and issue either a favorable opinion or a nonfavorable  
12 opinion.

13 (d) A nonfavorable opinion shall set forth any potential  
14 deficiencies identified by the director or the commission and that fall  
15 within the scope of the director's and the commission's review of the  
16 conservation easement transaction. The preliminary opinion is advisory  
17 only and is not binding for any purpose upon the ~~division~~ DEPARTMENT,  
18 the director, the commission, or the department of revenue.

19 (15) The ~~division~~ DEPARTMENT may promulgate rules to  
20 effectuate the purpose, implementation, and administration of this section  
21 pursuant to article 4 of title 24, ~~C.R.S.~~ The authority to promulgate rules  
22 includes the authority to define further in rule the administrative  
23 processes and requirements, including application processing and review  
24 time frames, for obtaining and issuing an optional preliminary advisory  
25 opinion pursuant to subsection (14) of this section. THE AUTHORITY TO  
26 PROMULGATE RULES FURTHER INCLUDES THE AUTHORITY TO ESTABLISH,  
27 AFTER CONSULTATION WITH THE COMMISSION, MONTHLY CAPS ON THE  
28 NUMBER OF APPLICATIONS FOR TAX CREDIT CERTIFICATES AND  
29 PRELIMINARY ADVISORY OPINIONS ACCEPTED BY THE DEPARTMENT.

30 (16) Notwithstanding ~~the provisions of the "Colorado Open~~  
31 ~~Records Act"~~, part 2 of article 72 of title 24, ~~C.R.S.~~, the ~~division~~  
32 DEPARTMENT, the director, and the commission shall deny the right of  
33 public inspection of any documentation or other record related to  
34 information obtained as part of an individual landowner's application for  
35 a tax credit certificate or an optional preliminary advisory opinion  
36 pursuant to the requirements of this section, including documentation or  
37 other records related to administrative hearings and settlement discussions  
38 held pursuant to subsection (12) of this section. The ~~division~~  
39 DEPARTMENT, the director, and the commission may share documentation  
40 or other records related to information obtained pursuant to this section  
41 with the department of revenue.

1 (18) ALL FEES AND OTHER MONEY COLLECTED BY THE  
2 DEPARTMENT PURSUANT TO THIS SECTION AND SECTION 12-61-724 SHALL  
3 BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE  
4 SAME TO THE DEPARTMENT OF REGULATORY AGENCIES CONSERVATION  
5 EASEMENT CERTIFICATION CASH FUND, WHICH FUND IS HEREBY CREATED.  
6 ALL MONEY CREDITED TO THE FUND SHALL BE USED AS PROVIDED IN THIS  
7 SECTION OR IN SECTION 12-61-724 AND SHALL NOT BE DEPOSITED IN OR  
8 TRANSFERRED TO THE GENERAL FUND OF THE STATE OR ANY OTHER FUND.

9 **SECTION 7.** In Colorado Revised Statutes, 12-61-727, **amend**  
10 (7)(a) and (10) as follows:

11 **12-61-727. Conservation easement tax credit certificate**  
12 **application process - definitions - rules.** (7) (a) If, during the review of  
13 an application for a tax credit certificate, the director or the commission  
14 identifies any potential deficiencies, the director or commission shall  
15 document the potential deficiencies in a letter sent to the landowner by  
16 first class mail. The division shall send letters documenting potential  
17 deficiencies to landowners in a timely manner so that the ~~average~~ number  
18 of days between the date a completed application is received by the  
19 division and the mailing date of the division's letter to the landowner does  
20 not exceed one hundred twenty days.

21 (10) If the director and the commission do not identify any  
22 potential deficiencies with an application, the director and the  
23 commission shall approve the application, and the division shall issue a  
24 tax credit certificate to the landowner pursuant to section 12-61-726 in a  
25 timely manner so that the ~~average~~ number of days between the date a  
26 completed application is received by the division and the date the tax  
27 credit certificate is issued does not exceed one hundred twenty days. Once  
28 a tax credit certificate is issued, the landowner may claim and use the tax  
29 credit subject to any other applicable procedures and requirements under  
30 title 39. ~~C.R.S.~~".

31 Renumber succeeding sections accordingly.

32 Page 4, after line 17 insert:

33 **"SECTION 9.** In Colorado Revised Statutes, 39-22-522, **amend**  
34 (2.5), (2.7), (3.5)(b), and (3.6)(b) as follows:

35 **39-22-522. Credit against tax - conservation easements.**  
36 (2.5) Notwithstanding any other provision of this section and the  
37 requirements of section 12-61-727, ~~C.R.S.~~, for income tax years

1 commencing on or after January 1, 2011, a taxpayer conveying a  
2 conservation easement and claiming a credit pursuant to this section shall,  
3 in addition to any other requirements of this section and the requirements  
4 of section 12-61-727, ~~C.R.S.~~, submit a claim for the credit to the ~~division~~  
5 ~~of real estate in the~~ department of regulatory agencies. The ~~division~~  
6 DEPARTMENT shall issue a certificate for the claims received in the order  
7 submitted. After certificates have been issued for credits that exceed an  
8 aggregate of twenty-two million dollars for all taxpayers for the 2011 and  
9 2012 calendar years, thirty-four million dollars for the 2013 calendar year,  
10 and forty-five million dollars for each calendar year thereafter, any claims  
11 that exceed the amount allowed for a specified calendar year shall be  
12 placed on a wait list in the order submitted and a certificate shall be  
13 issued for use of the credit in the next year for which the ~~division~~  
14 DEPARTMENT has not issued credit certificates in excess of the amounts  
15 specified in this subsection (2.5); except that no more than fifteen million  
16 dollars in claims shall be placed on the wait list in any given calendar  
17 year. The ~~division~~ DEPARTMENT shall not issue credit certificates that  
18 exceed twenty-two million dollars in each of the 2011 and 2012 calendar  
19 years, thirty-four million dollars for the 2013 calendar year, and forty-five  
20 million dollars for each calendar year thereafter. No claim for a credit is  
21 allowed for any income tax year commencing on or after January 1, 2011,  
22 unless a certificate has been issued by the ~~division~~ DEPARTMENT. If all  
23 other requirements under section 12-61-727 ~~C.R.S.~~, and this section are  
24 met, the right to claim the credit is vested in the taxpayer at the time a  
25 credit certificate is issued.

26 (2.7) Notwithstanding any other provision, for income tax years  
27 commencing on or after January 1, 2014, no claim for a credit shall be  
28 allowed unless a tax credit certificate is issued by the ~~division of real~~  
29 ~~estate~~ DEPARTMENT OF REGULATORY AGENCIES in accordance with  
30 sections 12-61-726 and 12-61-727 ~~C.R.S.~~; and the taxpayer files the tax  
31 credit certificate with the income tax return filed with the department of  
32 revenue.

33 (3.5) (b) For conservation easements donated on or after January  
34 1, 2014, and subject to the restrictions of section 12-61-727 (4), ~~C.R.S.~~;  
35 the executive director shall have the authority, pursuant to subsection (8)  
36 of this section, to require additional information from the taxpayer or  
37 transferee regarding the amount of the credit and the validity of the credit.  
38 In resolving disputes regarding the validity or the amount of a credit  
39 allowed pursuant to subsection (2) of this section, the executive director  
40 shall have the authority, for good cause shown, to review and accept or  
41 reject, in whole or in part, the amount of the credit and the validity of the

1 credit based upon the internal revenue code and federal regulations in  
2 effect at the time of the donation, except those requirements for which  
3 authority is granted to the ~~division of real estate~~ DEPARTMENT OF  
4 REGULATORY AGENCIES, the EXECUTIVE director of the ~~division of real~~  
5 ~~estate~~ DEPARTMENT OF REGULATORY AGENCIES, or the conservation  
6 easement oversight commission pursuant to section 12-61-727. ~~C.R.S.~~

7 (3.6) For conservation easements donated on or after January 1,  
8 2014, in order for any taxpayer to qualify for the credit provided for in  
9 subsection (2) of this section, the taxpayer must submit the following in  
10 a form, approved by the executive director, to the department of revenue  
11 at the same time as the taxpayer files a return for the taxable year in  
12 which the credit is claimed:

13 (b) Notwithstanding any other provisions of law, the executive  
14 director retains the authority to administer all issues related to the claim  
15 or use of a tax credit for the donation of a conservation easement that are  
16 not granted to the EXECUTIVE director of the ~~division of real estate~~  
17 DEPARTMENT OF REGULATORY AGENCIES or the conservation easement  
18 oversight commission under section 12-61-727. ~~C.R.S.~~

19 Renumber succeeding sections accordingly.

20 Page 4, line 19, strike "section 2" and substitute "section 4".

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