

**First Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 23B-0021.02 Alison Killen x4350

HOUSE BILL 23B-1003

HOUSE SPONSORSHIP

Snyder,

SENATE SPONSORSHIP

Mullica,

House Committees

State, Civic, Military, & Veterans Affairs
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE PROPERTY TAX TASK FORCE, AND,**
102 **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>.)

The bill creates the property tax task force (task force). The task force consists of 11 members, including members of the general assembly and individuals who are not members of the general assembly. The bill also creates 2 task force subpanels that consist of members from the task force and other members. The purposes of the task force and the task force subpanels are to study and develop a permanent and sustainable

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

HOUSE
Amended 2nd Reading
November 17, 2023

property tax structure for the state of Colorado.

The task force is required to:

- Convene by June 15, 2024;
- Meet at least 5 times in its first year and at least 8 times every year thereafter that it meets; and
- Submit reports with its findings and recommendations to the general assembly by October 15.

After the task force makes its first report to the general assembly, the task force may determine that it has fulfilled its purposes and the task force may be disbanded.

The task force is repealed on November 1, 2027.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Colorado has experienced historic growth in property values
5 which has caused property taxes to rise well above the rate of inflation,
6 contributing to an increase in the cost of housing;

7 (b) Legislation passed in 2022 and 2023 temporarily reduced
8 property taxes for homeowners and businesses;

9 (c) It is important that leaders come together to work towards
10 developing a property tax structure for future years that balances the
11 needs of homeowners, businesses, and local governments that rely on
12 property tax to provide local services;

13 (d) The state of Colorado has a long tradition of respecting local
14 control. In furtherance of that tradition, the general assembly declares that
15 buy-in and involvement from individuals with an intimate understanding
16 of the needs of their communities will be crucial in realizing its goal to
17 develop a permanent and sustainable property tax structure for the state.

18 (e) Colorado public schools receive over half of their funding
19 from property tax and the Colorado general assembly has a bipartisan

1 objective to fully fund the Public School Finance Act without a budget
2 stabilization factor; and

3 (f) Residential tenants pay property taxes through their rent, which
4 contributes to the high cost of housing, making residential tenants an
5 important consideration in any property tax proposal.

6 **SECTION 2.** In Colorado Revised Statutes, **add** part 22 to article
7 2 of title 2 as follows:

8 **PART 22**

9 **PROPERTY TAX TASK FORCE**

10 **2-2-2201. Commission on property tax - creation - powers and**
11 **duties - report - repeal.** (1) NOTWITHSTANDING SECTION 2-3-303.3,
12 THERE IS CREATED THE COMMISSION ON PROPERTY TAX, REFERRED TO IN
13 THIS SECTION AS THE "COMMISSION", FOR THE PURPOSE OF STUDYING AND
14 MAKING RECOMMENDATIONS FOR A PROPERTY TAX STRUCTURE THAT
15 PROTECTS PROPERTY OWNERS AND RESIDENTIAL TENANTS FROM RISING
16 PROPERTY TAXES WHILE MEETING THE NEEDS OF GOVERNMENTS THAT
17 RELY ON PROPERTY TAX TO PAY FOR LOCAL SERVICES.

18 (2) THE COMMISSION SHALL CONSIST OF EIGHTEEN MEMBERS THAT
19 REPRESENT THE DEMOGRAPHIC AND GEOGRAPHIC DIVERSITY OF THE STATE
20 AS FOLLOWS:

21 (a) THREE MEMBERS OF THE HOUSE OF REPRESENTATIVES, WITH
22 TWO MEMBERS OF THE MAJORITY PARTY APPOINTED BY THE SPEAKER OF
23 THE HOUSE OF REPRESENTATIVES AND ONE MEMBER OF THE MINORITY
24 PARTY APPOINTED BY THE HOUSE MINORITY LEADER;

25 (b) THREE MEMBERS OF THE SENATE, WITH TWO MEMBERS OF THE
26 MAJORITY PARTY APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE
27 MEMBER OF THE MINORITY PARTY APPOINTED BY THE SENATE MINORITY

- 1 LEADER;
- 2 (c) THE PROPERTY TAX ADMINISTRATOR IN THE DIVISION OF
3 PROPERTY TAX OF THE DEPARTMENT OF LOCAL AFFAIRS;
- 4 (d) ONE INDIVIDUAL WHO IS A MAYOR OR ELECTED CITY COUNCIL
5 PERSON, OR THE DESIGNEE OF A MAYOR OR ELECTED CITY COUNCIL
6 PERSON, APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES;
- 7 (e) ONE INDIVIDUAL WHO IS SERVING OR HAS SERVED AS A COUNTY
8 ASSESSOR, APPOINTED BY THE GOVERNOR;
- 9 (f) ONE INDIVIDUAL REPRESENTING A STATEWIDE ORGANIZATION
10 REPRESENTING SPECIAL DISTRICTS, APPOINTED BY THE PRESIDENT OF THE
11 SENATE;
- 12 (g) ONE INDIVIDUAL WHO IS SERVING AS THE CHIEF FINANCIAL
13 OFFICER OF A SCHOOL DISTRICT;
- 14 (h) ONE INDIVIDUAL WHO IS SERVING AS A COUNTY COMMISSIONER
15 FOR A COUNTY HAVING A POPULATION OF LESS THAN THREE HUNDRED
16 THOUSAND, APPOINTED BY THE SPEAKER OF THE HOUSE OF
17 REPRESENTATIVES;
- 18 (i) ONE INDIVIDUAL WHO IS SERVING AS EITHER A COUNTY
19 COMMISSIONER FOR A COUNTY HAVING A POPULATION OF EQUAL TO OR
20 GREATER THAN THREE HUNDRED THOUSAND OR ON THE GOVERNING BODY
21 FOR A CITY AND COUNTY HAVING A POPULATION OF EQUAL TO OR GREATER
22 THAN THREE HUNDRED THOUSAND, APPOINTED BY THE PRESIDENT OF THE
23 SENATE;
- 24 (j) ONE INDIVIDUAL WITH PROFESSIONAL EXPERIENCE RELATED TO
25 BOTH COMMERCIAL AND RESIDENTIAL REAL PROPERTY, APPOINTED BY THE
26 SPEAKER OF THE HOUSE OF REPRESENTATIVES;
- 27 (k) ONE INDIVIDUAL WHO IS A FIRE CHIEF, APPOINTED BY THE

1 PRESIDENT OF THE SENATE;

2 (l) ONE INDIVIDUAL REPRESENTING A LABOR ORGANIZATION
3 REPRESENTING WORKERS IN INDUSTRIES MATERIALLY IMPACTED BY
4 PROPERTY TAX REVENUE, APPOINTED BY THE PRESIDENT OF THE SENATE;

5 (m) ONE INDIVIDUAL REPRESENTING A STATEWIDE OR REGIONAL
6 ORGANIZATION REPRESENTING BUSINESSES MATERIALLY IMPACTED BY
7 PROPERTY TAX REVENUE, APPOINTED BY THE GOVERNOR; AND

8 (n) ONE INDIVIDUAL WHO REPRESENTS A STATEWIDE RENTAL
9 ASSISTANCE ORGANIZATION OR A RESIDENTIAL TENANT WHO RESIDES IN
10 A DISPROPORTIONATELY IMPACTED COMMUNITY AS DEFINED IN SECTION
11 24-4-109 (2)(b)(II), APPOINTED BY THE SPEAKER OF THE HOUSE OF
12 REPRESENTATIVES.

13 (3) (a) ALL APPOINTMENTS DESCRIBED IN SUBSECTION (2) OF THIS
14 SECTION SHALL BE MADE NO LATER THAN NOVEMBER 26, 2023.

15 (b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
16 APPOINT THE CHAIR OF THE COMMISSION AND THE PRESIDENT OF THE
17 SENATE SHALL APPOINT THE VICE-CHAIR OF THE COMMISSION. THE CHAIR
18 AND VICE-CHAIR OF THE COMMISSION MUST BE LEGISLATORS APPOINTED
19 PURSUANT TO SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION.

20 (c) MEMBERS OF THE COMMISSION SERVE AT THE PLEASURE OF THE
21 APPLICABLE APPOINTING AUTHORITY OR UNTIL THE MEMBER NO LONGER
22 SERVES IN THE POSITION FOR WHICH THAT MEMBER WAS APPOINTED TO
23 THE COMMISSION, AT WHICH TIME A VACANCY IS DEEMED TO EXIST ON THE
24 COMMISSION. IF A VACANCY OCCURS, THE APPROPRIATE APPOINTING
25 AUTHORITY SHALL APPOINT A REPLACEMENT MEMBER THAT MEETS THE
26 REQUIREMENTS SET FORTH IN SUBSECTION (2) OF THIS SECTION FOR THE
27 VACANT POSITION NOT LATER THAN TEN BUSINESS DAYS FROM THE DATE

1 THE VACANCY IS DEEMED TO EXIST. IF THE APPROPRIATE APPOINTING
2 AUTHORITY FAILS TO APPOINT A REPLACEMENT MEMBER AS REQUIRED BY
3 THIS SUBSECTION (3)(c), THE SPEAKER OF THE HOUSE OF
4 REPRESENTATIVES SHALL APPOINT A REPLACEMENT MEMBER THAT MEETS
5 THE REQUIREMENTS SET FORTH IN SUBSECTION (2) OF THIS SECTION.

6 (d) THE COMMISSION MAY ESTABLISH SPECIAL PURPOSE
7 SUBCOMMITTEES WITH NONVOTING MEMBERS TO EVALUATE AND
8 CONSIDER PROPERTY TAX ISSUES AS IT DEEMS NECESSARY TO FULFILL ITS
9 GOALS AND OBJECTIVES SET FORTH IN SUBSECTION (5) OF THIS SECTION.

10 (e) NO LATER THAN NOVEMBER 27, 2023, THE COMMISSION SHALL
11 ENTER INTO A CONTRACT WITH A FACILITATOR WITH EXPERIENCE IN TAX
12 POLICY TO GUIDE THE WORK OF THE COMMISSION AND TO ASSIST IN
13 DRAFTING THE REPORT REQUIRED IN SUBSECTION (6)(a) OF THIS SECTION.
14 THE COMMISSION SHALL SELECT A NEUTRAL FACILITATOR WHO IS NOT
15 AFFILIATED WITH A STATEWIDE ORGANIZATION DESCRIBED IN SUBSECTION
16 (2) OF THIS SECTION.

17 (4) (a) THE COMMISSION SHALL MEET ONCE A WEEK BEGINNING
18 THE WEEK OF NOVEMBER 27, 2023, THROUGH THE WEEK OF MARCH 1,
19 2024, EXCLUDING THE WEEK OF DECEMBER 27, 2023. A MAJORITY OF THE
20 MEMBERS OF THE COMMISSION MAY VOTE TO EXTEND THE WORK OF THE
21 COMMISSION PAST MARCH 1, 2024, TO ALTER THE MEETING SCHEDULE OF
22 THE COMMISSION, OR TO TERMINATE THE WORK OF THE COMMISSION AT
23 ANY TIME.

24 (b) THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF
25 LEGISLATIVE LEGAL SERVICES SHALL BE AVAILABLE TO ASSIST THE
26 COMMISSION IN CARRYING OUT ITS DUTIES.

27 (5) (a) THE PURPOSE OF THE COMMISSION IS TO IDENTIFY AND

1 CONSIDER LEGISLATIVE OPTIONS FOR A PERMANENT AND SUSTAINABLE
2 PROPERTY TAX STRUCTURE FOR THE STATE.

3 (b) THE COMMISSION SHALL IDENTIFY AND CONSIDER OPTIONS FOR
4 A PROPERTY TAX STRUCTURE THAT PROTECTS PROPERTY OWNERS FROM
5 RISING TAX BILLS AND IS SUSTAINABLE FOR LOCAL GOVERNMENTS AND
6 PUBLIC SCHOOLS, INCLUDING PROPERTY TAX PROPOSALS THAT HAVE BEEN
7 SUBMITTED TO THE STATE TITLE BOARD.

8 (c) FOR EACH PROPERTY TAX STRUCTURE OPTION, THE
9 COMMISSION SHALL CONSIDER THE FOLLOWING FACTORS:

10 (I) LOCAL CONTROL;

11 (II) IMPACT TO PROPERTY OWNERS AND LOCAL TAXING
12 JURISDICTIONS IN DIFFERENT AREAS OF THE STATE;

13 (III) IMPACT TO RESIDENTIAL AND NONRESIDENTIAL REAL
14 PROPERTY;

15 (IV) IMPACT TO SCHOOL FINANCE AND THE BUDGET STABILIZATION
16 FACTOR;

17 (V) LONG-TERM IMPACT TO PROPERTY OWNERS AND LOCAL
18 TAXING JURISDICTIONS UNDER DIFFERENT PROPERTY VALUE GROWTH
19 SCENARIOS;

20 (VI) IMPACTS TO HOUSING AFFORDABILITY, INCLUDING FOR
21 RESIDENTIAL TENANTS;

22 (VII) IMPACTS TO RESIDENTIAL TENANTS, INCENTIVES FOR
23 DEVELOPMENT, AND THE POTENTIAL FOR LOWER PROPERTY TAXES FOR
24 RESIDENCES AS A RESULT OF CHANGING TO A LAND VALUE TAX SYSTEM;

25 (VIII) IMPACTS TO THE ABILITY OF COUNTIES TO PROVIDE
26 STATUTORILY MANDATED AND VOTER-APPROVED SERVICES TO COLORADO
27 RESIDENTS; AND

1 (IX) DISPROPORTIONATE IMPACTS OF THE RISING TAX BILLS ON
2 PEOPLE WITH LOWER INCOMES, ESPECIALLY PEOPLE WITH FIXED INCOMES,
3 IN PROVIDING FAIR AND EQUITABLE PROPERTY TAX RELIEF.

4 (6) (a) NO LATER THAN MARCH 1, 2024, THE COMMISSION SHALL
5 MAKE A REPORT TO THE GENERAL ASSEMBLY AND THE GOVERNOR,
6 INCLUDING RECOMMENDATIONS FOR BOTH SHORT-TERM AND LONG-TERM
7 LEGISLATIVE CHANGES THAT WILL FURTHER THE PURPOSE OF THE
8 COMMISSION SET FORTH IN SUBSECTION (5)(a) OF THIS SECTION.

9 (b) THE COMMISSION REPORT MUST CONTAIN ONLY
10 RECOMMENDATIONS SUPPORTED BY ELEVEN OR MORE MEMBERS OF THE
11 COMMISSION.

12 (c) IF A MAJORITY OF COMMISSION MEMBERS VOTE TO EXTEND THE
13 WORK OF THE COMMISSION PAST MARCH 1, 2024, IN ACCORDANCE WITH
14 SUBSECTION (4)(a) OF THIS SECTION, THEN THE COMMISSION SHALL MAKE
15 A REPORT TO THE GENERAL ASSEMBLY AND THE GOVERNOR IN
16 ACCORDANCE WITH THIS SUBSECTION (6) NO LATER THAN DECEMBER 31,
17 2024.

18 (7) THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL,
19 CREATED IN SECTION 2-3-301 (1), MAY ALLOCATE FUNDING FROM THE
20 LEGISLATIVE DEPARTMENT CASH FUND, CREATED IN SECTION 2-2-1601,
21 FOR THE PURPOSES OF THE COMMISSION INCLUDING FOR HIRING
22 PROFESSIONAL FACILITATION SERVICES, PUBLIC OUTREACH AND
23 ENGAGEMENT, AND OTHER NECESSARY SERVICES.

24 (8) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2024.

25 **SECTION 3. Appropriation.** (1) For the 2023-24 state fiscal
26 year, \$80,271 is appropriated to the legislative department. This
27 appropriation is from the general fund. To implement this act, the

1 department may use this appropriation as follows:

2 (a) \$8,492 for use by the general assembly;

3 (b) \$63,185 for use by the legislative council, which amount is
4 based on an assumption that the legislative council will require an
5 additional 0.8 FTE; and

6 (c) \$8,594 for use by the office of legislative legal services, which
7 amount is based on an assumption that the office will require an
8 additional 0.1 FTE.

9 **SECTION 4. Safety clause.** The general assembly finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety or for appropriations for
12 the support and maintenance of the departments of the state and state
13 institutions.