

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 23B-0021.02 Alison Killen x4350

HOUSE BILL 23B-1003

HOUSE SPONSORSHIP

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SENATE SPONSORSHIP

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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
3rd Reading Unamended
November 18, 2023

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The task force is repealed on November 1, 2027.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, WHO IS A
4 NON-VOTING EX OFFICIO MEMBER OF THE COMMISSION, OR THE PROPERTY
5 TAX ADMINISTRATOR'S DESIGNEE;

6 (d) ONE INDIVIDUAL WHO IS A MAYOR OR ELECTED CITY COUNCIL
7 PERSON, OR THE DESIGNEE OF A MAYOR OR ELECTED CITY COUNCIL
8 PERSON, APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES;

9 (e) ONE INDIVIDUAL WHO IS SERVING OR HAS SERVED AS A COUNTY
10 ASSESSOR, APPOINTED BY THE GOVERNOR;

11 (f) ONE INDIVIDUAL WITH EXPERTISE IN PROPERTY TAX
12 REPRESENTING A STATEWIDE ORGANIZATION REPRESENTING SPECIAL
13 DISTRICTS, APPOINTED BY THE GOVERNOR; ==

14 (g) ONE INDIVIDUAL WHO IS SERVING AS THE CHIEF FINANCIAL
15 OFFICER OF A SCHOOL DISTRICT;

16 (h) ONE INDIVIDUAL WHO IS SERVING AS A COUNTY COMMISSIONER
17 FOR A COUNTY HAVING A POPULATION OF LESS THAN THREE HUNDRED
18 THOUSAND, APPOINTED BY THE SPEAKER OF THE HOUSE OF
19 REPRESENTATIVES;

20 (i) ONE INDIVIDUAL WHO IS SERVING AS EITHER A COUNTY
21 COMMISSIONER FOR A COUNTY HAVING A POPULATION OF EQUAL TO OR
22 GREATER THAN THREE HUNDRED THOUSAND OR ON THE GOVERNING BODY
23 FOR A CITY AND COUNTY HAVING A POPULATION OF EQUAL TO OR GREATER
24 THAN THREE HUNDRED THOUSAND, APPOINTED BY THE PRESIDENT OF THE
25 SENATE;

26 (j) ONE INDIVIDUAL WITH PROFESSIONAL EXPERIENCE RELATED TO
27 BOTH COMMERCIAL AND RESIDENTIAL REAL PROPERTY, APPOINTED BY THE

1 SPEAKER OF THE HOUSE OF REPRESENTATIVES;

2 (k) ONE INDIVIDUAL WHO IS A FIRE CHIEF, APPOINTED BY THE
3 PRESIDENT OF THE SENATE;

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

7 (m) ONE INDIVIDUAL WITH EXPERIENCE IN ECONOMIC
8 DEVELOPMENT REPRESENTING A STATEWIDE OR REGIONAL ORGANIZATION
9 REPRESENTING BUSINESSES MATERIALLY IMPACTED BY PROPERTY TAX
10 REVENUE, APPOINTED BY THE PRESIDENT OF THE SENATE; AND

11 (n) ONE INDIVIDUAL WHO REPRESENTS A STATEWIDE RENTAL
12 ASSISTANCE ORGANIZATION OR A RESIDENTIAL TENANT WHO RESIDES IN
13 A DISPROPORTIONATELY IMPACTED COMMUNITY AS DEFINED IN SECTION
14 24-4-109 (2)(b)(II), APPOINTED BY THE SPEAKER OF THE HOUSE OF
15 REPRESENTATIVES.

16 (3) (a) ALL APPOINTMENTS DESCRIBED IN SUBSECTION (2) OF THIS
17 SECTION SHALL BE MADE NO LATER THAN DECEMBER 4, 2023. AN
18 INDIVIDUAL WHO IS A DESIGNATED REPRESENTATIVE OF THE PROPONENTS
19 OF AN INITIATED MEASURE THAT CONCERNS PROPERTY TAX AND THAT HAS
20 BEEN CERTIFIED TO BE VOTED ON AT THE 2024 GENERAL ELECTION
21 PURSUANT TO SECTION 1-40-122 OR IS A MEMBER OF AN ISSUE COMMITTEE,
22 AS DEFINED IN SECTION 1-45-103 (12), THAT SUPPORTS OR OPPOSES SUCH
23 AN INITIATED MEASURE IS INELIGIBLE TO BE APPOINTED TO THE
24 COMMISSION.

25 (b) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
26 APPOINT THE CHAIR OF THE COMMISSION AND THE PRESIDENT OF THE
27 SENATE SHALL APPOINT THE VICE-CHAIR OF THE COMMISSION. THE CHAIR

1 AND VICE-CHAIR OF THE COMMISSION MUST BE LEGISLATORS APPOINTED
2 PURSUANT TO SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION.

3 (c) MEMBERS OF THE COMMISSION SERVE AT THE PLEASURE OF THE
4 APPLICABLE APPOINTING AUTHORITY OR UNTIL THE MEMBER NO LONGER
5 SERVES IN THE POSITION FOR WHICH THAT MEMBER WAS APPOINTED TO
6 THE COMMISSION, AT WHICH TIME A VACANCY IS DEEMED TO EXIST ON THE
7 COMMISSION. IF A VACANCY OCCURS, THE APPROPRIATE APPOINTING
8 AUTHORITY SHALL APPOINT A REPLACEMENT MEMBER WHO MEETS THE
9 REQUIREMENTS SET FORTH IN SUBSECTION (2) OF THIS SECTION FOR THE
10 VACANT POSITION NOT LATER THAN TEN BUSINESS DAYS FROM THE DATE
11 THE VACANCY IS DEEMED TO EXIST. IF THE APPROPRIATE APPOINTING
12 AUTHORITY FAILS TO APPOINT A REPLACEMENT MEMBER AS REQUIRED BY
13 THIS SUBSECTION (3)(c), THE SPEAKER OF THE HOUSE OF
14 REPRESENTATIVES SHALL APPOINT A REPLACEMENT MEMBER WHO MEETS
15 THE REQUIREMENTS SET FORTH IN SUBSECTION (2) OF THIS SECTION.

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

20 (e) AS SOON AS FEASIBLE AFTER THE EFFECTIVE DATE OF THIS
21 SUBSECTION (3)(e), THE COMMISSION SHALL ENTER INTO A CONTRACT
22 WITH A FACILITATOR WITH EXPERIENCE IN TAX POLICY TO GUIDE THE
23 WORK OF THE COMMISSION AND TO ASSIST IN DRAFTING THE REPORT
24 REQUIRED IN SUBSECTION (6)(a) OF THIS SECTION. THE COMMISSION SHALL
25 SELECT A NEUTRAL FACILITATOR WHO IS NOT AFFILIATED WITH A
26 STATEWIDE ORGANIZATION DESCRIBED IN SUBSECTION (2) OF THIS
27 SECTION.

1 (4) (a) THE COMMISSION SHALL MEET AT LEAST TWICE A MONTH
2 BEGINNING THE WEEK OF DECEMBER 5, 2023, THROUGH THE WEEK OF
3 MARCH 15, 2024, EXCLUDING THE WEEK OF DECEMBER 27, 2023. THE
4 COMMISSION MAY MEET MORE OFTEN AT THE DISCRETION OF THE CHAIR.
5 A MAJORITY OF THE MEMBERS OF THE COMMISSION MAY VOTE TO EXTEND
6 THE WORK OF THE COMMISSION PAST MARCH 15, 2024, _____ OR TO
7 TERMINATE THE WORK OF THE COMMISSION AT ANY TIME, AND THE WORK
8 OF THE COMMISSION MAY ALSO BE EXTENDED AS REQUIRED BY
9 SUBSECTION (6)(a) OF THIS SECTION.

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

13 (5) (a) THE PURPOSE OF THE COMMISSION IS TO IDENTIFY AND
14 CONSIDER LEGISLATIVE OPTIONS FOR A PERMANENT AND SUSTAINABLE
15 PROPERTY TAX STRUCTURE FOR THE STATE.

16 (b) THE COMMISSION SHALL IDENTIFY AND CONSIDER OPTIONS FOR
17 A PROPERTY TAX STRUCTURE THAT PROTECTS PROPERTY OWNERS FROM
18 RISING TAX BILLS AND IS SUSTAINABLE FOR LOCAL GOVERNMENTS AND
19 PUBLIC SCHOOLS, INCLUDING PROPERTY TAX PROPOSALS THAT HAVE BEEN
20 SUBMITTED TO THE STATE TITLE BOARD.

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

23 (I) LOCAL CONTROL;

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

26 (III) IMPACT TO RESIDENTIAL AND NONRESIDENTIAL REAL
27 PROPERTY;

1 (IV) IMPACT TO SCHOOL FINANCE AND THE BUDGET STABILIZATION
2 FACTOR;

3 (V) LONG-TERM IMPACT TO PROPERTY OWNERS AND LOCAL
4 TAXING JURISDICTIONS UNDER DIFFERENT PROPERTY VALUE GROWTH
5 SCENARIOS;

6 (VI) IMPACTS TO HOUSING AFFORDABILITY, INCLUDING FOR
7 RESIDENTIAL TENANTS;

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

11 (VIII) IMPACTS TO THE ABILITY OF COUNTIES TO PROVIDE
12 STATUTORILY MANDATED AND VOTER-APPROVED SERVICES TO COLORADO
13 RESIDENTS; AND

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

17 (6) (a) NO LATER THAN MARCH 15, 2024, THE COMMISSION SHALL
18 MAKE A REPORT TO THE GENERAL ASSEMBLY AND THE GOVERNOR,
19 INCLUDING RECOMMENDATIONS FOR BOTH SHORT-TERM AND LONG-TERM
20 LEGISLATIVE CHANGES THAT WILL FURTHER THE PURPOSE OF THE
21 COMMISSION SET FORTH IN SUBSECTION (5)(a) OF THIS SECTION. IF A
22 PROPOSED INITIATIVE CONCERNING PROPERTY TAX FOR THE 2024 GENERAL
23 ELECTION IS TIMELY FILED WITH THE TITLE BOARD CONVENED PURSUANT
24 TO SECTION 1-40-106 (1) AFTER THE COMMISSION HAS SUBMITTED THE
25 REPORT, THE COMMISSION SHALL RECONVENE, CONSIDER THE EFFECT OF
26 THE PROPOSED INITIATIVE IF IT WERE TO BE APPROVED BY THE VOTERS OF
27 THE STATE AND BECOME LAW AND, IF DEEMED APPROPRIATE BY THE

1 COMMISSION, SUPPLEMENT THE REPORT WITH ADDITIONAL INFORMATION
2 ABOUT THE PROPOSED INITIATIVE.

3 (b) THE COMMISSION REPORT MUST CONTAIN ONLY
4 RECOMMENDATIONS SUPPORTED BY TEN OR MORE MEMBERS OF THE
5 COMMISSION.

6 (c) IF A MAJORITY OF COMMISSION MEMBERS VOTE TO EXTEND THE
7 WORK OF THE COMMISSION PAST MARCH 15, 2024, IN ACCORDANCE WITH
8 SUBSECTION (4)(a) OF THIS SECTION, THEN THE COMMISSION SHALL MAKE
9 A REPORT TO THE GENERAL ASSEMBLY AND THE GOVERNOR IN
10 ACCORDANCE WITH THIS SUBSECTION (6) NO LATER THAN DECEMBER 31,
11 2024.

12 (7) THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL,
13 CREATED IN SECTION 2-3-301 (1), MAY ALLOCATE FUNDING FROM THE
14 LEGISLATIVE DEPARTMENT CASH FUND, CREATED IN SECTION 2-2-1601,
15 FOR THE PURPOSES OF THE COMMISSION INCLUDING FOR HIRING
16 PROFESSIONAL FACILITATION SERVICES, PUBLIC OUTREACH AND
17 ENGAGEMENT, AND OTHER NECESSARY SERVICES.

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

19 **SECTION 3. Appropriation.** (1) For the 2023-24 state fiscal
20 year, \$80,271 is appropriated to the legislative department. This
21 appropriation is from the general fund. To implement this act, the
22 department may use this appropriation as follows:

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

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

27 (c) \$8,594 for use by the office of legislative legal services, which

1 amount is based on an assumption that the office will require an
2 additional 0.1 FTE.

3 **SECTION 4. Safety clause.** The general assembly finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety or for appropriations for
6 the support and maintenance of the departments of the state and state
7 institutions.