

CHAPTER 245

TAXATION

HOUSE BILL 24-1314

BY REPRESENTATIVE(S) Lukens and Martinez, Bird, Daugherty, Hamrick, Joseph, Kipp, Lieder, Ricks, Woodrow, McCluskie;
also SENATOR(S) Gonzales and Will, Buckner, Cutter, Fields, Hansen, Priola.

AN ACT

CONCERNING EXPANDING THE INCOME TAX CREDIT FOR QUALIFIED COSTS INCURRED IN PRESERVATION OF HISTORIC STRUCTURES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 39-22-514.5, **amend** (2)(j)(I), (2)(l)(I), (2)(n), (3), (5)(a) introductory portion, (5.5)(a)(I), (5.5)(a)(II), (6)(c), (7)(a), (7)(a.5), (7)(b), (8)(a), (8)(b) introductory portion, (8)(c)(II), (8)(c)(IV)(B), (11), (12)(a) introductory portion, (12)(a)(III), (12)(b), and (14); **repeal** (5.5)(b) and (8)(f); and **add** (5)(b.5), (8)(c)(V), (12)(a.5), (16), and (17) as follows:

39-22-514.5. Tax credit for qualified costs incurred in preservation of historic structures - commercial historic preservation tax credit program cash fund - short title - definitions. (2) **Definitions.** As used in this section, unless the context otherwise requires:

(j) "Qualified commercial structure" means an income producing or commercial property located in Colorado that is:

(I) At least ~~fifty~~ THIRTY years old; and

(l) "Qualified residential structure" means a nonincome producing and owner-occupied residential property located in Colorado that is:

(I) At least ~~fifty~~ THIRTY years old; and

(n) "Rehabilitation plan" OR "PLAN" means construction plans and specifications for the proposed rehabilitation of a qualified structure that ~~is~~ ARE in sufficient detail

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

to enable the office or the reviewing entity, as applicable, to evaluate whether the structure is in compliance with the standards developed under subsection (4) of this section.

(3) **General provisions.** For income tax years commencing on or after January 1, 2016, but prior to ~~January 1, 2030~~ JANUARY 1, 2037, there shall be allowed a credit with respect to the income taxes imposed pursuant to this article 22 to each owner of a qualified structure that complies with the requirements of this section.

(5) **Submission by owner of application and rehabilitation plan.** (a) The owner shall submit an application and rehabilitation plan to either the office for a qualified commercial structure or to the reviewing entity for a qualified residential structure, along with an estimate of the qualified rehabilitation expenditures under the rehabilitation plan. ~~The~~ IF AN APPLICATION AND REHABILITATION PLAN IS FOR A QUALIFIED COMMERCIAL STRUCTURE, THE OWNER SHALL SPECIFY WHETHER THE OWNER IS SEEKING TO RESERVE A CREDIT ALLOWED PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION OR A CREDIT ALLOWED PURSUANT TO SUBSECTION (12)(a.5) OF THIS SECTION, AND AN OWNER MAY ONLY APPLY FOR ONE OF THESE TWO CREDITS FOR A SINGLE QUALIFIED REHABILITATION PLAN AS DESCRIBED IN SUBSECTION (7) OF THIS SECTION. AN owner, at the owner's own risk, may incur qualified rehabilitation expenditures no earlier than twenty-four months prior to the submission of the application and rehabilitation plan THAT AN OWNER SUBMITS PRIOR TO JANUARY 1, 2026, AND NO EARLIER THAN TWELVE MONTHS PRIOR TO THE SUBMISSION OF THE APPLICATION AND REHABILITATION PLAN THAT AN OWNER SUBMITS ON OR AFTER JANUARY 1, 2026, but only if satisfactory documentation is submitted to the office or the reviewing entity, as applicable, indicating the condition of the qualified structure prior to commencement of the rehabilitation, including but not limited to photographs of the qualified structure and written declarations from persons knowledgeable about the qualified structure. An owner may submit an application and rehabilitation plan and may commence rehabilitation before the property:

(b.5) ON OR AFTER JANUARY 1, 2025, AN OWNER SHALL NOT SUBMIT AN APPLICATION AND REHABILITATION PLAN FOR AN ALREADY COMPLETED REHABILITATION PROJECT.

(5.5) **Issuance of tax credit certificate for qualified residential structures - rules.** (a) (I) Following the completion of a rehabilitation of a qualified residential structure, the owner shall notify the reviewing entity that the rehabilitation has been completed and shall certify that the qualified rehabilitation expenditures incurred in connection with the rehabilitation plan. The owner shall also provide the reviewing entity with a cost and expense certification for the total qualified rehabilitation expenditures and the total amount of tax credits for which the owner is eligible. The reviewing entity shall review the documentation of the rehabilitation and verify its compliance with the rehabilitation plan. Except as otherwise provided in ~~subsection (5.5)(a)(H)~~ SUBSECTIONS (5.5)(a)(II) AND (5.5)(a)(III) of this section, within ninety days after receipt of the foregoing documentation from the owner the reviewing entity shall issue a tax credit certificate in an amount equal to twenty percent of the actual qualified rehabilitation expenditures; except that the amount of the tax credit certificate AWARDED FOR TAX YEARS COMMENCING BEFORE JANUARY 1, 2025, shall not exceed fifty thousand dollars for each qualified residential structure, ~~which amount is~~ THE AMOUNT OF THE TAX CREDIT CERTIFICATE

AWARDED FOR TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, SHALL NOT EXCEED ONE HUNDRED THOUSAND DOLLARS FOR EACH QUALIFIED RESIDENTIAL STRUCTURE, AND BOTH THE FIFTY THOUSAND DOLLAR AND ONE HUNDRED THOUSAND DOLLAR AMOUNTS ARE TO BE CALCULATED OVER A TEN-YEAR ROLLING PERIOD THAT COMMENCES WITH EACH CHANGE IN OWNERSHIP OF THE QUALIFIED RESIDENTIAL STRUCTURE.

(II) For income tax years commencing prior to January 1, 2030, AND FOR APPLICATIONS SUBMITTED PURSUANT TO SUBSECTION (5) OF THIS SECTION PRIOR TO JANUARY 1, 2025, with respect to a qualified residential structure located in an area that the president of the United States has determined to be a major disaster area under section 102 (2) of the federal "Robert T. Stafford Disaster Relief and Emergency Assistance Act", 42 U.S.C. sec. 5121 et seq., or that is located in an area that the governor has determined to be a disaster area under the "Colorado Disaster Emergency Act", part 7 of article 33.5 of title 24, the amount of the tax credit specified in subsection (5.5)(a)(I) of this section is increased to twenty-five percent for an application that is filed within six years after the disaster determination.

~~(b) Notwithstanding any other provision of law, a taxpayer may claim the benefits offered by either subsection (5.5)(a)(II) or (5.5)(a)(III) of this section but shall not claim the benefits offered by both subsections (5.5)(a)(II) and (5.5)(a)(III) of this section.~~

(6) Application and issuance fees for qualified commercial structures.

(c) The office may impose on the owner a reasonable issuance fee of up to three percent of the amount of the tax credit issued, which must be paid before the tax credit is issued to the owner. With respect to both an application fee and an issuance fee, the office shall share on an equal basis any such fees collected with the historical society and the department. ~~Moneys~~ MONEY collected from such fees must be CREDITED TO THE COMMERCIAL HISTORIC PRESERVATION TAX CREDIT PROGRAM CASH FUND CREATED IN SUBSECTION (17) OF THIS SECTION AND applied to the administration of the tax credit created by this section.

(7) Reservation of tax credits for qualified rehabilitation plans for qualified commercial structures.

(a) In the case of a qualified commercial structure, a reservation of tax credits is permitted in accordance with the provisions of this subsection (7). The office and the historical society shall review the application and rehabilitation plan for a qualified commercial structure to determine that the information contained in the application and plan is complete. If the office and the historical society determine that the application and rehabilitation plan are complete, the office shall reserve for the benefit of the owner an allocation of a tax credit as provided in subsection (12)(a) OR (12)(a.5) of this section AND SUBSECTION (8)(c)(II) OF THIS SECTION, and the office shall notify the owner in writing of the amount of the reservation. The reservation of tax credits does not entitle the owner to an issuance of ~~any~~ A tax credits CREDIT until the owner complies with all of the other requirements specified in this section for the issuance of the tax credit. The office ~~must~~ SHALL SEPARATELY reserve tax credits ALLOWED PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION AND TAX CREDITS ALLOWED PURSUANT TO SUBSECTION (12)(a.5) OF THIS SECTION in the order in which it receives completed applications and rehabilitation plans FOR EACH OF THOSE TWO CATEGORIES OF CREDITS. The office shall issue ~~any such~~ A reservation of tax credits authorized by this subsection (7) within a reasonable time, not to exceed ninety days after the

filing of a completed application and rehabilitation plan. The office shall stamp each completed application and plan with the date and time it receives the application and plan and shall review a plan and application on the basis of the order in which ~~such~~ THE documents were submitted by date and time. The office shall only review an application and plan submitted in connection with a property for which a property address, legal description, or other specific location is provided in the application and plan AND FOR WHICH THE OWNER HAS SPECIFIED THE CATEGORY OF CREDIT SOUGHT AS REQUIRED BY SUBSECTION (5)(a) OF THIS SECTION. The owner shall not request the review of another property for approval in the place of the property that is the subject of the application and plan. Any application and plan disapproved by the office will be removed from the review process, and the office shall notify the owner in writing of the decision to remove the property from the review process. Disapproved applications and plans lose their priority in the review process. An owner may resubmit a ~~disapproved~~ MODIFIED application and plan, but ~~such~~ A resubmitted application and plan is ~~deemed to be~~ a new submission for purposes of the priority procedures described in this subsection (7)(a). If a resubmitted application and plan are submitted, the office may charge a new application fee in an amount specified in accordance with subsection (6) of this section.

(a.5) In the case of any project for a qualified commercial structure the qualified rehabilitation expenditures for which amount to less than fifty thousand dollars, if the total number of applications for such projects that are received but not reserved ~~reach~~ FOR CREDITS ALLOWED PURSUANT TO EITHER SUBSECTION (12)(a) OR (12)(b) OF THIS SECTION REACHES fifteen, ~~in number~~ the office may suspend the submission of additional applications for THAT CREDIT for such projects until such time as ~~these~~ THE fifteen projects have been duly reserved or disapproved. The notification period that is specified in subsection (5)(c) of this section is extended to one hundred twenty days after receipt of the application and rehabilitation plan for ~~these~~ THE fifteen projects. Any application for a qualified commercial structure the qualified rehabilitation expenditures for which amount to fifty thousand or more dollars is not subject to this subsection (7)(a.5).

(b) If, for any calendar year, the aggregate amount of reservations for tax credits ALLOWED PURSUANT TO EITHER SUBSECTION (12)(a) OR (12)(a.5) OF THIS SECTION THAT the office has approved is equal to the total amount of tax credits available for reservation PURSUANT TO THE APPLICABLE SUBSECTION (12)(a) OR (12)(a.5) OF THIS SECTION during that calendar year, the office shall notify all owners who have submitted applications and rehabilitation plans FOR RESERVATION OF A TAX CREDIT ALLOWED PURSUANT TO THE APPLICABLE SUBSECTION (12)(a) OR (12)(a.5) OF THIS SECTION then awaiting approval or submitted for approval after the calculation is made that no additional approvals of applications and plans for reservations of tax credits will be granted during that calendar year. ~~and~~ The office shall additionally notify the owner of the priority number given to the owner's application and plan then awaiting approval. The applications and plans ~~will~~ remain in priority status for two years from the date of the original application and plan and ~~will be~~ ARE considered for reservations of tax credits in the priority order established in this subsection (7) ~~in the event that~~ IF additional credits become available resulting from the rescission of approvals under subsection (8)(a) of this section or because a new allocation of tax credits for a calendar year becomes available.

(8) Deadline for incurring specified amount of estimated costs of

rehabilitation - proof of compliance - audit of cost and expense certification - issuance of tax credit certificate - commercial structures. (a) ~~Any~~ AN owner receiving a reservation of tax credits under subsection (7)(a) of this section shall incur not less than twenty percent of the estimated costs of rehabilitation contained in the application and rehabilitation plan not later than eighteen months after the date of issuance of the written notice from the office to the owner granting the reservation of tax credits. ~~Any~~ AN owner receiving a reservation of tax credits shall submit evidence of compliance with the provisions of this subsection (8)(a). If the office determines that an owner has failed to comply with the requirements of this subsection (8)(a), the office may rescind the issuance it previously gave the owner approving the reservation of tax credits and, if so, the total amount of tax credits made available PURSUANT TO SUBSECTION (12)(a) OR (12)(a.5) OF THIS SECTION, AS APPLICABLE, for the calendar year for which reservations may be granted must be increased by the amount of the tax credits rescinded. The office shall promptly notify any owner whose reservation of tax credits has been rescinded and, upon receipt of the notice, the owner may submit a new application and plan for which the office may charge a new application fee in accordance with subsection (6) of this section.

(b) Following the completion of a rehabilitation of a qualified commercial structure, the owner shall notify the office that the rehabilitation has been completed and shall certify the qualified rehabilitation costs and expenses. ~~The cost and expense certification must be audited by a licensed certified public accountant that is not affiliated with the owner.~~ THE APPLICANT SHALL INCLUDE A REVIEW OF THE CERTIFICATION BY A LICENSED CERTIFIED PUBLIC ACCOUNTANT THAT IS NOT AFFILIATED WITH THE QUALIFIED APPLICANT, AND THE REVIEW OF THE CERTIFICATION MUST ALIGN WITH OFFICE POLICIES FOR CERTIFICATION OF QUALIFIED REHABILITATION EXPENDITURES. The office and the historical society shall review the documentation of the rehabilitation and the historical society shall verify that the documentation satisfies the rehabilitation plan. Within ninety days after receipt of such documentation from the owner, the office shall issue a tax credit certificate in an amount equal to the following subject to subsection (8)(c) of this section:

(c) Notwithstanding subsection (8)(b) of this section:

(II) The amount of a tax credit certificate to be issued PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION for any one qualified commercial structure shall not exceed one million dollars, ~~in any one calendar year~~, and THE AMOUNT OF A TAX CREDIT CERTIFICATE TO BE ISSUED PURSUANT TO SUBSECTION (12)(a.5) OF THIS SECTION FOR ANY ONE QUALIFIED REHABILITATION PLAN SHALL NOT EXCEED ONE MILLION FIVE HUNDRED THOUSAND DOLLARS IN ANY ONE CALENDAR YEAR; ~~and~~

(IV) For income tax years commencing on or after January 1, 2020, with respect to a certified historic structure that is a qualified commercial structure that is located in a rural community, the tax credit amounts specified in subsections (8)(b)(I) and (8)(b)(II) of this section must be increased as follows for an application that is properly filed in accordance with this section:

(B) The twenty percent credit amount specified in subsection (8)(b)(II) of this section is increased to thirty percent; AND

(V) FOR A TAX CREDIT ALLOWED PURSUANT TO SUBSECTION (12)(a.5) OF THIS SECTION ONLY, IF, DUE TO A REGULATORY REQUIREMENT OR CONDITION OF FINANCING, THE QUALIFIED COMMERCIAL STRUCTURE FOR WHICH THE TAX CREDIT IS CLAIMED IS SUBJECT TO A DEED RESTRICTION THAT REQUIRES THE OWNER TO LEASE RENTAL HOUSING UNITS IN THE QUALIFIED COMMERCIAL STRUCTURE ONLY TO INDIVIDUALS OR HOUSEHOLDS WHOSE INCOME IS BELOW A SPECIFIED AMOUNT, THEN THE AMOUNT OF THE TAX CREDIT SPECIFIED IN SUBSECTION (8)(b) OF THIS SECTION, AS INCREASED PURSUANT TO SUBSECTION (8)(c)(III) OR (8)(c)(IV) OF THIS SECTION, IF APPLICABLE, IS INCREASED BY AN ADDITIONAL FIVE PERCENT.

~~(f) Notwithstanding any other provision of law, a taxpayer may claim the benefits offered by either subsection (8)(c)(III) or (8)(c)(IV) of this section but shall not claim the benefits offered by both subsections (8)(c)(III) and (8)(c)(IV) of this section.~~

(11) **Residential and commercial.** (a) FOR TAX YEARS COMMENCING PRIOR TO JANUARY 1, 2027, the entire tax credit to be issued under this section for either a qualified residential structure or a qualified commercial structure may be claimed by the owner in the taxable year in which the certified rehabilitation is placed in service. If the amount of the credit allowed under this section exceeds the amount of income taxes otherwise due on the income of the owner in the income tax year for which the credit is being claimed, the amount of the credit not used as an offset against income taxes in said income tax year may be carried forward as a credit against subsequent years' income tax liability for a period not to exceed ten years and will be applied to the earliest income tax years possible. Any amount of the credit that is not used after such period shall not be refunded to the owner.

(b) (I) FOR TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, THE ENTIRE TAX CREDIT TO BE ISSUED UNDER THIS SECTION FOR EITHER A QUALIFIED RESIDENTIAL STRUCTURE OR A QUALIFIED COMMERCIAL STRUCTURE MAY BE CLAIMED BY THE OWNER IN THE TAX YEAR IN WHICH THE CERTIFIED REHABILITATION IS PLACED IN SERVICE.

(II) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION FOR A QUALIFIED COMMERCIAL STRUCTURE, BUT NOT A QUALIFIED RESIDENTIAL STRUCTURE, EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE OWNER IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES IN SAID INCOME TAX YEAR MAY BE CARRIED FORWARD AS A CREDIT AGAINST SUBSEQUENT YEARS' INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED TEN YEARS AND SHALL BE APPLIED TO THE EARLIEST INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF THE CREDIT THAT IS NOT USED AFTER SUCH PERIOD SHALL NOT BE REFUNDED TO THE OWNER.

(III) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION FOR A QUALIFIED RESIDENTIAL STRUCTURE, BUT NOT A QUALIFIED COMMERCIAL STRUCTURE, EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE INCOME OF THE QUALIFIED APPLICANT IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR IS REFUNDED TO THE QUALIFIED APPLICANT.

(12) Limit on aggregate amount of all tax credits that may be reserved for qualified commercial structures - assignability and transferability of tax credits for qualified commercial structures - tax preference performance statement - legislative declaration. (a) Except as otherwise provided in ~~this subsection (12)~~ SUBSECTIONS (12)(a.5) AND (12)(b) OF THIS SECTION, the aggregate amount of all tax credits in any ~~tax~~ CALENDAR year that may be reserved for qualified commercial structures by the office upon the certification of all rehabilitation plans under subsection (7)(a) of this section for such structures must not exceed:

(III) For qualified commercial structures estimating qualified rehabilitation expenditures in any amount, ten million dollars in the aggregate for each of the 2020 through ~~2029~~ 2032 calendar years, in addition to the amount of any previously reserved tax credits that were rescinded under subsection (8)(a) of this section during the applicable calendar year; except that the aggregate amount of the ten million dollars in tax credits in any tax year that may be reserved by the office must be equally split between qualified commercial structures for which the estimated qualified rehabilitation expenditures are equal to or less than two million dollars and qualified commercial structures for which the estimated qualified rehabilitation expenditures are in excess of two million dollars.

(a.5) FOR CALENDAR YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, BUT BEFORE JANUARY 1, 2030, IN ADDITION TO THE TAX CREDITS ALLOWED TO BE RESERVED BY THE OFFICE PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION, THE OFFICE SHALL SEPARATELY RESERVE CREDITS PURSUANT TO THIS SUBSECTION (12)(a.5) FOR AN OWNER OF A QUALIFIED COMMERCIAL STRUCTURE THAT SUBMITS AN APPLICATION AND REHABILITATION PLAN FOR REHABILITATION OF THE QUALIFIED COMMERCIAL STRUCTURE SO THAT AT LEAST FIFTY PERCENT OF THE SQUARE FOOTAGE OF THE QUALIFIED COMMERCIAL STRUCTURE WILL BE NET NEW RENTAL HOUSING UNITS, AS DEFINED BY THE OFFICE. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (12)(b) OF THIS SECTION, THE AGGREGATE AMOUNT OF ALL TAX CREDITS IN ANY CALENDAR YEAR THAT MAY BE RESERVED PURSUANT TO THIS SUBSECTION (12)(a.5) FOR QUALIFIED COMMERCIAL STRUCTURES BY THE OFFICE UPON THE CERTIFICATION OF ALL REHABILITATION PLANS UNDER SUBSECTION (7)(a) OF THIS SECTION FOR SUCH STRUCTURES MUST NOT EXCEED FIVE MILLION DOLLARS PER YEAR IN THE AGGREGATE, IN ADDITION TO THE AMOUNT OF ANY PREVIOUSLY RESERVED TAX CREDITS THAT WERE RESCINDED UNDER SUBSECTION (8)(a) OF THIS SECTION DURING THE APPLICABLE CALENDAR YEAR.

(b) Notwithstanding any other provision of this subsection (12), if the entirety of the allowable tax credit amount for any ~~tax~~ CALENDAR year is not requested and reserved under:

(I) Subsection (12)(a) of this section, the office may use any such unreserved tax credits in reserving tax credits in another category for that same income ~~tax~~ CALENDAR year, and the office may also use any remaining unreserved tax credits for that ~~tax~~ CALENDAR year in reserving tax credits in subsequent ~~income tax~~ CALENDAR years; OR

(II) SUBSECTION (12)(a.5) OF THIS SECTION, THE OFFICE SHALL USE ANY

REMAINING UNRESERVED TAX CREDITS FOR THAT CALENDAR YEAR IN RESERVING TAX CREDITS IN SUBSEQUENT CALENDAR YEARS.

(14) Deadline for submitting application and rehabilitation plan.

Notwithstanding any other provision of this section, the tax credits authorized by this section for the substantial rehabilitation of a qualified structure are not available to an owner of a qualified structure that submits an application and rehabilitation plan after ~~December 31, 2029~~ DECEMBER 31, 2032. No action or inaction on the part of the general assembly has the effect of limiting or suspending the issuing of tax credits authorized by this section in any past or future income tax year with respect to a qualified structure if the owner of the structure submits an application and rehabilitation plan with the office on or prior to ~~December 31, 2029~~ DECEMBER 31, 2032, even if the qualified structure is placed into service after ~~December 31, 2029~~ DECEMBER 31, 2032. Any tax credits that have been reserved for a qualified commercial structure in accordance with subsection (7)(a) of this section and any applicable rules promulgated under this section prior to ~~December 31, 2029~~ DECEMBER 31, 2032, may still be issued by the office through and including ~~December 31, 2032~~ DECEMBER 31, 2036.

(16) Tax preference performance statement. (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE OR EXTENDS AN EXPIRING TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY DECLARES THAT THE GENERAL PURPOSES OF THE TAX CREDIT CREATED IN THIS SECTION ARE TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS AND TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR INDIVIDUALS. THE SPECIFIC PURPOSES OF THE TAX CREDIT ARE TO PROVIDE AN INCENTIVE TO TAXPAYERS TO REHABILITATE QUALIFIED STRUCTURES IN A WAY THAT INCREASES THE NUMBER OF NET NEW RENTAL HOUSING UNITS IN THE STATE AND TO PROVIDE A GREATER INCENTIVE FOR TAXPAYERS WHO DEVELOP SUCH UNITS FOR RENTAL TO LOW- AND MODERATE-INCOME RENTERS WHO NEED AFFORDABLE AND MIDDLE-INCOME HOUSING.

(b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL MEASURE THE EFFECTIVENESS OF THE TAX CREDIT IN ACHIEVING THE PURPOSES SPECIFIED IN SUBSECTION (16)(a) OF THIS SECTION BASED ON THE INFORMATION REQUIRED TO BE MAINTAINED AND REPORTED BY THE OFFICE TO THE STATE AUDITOR PURSUANT TO SUBSECTION (16)(c) OF THIS SECTION.

(c) THE OFFICE SHALL MAINTAIN A DATABASE OF ANY INFORMATION DETERMINED NECESSARY BY THE OFFICE TO EVALUATE THE EFFECTIVENESS OF THE INCOME TAX CREDIT ALLOWED IN THIS SECTION IN MEETING THE PURPOSES SET FORTH IN SUBSECTION (16)(a) OF THIS SECTION AND SHALL PROVIDE SUCH INFORMATION, WHICH MUST INCLUDE THE NUMBER AND VALUE OF TAX CREDITS CLAIMED PURSUANT TO THIS SECTION, THE NUMBER OF NET NEW RENTAL UNITS DEVELOPED, INCLUDING THE NUMBER OF SUCH UNITS DEVELOPED FOR RENTAL ONLY TO LOW- AND MODERATE-INCOME RENTERS, THROUGH THE REHABILITATION OF QUALIFIED COMMERCIAL OR RESIDENTIAL STRUCTURES FOR WHICH TAX CREDITS WERE ALLOWED PURSUANT TO THIS SECTION, AND, IF AVAILABLE, ANY OTHER INFORMATION THAT MAY BE NEEDED, TO THE STATE AUDITOR AS PART OF THE STATE AUDITOR'S EVALUATION OF THE TAX CREDIT REQUIRED BY SECTION 39-21-305.

(17) Commercial historic preservation tax credit program cash fund.

(a) THE COMMERCIAL HISTORIC PRESERVATION TAX CREDIT PROGRAM CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF GIFTS, GRANTS, DONATIONS, FEE REVENUE CREDITED TO THE FUND PURSUANT TO SUBSECTION (6) OF THIS SECTION, AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE, TRANSFER, OR REQUIRE BY LAW TO BE CREDITED TO THE FUND.

(b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE COMMERCIAL HISTORIC PRESERVATION TAX CREDIT PROGRAM CASH FUND TO THE FUND.

(c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE PURPOSE OF ADMINISTERING THE TAX CREDIT ISSUED PURSUANT TO THIS SECTION.

(d) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND ON DECEMBER 31, 2051, TO THE GENERAL FUND.

SECTION 2. In Colorado Revised Statutes, 24-75-402, **amend** (5)(ccc) and (5)(ddd); and **add** (5)(fff) as follows:

24-75-402. Cash funds - limit on uncommitted reserves - reduction in the amount of fees - exclusions - definitions. (5) Notwithstanding any provision of this section to the contrary, the following cash funds are excluded from the limitations specified in this section:

(ccc) The wildfire resiliency code board cash fund created in section 24-33.5-1236 (8); ~~and~~

(ddd) The closed landfill remediation grant program fund created in section 30-20-124 (8); AND

(fff) THE COMMERCIAL HISTORIC PRESERVATION TAX CREDIT PROGRAM CASH FUND CREATED IN SECTION 39-22-514.5 (17).

SECTION 3. Appropriation. (1) For the 2024-25 state fiscal year, \$74,244 is appropriated to the office of the governor for use by economic development programs. This appropriation is from the general fund and is based on an assumption that the office will require an additional 0.4 FTE. To implement this act, the office may use this appropriation for the economic development commission - general economic incentives and marketing.

(2) For the 2024-25 state fiscal year, \$54,419 is appropriated to the department of higher education for use by history Colorado. This appropriation is from the general fund and is based on an assumption that the department will require an additional 0.4 FTE. To implement this act, the department may use this appropriation for the office of archeology and historic preservation.

SECTION 4. 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; 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 24, 2024