

# 1264 Working Group Charge

Develop recommendations to address:

1. “An alternative method to the appraisal process...to establish the amount of tax credits for which a qualified conservation easement contribution would be eligible.”
2. “A process to provide retroactive tax credits, payments, or refunds to taxpayers who claimed credits...between January 1, 2000, and December 31, 2013, and whose credits were denied in whole or in part...”
3. “...the administration of orphaned conservation easements.”

# 1264 Working Group Members

## Members:

- Erik Glenn – Co-Chair (Denver)
- Alan Gentz – Co-Chair (Sterling)
- Jay Fetcher – Landowner (Steamboat Springs)
- Don Brown – Landowner (Yuma)
- Jessica Jay – Conservation Attorney (Denver)
- Jillane Hixson – Landowner (Lamar)
- Belinda Groner – Landowner advocate (Lamar)
- Melissa Daruna – Executive Director, Keep it Colorado (Denver)

# 1264 Working Group Meetings

June 25 – State Capitol

July 23 – Sterling

September 16 – Steamboat Springs

October 24 – Lamar

November 12 – Broomfield

November 18 - Arvada

# 1264 Working Group Recommendations

## Alternative Valuation

- Continue to explore alternative methodologies and develop a pilot program to test alternatives
  - Pilot projects would be funded through private organizations
- Adjust the current tax credit formula to allow landowners to claim up to 90% of the value of their conservation easement

# 1264 Working Group Recommendations

## Reparations

- Available to:
  - landowners who:
    - Contributed an easement in good faith between Jan. 1, 2000 and Dec. 31, 2013
    - Had all or a portion of their tax credit disallowed by CO Dept. of Revenue
  - Tax credit buyers who purchased credits that were disallowed between Jan. 1, 2000 and Dec. 31, 2013
- A disallowed credit shall be reinstated to the amount of federal conservation easement deduction allowed by the Internal Revenue Service minus any settlement proceeds
- Funding for reparations shall be in the form of a refund or a credit and payed for using any unclaimed portions of the tax credit cap in effect between 2011 and 2019.

# 1264 Working Group Recommendations

## Administration of Orphan Easements

- Conservation easements may be designated as abandoned if they are held by entities that are:
  - a) Non-functioning but not legally dissolved;
  - b) Functioning but unable or unwilling to fulfill the perpetual obligations of an easement holder;
  - c) Have not completed their annual monitoring obligations for 3 consecutive years
- Abandoned conservation easements shall be placed in receivership for a period not to exceed 5 years
  - Receiver shall be the Division of Conservation or the county where the easement is held
- While in receivership, easements will be monitored by certified land trusts or professional with experience monitoring easements through a contract with the Division of Conservation.
- While in receivership, abandoned easements will be reviewed by CEOC and placed into one of three categories:
  - 1) Can be assigned without amendment;
  - 2) can be assigned with amendment; or
  - 3) cannot be reformed in a manner that would allow for assignment