

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

BILL D

LLS NO. 20-0241.02 Esther van Mourik x4215

SENATE BILL

SENATE SPONSORSHIP

Court and Tate, Moreno

HOUSE SPONSORSHIP

Benavidez and Bockenfeld, Snyder

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE LEGISLATIVE OVERSIGHT**
102 **COMMITTEE CONCERNING TAX POLICY.**

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/>.)

Tax Expenditure Evaluation Interim Study Committee. The bill creates the legislative oversight committee concerning tax policy (committee), and the associated task force (task force).

The committee is required to consider the policy considerations contained in the tax expenditure evaluations prepared by the state auditor and is responsible for the oversight of the task force. The committee may

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

1 THAT HAVE RESULTED IN UNINTENDED CONSEQUENCES;

2 (d) THESE MODIFICATIONS MAY HAVE RESULTED IN THE TAX
3 BURDEN FOR FINANCING GOVERNMENT SERVICES AND PROGRAMS BEING
4 BORNE DISPROPORTIONATELY BY CERTAIN TAXPAYERS AND MAY HAVE
5 DIMINISHED COLORADO'S ABILITY TO ATTRACT NEW BUSINESSES AND
6 RETAIN EXISTING BUSINESSES THAT ARE VITAL TO THE ECONOMIC
7 WELL-BEING OF THE STATE AND ITS CITIZENS; AND

8 (e) IT IS NECESSARY TO REVIEW THE STATE'S CURRENT TAX POLICY.

9 (2) THEREFORE, THE GENERAL ASSEMBLY FURTHER FINDS AND
10 DECLARES THAT IT IS NECESSARY TO CREATE THE LEGISLATIVE OVERSIGHT
11 COMMITTEE CONCERNING TAX POLICY AND, IN ADDITION, TO ESTABLISH
12 THE COMMITTEE AS THE APPROPRIATE ENTITY TO REVIEW THE
13 EVALUATIONS OF TAX EXPENDITURES THAT ARE STATUTORILY COMPLETED
14 BY THE STATE AUDITOR.

15 **39-21-402. Definitions.** AS USED IN THIS PART 4, UNLESS THE
16 CONTEXT OTHERWISE REQUIRES:

17 (1) "LEGISLATIVE OVERSIGHT COMMITTEE" OR "COMMITTEE"
18 MEANS THE LEGISLATIVE OVERSIGHT COMMITTEE CONCERNING TAX
19 POLICY ESTABLISHED PURSUANT TO SECTION 39-21-403.

20 (2) "TASK FORCE" MEANS THE TASK FORCE CONCERNING TAX
21 POLICY ESTABLISHED PURSUANT TO SECTION 39-21-404.

22 **39-21-403. Legislative oversight committee concerning tax**
23 **policy - creation - duties - report.** (1) **Creation.** (a) THERE IS HEREBY
24 CREATED A LEGISLATIVE OVERSIGHT COMMITTEE CONCERNING TAX
25 POLICY.

26 (b) THE COMMITTEE CONSISTS OF SIX MEMBERS AS FOLLOWS:

27 (I) THE PRESIDENT OF THE SENATE SHALL APPOINT TWO SENATORS

1 TO SERVE ON THE COMMITTEE, AND THE MINORITY LEADER OF THE SENATE
2 SHALL APPOINT ONE SENATOR TO SERVE ON THE COMMITTEE; AND

3 (II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
4 APPOINT TWO REPRESENTATIVES TO SERVE ON THE COMMITTEE, AND THE
5 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT
6 ONE REPRESENTATIVE TO SERVE ON THE COMMITTEE.

7 (c) (I) APPOINTEES TO THE COMMITTEE MUST HAVE EXPERIENCE
8 WITH OR INTEREST IN THE STUDY AREAS OF THE COMMITTEE AND TASK
9 FORCE, AS SET FORTH IN SECTION 39-21-404.

10 (II) APPOINTMENTS MUST BE MADE NO LATER THAN THIRTY DAYS
11 AFTER THE EFFECTIVE DATE OF THIS ACT.

12 (d) THE TERMS OF THE MEMBERS EXPIRE ON OR TERMINATE ON THE
13 CONVENING DATE OF THE FIRST REGULAR SESSION OF THE SEVENTY-THIRD
14 GENERAL ASSEMBLY. AS SOON AS PRACTICABLE AFTER SUCH CONVENING
15 DATE, BUT NO LATER THAN THE END OF THE LEGISLATIVE SESSION, THE
16 SPEAKER AND MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND
17 THE PRESIDENT AND THE MINORITY LEADER OF THE SENATE SHALL EACH
18 APPOINT OR REAPPOINT MEMBERS IN THE SAME MANNER AS PROVIDED IN
19 SUBSECTION (1)(b) OF THIS SECTION. THEREAFTER, THE TERMS OF
20 MEMBERS APPOINTED OR REAPPOINTED EXPIRE ON THE CONVENING DATE
21 OF THE FIRST REGULAR SESSION OF EACH GENERAL ASSEMBLY, AND ALL
22 SUBSEQUENT APPOINTMENTS AND REAPPOINTMENTS MUST BE MADE AS
23 SOON AS PRACTICABLE AFTER SUCH CONVENING DATE, BUT NO LATER
24 THAN THE END OF THE LEGISLATIVE SESSION.

25 (e) THE PERSON MAKING THE ORIGINAL APPOINTMENT OR
26 REAPPOINTMENT SHALL FILL ANY VACANCY BY APPOINTMENT FOR THE
27 REMAINDER OF AN UNEXPIRED TERM. MEMBERS APPOINTED OR

1 REAPPOINTED SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY
2 AND CONTINUE IN OFFICE UNTIL THE MEMBER'S SUCCESSOR IS APPOINTED.

3 (f) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
4 SELECT THE FIRST CHAIR OF THE COMMITTEE, AND THE PRESIDENT OF THE
5 SENATE SHALL SELECT THE FIRST VICE-CHAIR. THE CHAIR AND VICE-CHAIR
6 SHALL ALTERNATE ANNUALLY THEREAFTER BETWEEN THE TWO HOUSES.

7 (g) THE CHAIR AND VICE-CHAIR OF THE COMMITTEE MAY
8 ESTABLISH SUCH ORGANIZATIONAL AND PROCEDURAL RULES AS ARE
9 NECESSARY FOR THE OPERATION OF THE COMMITTEE AND, IN
10 COLLABORATION WITH THE TASK FORCE, GUIDELINES AND EXPECTATIONS
11 FOR ONGOING COLLABORATION WITH THE TASK FORCE.

12 (h) (I) MEMBERS OF THE COMMITTEE ARE ENTITLED TO RECEIVE
13 COMPENSATION AND REIMBURSEMENT OF EXPENSES AS PROVIDED IN
14 SECTION 2-2-326.

15 (II) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL,
16 THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE
17 STATE AUDITOR SHALL SUPPLY STAFF ASSISTANCE TO THE COMMITTEE AS
18 THEY DEEM APPROPRIATE, WITHIN EXISTING APPROPRIATIONS.

19 (2) **Duties.** (a) (I) THE COMMITTEE SHALL MEET AT LEAST FOUR
20 TIMES EACH YEAR AND AT SUCH OTHER TIMES AS IT DEEMS NECESSARY.

21 (II) EACH COMMITTEE MEMBER SHALL ANNUALLY EITHER ATTEND
22 OR CALL INTO AT LEAST ONE REGULAR TASK FORCE MEETING. COMMITTEE
23 MEMBERS ARE ENCOURAGED TO ATTEND SEPARATE MEETINGS AND INFORM
24 THE REST OF THE COMMITTEE ABOUT THE CURRENT WORK OF THE TASK
25 FORCE.

26 (b) (I) THE COMMITTEE SHALL CONSIDER THE POLICY
27 RECOMMENDATIONS CONTAINED IN THE TAX EXPENDITURE EVALUATIONS

1 PREPARED BY THE STATE AUDITOR PURSUANT TO SECTION 39-21-305.

2 (II) THE COMMITTEE IS RESPONSIBLE FOR THE OVERSIGHT OF THE
3 TASK FORCE.

4 (c) THE COMMITTEE MAY RECOMMEND LEGISLATIVE CHANGES
5 THAT ARE TREATED AS BILLS RECOMMENDED BY AN INTERIM LEGISLATIVE
6 COMMITTEE FOR PURPOSES OF ANY INTRODUCTION DEADLINES OR BILL
7 LIMITATIONS IMPOSED BY THE JOINT RULES OF THE GENERAL ASSEMBLY.

8 (d) ON OR BEFORE JANUARY 15 OF EACH YEAR, THE COMMITTEE
9 SHALL SUBMIT, AND MAKE PUBLICLY AVAILABLE ON ITS WEBSITE, A
10 REPORT TO THE GENERAL ASSEMBLY. THE ANNUAL REPORT MUST BRIEFLY
11 SUMMARIZE THE STUDY ISSUES, RECOMMENDATIONS CONSIDERED, AND
12 ANY ACTIONS TAKEN BY THE COMMITTEE AND THE TASK FORCE DURING
13 THE PREVIOUS YEAR. THE REPORT MUST COMPLY WITH THE PROVISIONS OF
14 SECTION 24-1-136 (9). NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I),
15 THE REQUIREMENT IN THIS SECTION TO REPORT TO THE GENERAL
16 ASSEMBLY CONTINUES INDEFINITELY.

17 **39-21-404. Task force concerning tax policy - creation -**
18 **membership - duties. (1) Creation. (a) THERE IS HEREBY CREATED A**
19 **TASK FORCE CONCERNING TAX POLICY. THE TASK FORCE CONSISTS OF**
20 **TWENTY-ONE MEMBERS APPOINTED AS PROVIDED IN SUBSECTIONS (1)(b)**
21 **AND (1)(c) OF THIS SECTION.**

22 (b) FOUR NONVOTING TASK FORCE MEMBERS, ONE APPOINTMENT
23 FROM EACH OFFICE, WITH RELEVANT EXPERIENCE IN ECONOMICS,
24 BUDGETING, OR TAX POLICY, SHALL BE APPOINTED BY:

- 25 (I) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL;
26 (II) THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL
27 SERVICES;

1 (III) THE STAFF DIRECTOR OF THE JOINT BUDGET COMMITTEE; AND
2 (IV) THE STATE AUDITOR.

3 (c) WITH INPUT FROM THE GOVERNOR'S OFFICE, THE SPEAKER OF
4 THE HOUSE OF REPRESENTATIVES, AND THE PRESIDENT OF THE SENATE,
5 THE CHAIR AND VICE-CHAIR OF THE COMMITTEE SHALL APPOINT
6 SEVENTEEN VOTING MEMBERS AS FOLLOWS:

7 (I) A REPRESENTATIVE OF THE OFFICE OF STATE PLANNING AND
8 BUDGETING;

9 (II) A REPRESENTATIVE FROM THE TAXATION DIVISION IN THE
10 DEPARTMENT OF REVENUE;

11 (III) A REPRESENTATIVE OF THE OFFICE OF ECONOMIC
12 DEVELOPMENT;

13 (IV) A REPRESENTATIVE OF THE OFFICE OF THE STATE TREASURER;

14 (V) ONE MEMBER FROM A STATE PUBLIC OR PRIVATE INSTITUTION
15 OF HIGHER EDUCATION WITH KNOWLEDGE OF TAX POLICY;

16 (VI) ONE MEMBER FROM A STATE PUBLIC OR PRIVATE INSTITUTION
17 OF HIGHER EDUCATION WITH KNOWLEDGE OF ECONOMICS;

18 (VII) FOUR MEMBERS REPRESENTING LOCAL GOVERNMENT, ONE
19 FROM A HOME RULE CITY OR CITY AND COUNTY, ONE FROM A STATUTORY
20 CITY, ONE FROM A HOME RULE COUNTY, AND ONE FROM A STATUTORY
21 COUNTY;

22 (VIII) TWO TAX LAW PRACTITIONERS WHO ARE NOT EMPLOYED BY
23 A HOME RULE OR STATUTORY CITY OR CITY AND COUNTY;

24 (IX) TWO CERTIFIED PUBLIC ACCOUNTANTS WITH STATE AND
25 LOCAL TAX EXPERIENCE WHO ARE NOT EMPLOYED BY A HOME RULE OR
26 STATUTORY CITY OR CITY AND COUNTY;

27 (X) ONE SMALL BUSINESS OWNER;

1 (XI) ONE LARGE BUSINESS OWNER; AND

2 (XII) ONE MEMBER REPRESENTING A NONPROFIT ORGANIZATION
3 WITH EXPERTISE IN TAX POLICY.

4 (d) MEMBERS OF THE TASK FORCE SERVE WITHOUT
5 COMPENSATION.

6 (e) A VACANCY OCCURRING IN A POSITION FILLED BY THE CHAIR
7 AND VICE-CHAIR OF THE COMMITTEE PURSUANT TO SUBSECTION (1)(c) OF
8 THIS SECTION MUST BE FILLED AS SOON AS POSSIBLE BY THE CHAIR AND
9 VICE-CHAIR OF THE COMMITTEE IN ACCORDANCE WITH THE LIMITATIONS
10 SPECIFIED IN SUBSECTION (1)(c) OF THIS SECTION. IN ADDITION, THE CHAIR
11 AND VICE-CHAIR OF THE COMMITTEE MAY REMOVE AND REPLACE ANY
12 APPOINTMENT TO THE TASK FORCE MADE PURSUANT TO SUBSECTION (1)(c)
13 OF THIS SECTION.

14 (f) IN MAKING APPOINTMENTS OF VOTING MEMBERS TO THE TASK
15 FORCE, THE CHAIR AND VICE-CHAIR SHALL ENSURE THAT THE MEMBERSHIP
16 OF THE TASK FORCE INCLUDES PERSONS WHO HAVE EXPERIENCE WITH OR
17 INTEREST IN THE STUDY AREAS OF THE TASK FORCE AS SET FORTH IN
18 SUBSECTION (2) OF THIS SECTION; PERSONS WHO REFLECT THE ETHNIC,
19 CULTURAL, AND GENDER DIVERSITY OF THE STATE; REPRESENTATION OF
20 ALL AREAS OF THE STATE; AND, TO THE EXTENT PRACTICABLE, PERSONS
21 WITH DISABILITIES.

22 (g) (I) ALL TASK FORCE MEMBERS ARE EXPECTED TO SEEK INPUT
23 FROM THE VARIOUS DEPARTMENTS, OFFICES, OR ORGANIZATIONS THEY
24 REPRESENT OR THAT THEY ARE ASSOCIATED WITH, IF ANY.

25 (II) IN ORDER TO ADVANCE THE WORK OF THE TASK FORCE,
26 MEMBERS ARE ENCOURAGED TO PARTICIPATE IN DECISION-MAKING, WITH
27 THE UNDERSTANDING THAT INDIVIDUAL VOTES ON TASK FORCE ISSUES ARE

1 BASED ON SUBJECT MATTER EXPERTISE AND DO NOT COMMIT
2 REPRESENTATIVE ENTITIES OR ORGANIZATIONS TO ANY POSITION OR
3 ACTION. TASK FORCE MEMBERS SHALL ADHERE TO ANY AGREED UPON
4 PROCEDURAL RULES AND GUIDELINES.

5 **(2) Issues for study.** (a) THE TASK FORCE SHALL STUDY TAX
6 POLICY AND DEVELOP AND PROPOSE FOR COMMITTEE CONSIDERATION ANY
7 MODIFICATIONS TO THE CURRENT SYSTEM OF STATE AND LOCAL
8 TAXATION.

9 (b) THE REQUIREMENTS SET FORTH IN THIS SUBSECTION (2) DO NOT
10 PROHIBIT THE TASK FORCE, AT ANY TIME DURING ITS EXISTENCE, FROM
11 STUDYING, PRESENTING FINDINGS AND RECOMMENDATIONS TO THE
12 COMMITTEE ON, OR REQUESTING PERMISSION FROM THE COMMITTEE TO
13 DRAFT LEGISLATIVE PROPOSALS CONCERNING ANY ISSUE DESCRIBED IN
14 THIS SUBSECTION (2).

15 **(3) Additional duties of the task force.** THE TASK FORCE SHALL
16 ANNUALLY DELIVER POLICY AND LEGISLATIVE RECOMMENDATIONS TO THE
17 COMMITTEE PURSUANT TO THIS SECTION. IN ADDITION, THE TASK FORCE
18 SHALL:

19 (a) ON OR BEFORE AUGUST 1 OF EACH YEAR, SELECT A CHAIR AND
20 VICE-CHAIR FROM AMONG ITS MEMBERS;

21 (b) MEET AT LEAST SIX TIMES EACH YEAR, OR MORE OFTEN AS
22 DIRECTED BY THE CHAIR OF THE COMMITTEE;

23 (c) ESTABLISH ORGANIZATIONAL AND PROCEDURAL RULES FOR THE
24 OPERATION OF THE TASK FORCE AND FOR COLLABORATION WITH THE
25 COMMITTEE;

26 (d) DESIGNATE SPECIFIC TASK FORCE MEMBERS RESPONSIBLE FOR
27 COLLABORATING WITH AND OBTAINING INPUT FROM OTHER STATE

1 OFFICIALS, GROUPS, TASK FORCES, OR STATEWIDE INITIATIVES THAT
2 COMPLEMENT OR RELATE TO THE TASK FORCE'S IDENTIFIED AREAS OF
3 STUDY;

4 (e) CREATE SUBCOMMITTEES AS NEEDED TO CARRY OUT THE
5 DUTIES OF THE TASK FORCE. THE SUBCOMMITTEES MAY CONSIST, IN PART,
6 OF PERSONS WHO ARE NOT MEMBERS OF THE TASK FORCE BUT HAVE
7 PARTICULAR EXPERTISE RELATED TO THE TOPICS BEING STUDIED. SUCH
8 PERSONS MAY VOTE ON ISSUES BEFORE THE SUBCOMMITTEE BUT ARE NOT
9 ENTITLED TO A VOTE AT TASK FORCE MEETINGS.

10 (f) UPON REQUEST BY A COMMITTEE MEMBER, PROVIDE
11 EVIDENCE-BASED FEEDBACK ON THE POTENTIAL BENEFITS OR
12 CONSEQUENCES OF A LEGISLATIVE OR OTHER POLICY PROPOSAL NOT
13 DIRECTLY AFFILIATED WITH OR GENERATED BY THE TASK FORCE,
14 INCLUDING ANY BILL OR RESOLUTION INTRODUCED BY THE GENERAL
15 ASSEMBLY THAT AFFECTS TAX POLICY. THE FEEDBACK MUST BE
16 DELIVERED WITHIN TWO WEEKS TO THE ENTIRE COMMITTEE AND REMAIN
17 AS CONCISE AS POSSIBLE WHILE CAPTURING ANY AVAILABLE EVIDENCE. IF
18 THE TASK FORCE CANNOT IDENTIFY EVIDENCE TO EFFECTIVELY INFORM A
19 RESPONSE, THE FEEDBACK WILL INDICATE A LACK OF EVIDENCE AND
20 REPORT ON ANY ACTIONS TAKEN.

21 (g) ON OR BEFORE OCTOBER 1 OF EACH YEAR, PREPARE AND
22 SUBMIT TO THE COMMITTEE, WHICH THE COMMITTEE MAY MAKE PUBLICLY
23 AVAILABLE ON ITS WEBSITE, A REPORT THAT, AT A MINIMUM, INCLUDES:

24 (I) ISSUES STUDIED BY THE TASK FORCE, AS WELL AS FINDINGS FOR
25 LEGISLATIVE OR OTHER RECOMMENDATIONS;

26 (II) LEGISLATIVE OR POLICY PROPOSALS OF THE TASK FORCE THAT
27 IDENTIFY THE POLICY ISSUES INVOLVED, THE AGENCIES RESPONSIBLE FOR

1 THE IMPLEMENTATION OF THE CHANGES, AND THE FUNDING SOURCES
2 REQUIRED FOR IMPLEMENTATION;

3 (III) A SUMMARY OF MONTHLY TASK FORCE MEETING ACTIVITIES
4 AND DISCUSSIONS;

5 (IV) ANY EVIDENCE-BASED FEEDBACK PROVIDED TO THE
6 COMMITTEE PURSUANT TO SUBSECTION (3)(f) OF THIS SECTION; AND

7 (V) A SUMMARY OF EFFORTS MADE TO COMMUNICATE,
8 COLLABORATE, OR COORDINATE WITH OTHER GROUPS, TASK FORCES, OR
9 STATE INITIATIVES.

10 (4) **Coordination.** THE TASK FORCE MAY WORK WITH OTHER
11 STATE AGENCIES, GROUPS, TASK FORCES, OR STATEWIDE INITIATIVES THAT
12 ARE PURSUING ISSUES AND POLICY INITIATIVES SIMILAR TO THOSE
13 ADDRESSED IN SUBSECTION (2) OF THIS SECTION. THE TASK FORCE MAY
14 DEVELOP RELATIONSHIPS WITH OTHER TASK FORCES, COMMITTEES, AND
15 ORGANIZATIONS TO LEVERAGE EFFICIENT POLICY-MAKING OPPORTUNITIES
16 THROUGH COLLABORATIVE EFFORTS.

17 (5) **Task force funding - staff support.** (a) THE LEGISLATIVE
18 COUNCIL STAFF AND THE DEPARTMENT OF REVENUE SHALL SUPPLY STAFF
19 ASSISTANCE, WITHIN EXISTING APPROPRIATIONS, TO THE TASK FORCE AS
20 THE COMMITTEE DEEMS APPROPRIATE. IF EXISTING APPROPRIATIONS ARE
21 NOT ADEQUATE TO SUPPLY STAFF ASSISTANCE, THE DIRECTOR OF THE
22 LEGISLATIVE COUNCIL STAFF OR THE DIRECTOR OF THE DEPARTMENT OF
23 REVENUE SHALL REQUEST ADDITIONAL NECESSARY FUNDING IN THEIR
24 ANNUAL BUDGET REQUESTS.

25 (b) ANY STATE DEPARTMENT, AGENCY, OR OFFICE WITH AN ACTIVE
26 REPRESENTATIVE ON THE TASK FORCE IS AUTHORIZED TO RECEIVE AND
27 EXPEND GIFTS, GRANTS, AND DONATIONS, INCLUDING DONATIONS OF

1 IN-KIND SERVICES FOR STAFF SUPPORT, FROM ANY PUBLIC OR PRIVATE
2 ENTITY FOR ANY DIRECT OR INDIRECT COSTS ASSOCIATED WITH THE
3 DUTIES OF THE TASK FORCE.

4 **39-21-405. Repeal of part.** THIS PART 4 IS REPEALED, EFFECTIVE
5 JULY 1, 2025.

6 **SECTION 2. Safety clause.** The general assembly hereby finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, or safety.