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MEMORANDUM

To: Members of the General Assembly
From: Executive Committee of the Legislative Council
Date: November 9, 2023
Subject: Special Session Planning

The Governor has issued a call to convene a special session at 9 a.m. on Friday, November 17, 2023, for the purpose of considering items specified in his proclamation, a copy of which is attached. When the Governor calls a special session, he or she specifies in the call the subjects that the General Assembly may consider during the session. In evaluating the relationship between legislation and the Governor's call, the courts have required that legislation must bear a rational nexus to an item specified in the Governor's call.

In order to prepare for and organize the special session, the Executive Committee has agreed upon the following deadlines, which will be strictly enforced. These deadlines will allow our staff time to draft bills and prepare fiscal notes.

1. **The deadline for submitting bill draft requests to the Office of Legislative Legal Services is 5:00 p.m. on Friday, November 10, 2023.** You must provide the necessary information to enable the staff to draft the bill when you submit your request to the Office of Legislative Legal Services. Otherwise, the bill request will be deemed withdrawn. You may submit a bill request by calling 303-866-2045 or by emailing

olls.ga@coleg.gov. In addition, you should authorize immediate release of information regarding the bill request to persons as necessary to prepare the fiscal note so that fiscal notes can be available for committees to act on the first day of the special session.

2. Each member will be limited to **one** bill request. The Committees on Delayed Bills of the respective houses will handle any delayed bill requests.
3. **The deadline for delivery of bills to the House or Senate front desk is 12:00 p.m. (noon) on Wednesday, November 15.**
4. We will endeavor to complete our work in three days. However, since we do not know yet how many bills will be introduced, a firm three-day schedule cannot be set.
5. Members may not introduce any resolutions except for those pertaining to the organization, operation, and close of the special session.

We look forward to seeing everyone on November 17. Thank you for your efforts in this regard.



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EXECUTIVE ORDER

Call for the First Extraordinary Session of the Seventy-Fourth General Assembly

Pursuant to the authority vested in the Governor of the State of Colorado and, in particular, pursuant to article IV, section 9 of the Colorado Constitution, and as recognized in article V, section 7, I, Jared Polis, Governor of the State of Colorado, hereby find that the following extraordinary occasions exist to convene the Seventy-Fourth General Assembly to meet in special session.

I. Background

With home values rising at historic rates across Colorado, Coloradans face an immediate crisis with a forty-percent average increase in their property tax bills if property tax bills are not reduced. Taxpayers are facing higher property tax bills not just this year but in future years, and these are immediate, statewide concerns. Increased property taxes make it harder for Coloradans to stay in their homes, build wealth, and save for the future. Increasing property taxes not only impacts homeowners but also renters that bear the burden of increased costs on landlords. Renters are most vulnerable to increased property taxes because they do not benefit from the corresponding gain in equity, making it harder for hardworking Colorado renters to thrive and have economic freedom. The skyrocketing values affect Coloradans' ability to afford housing costs and an inflationary economy with higher interest rates is making it difficult for fixed-income seniors to stay in a home that was once affordable. Colorado taxpayers deserve and need bipartisan solutions now.

SB 23-303 (presented to voters as Proposition HH) proposed reducing assessment rates and limiting the growth in property tax collections to protect Colorado homeowners. It would have replaced revenue lost to local governments by setting aside \$200 million in general fund and raising the state Taxpayer's Bill of Rights (TABOR) revenue limit for ten years. If Proposition HH had passed, it would have provided immediate relief for nonresidential and residential property owners in Colorado through 2032 without jeopardizing the revenue that goes to support fire districts, libraries, and schools. It also would have created a new subclass of renewable energy agricultural land for valuation for assessment and made the senior homestead exemption portable to give seniors more flexibility to downsize or move to a new property without losing the exemption. SB 23-303 addressed subject matter of significance to the people of Colorado.

Without the passage of Proposition HH at the ballot, there remains an immediate and dire need for solutions to help Coloradans impacted by rising property values. Some counties have warned homeowners that they should expect a forty to fifty percent increase in their 2024 and 2025 property tax bills. For Colorado's working families, the blow of higher property tax is felt in the greater context of rise in interest and inflation rates and cost of living. The General Assembly has the opportunity to provide support and optimism for families as they face next year, especially for the critical low-and-moderate income families that use income tax credits to pay for food and housing costs.

I am calling this extraordinary session to ask the General Assembly to put people over politics by taking immediate action to provide Colorado taxpayers relief that also balances the interests of local entities funded with property tax revenue. The General Assembly now has the ability to propose a solution that would provide property tax savings to Coloradans while still fully funding schools. As property taxes for 2023 become due in early 2024, Coloradans cannot logistically receive additional tax savings for this tax year without the immediate passage of new residential property tax measures. Colorado law sets forth deadlines by which local governments administer property tax. This extraordinary session must begin on November 17, 2023 in order to give local jurisdictions time to administer the new valuations, set levies, and meet the first payment deadline.

Additionally, low-income Colorado children will benefit from access to food during the summer months when they are not in school, and I am asking the General Assembly to take immediate action to support our children. The Colorado Department of Human Services (CDHS) requires immediate legislative action to meet a federal deadline to access federal Summer Electronic Benefits Transfer (EBT) funding for over 300,000 food-insecure Colorado children during the summer of 2024. Without sufficient clarity prior to the Second Regular Session of the Seventy-Fourth General Assembly, Colorado risks not being able to provide families with needed support to prevent hunger during the summer of 2024.

This call for an extraordinary session of the General Assembly does not prescribe the specific form that the legislation should take; however, as required by Article IV, section 9 of the Colorado Constitution, the business to be transacted at this special session shall be limited to the matters stated in Section III of this Executive Order.

II. Purpose and Need

A. Residential Property Tax Relief

With Colorado housing values among those increasing the fastest in the nation, we must urgently work together to provide solutions to Colorado homeowners facing significant property tax bill increases. We, therefore, believe it is right and proper to provide immediate relief for the

next year, two years, or longer that balances the interests of Colorado taxpayers and essential local government revenue needs like fire department services and school funding.

The General Assembly should consider taking legislative action to create a property tax relief package to offset value increases that also balances the interests of schools and local governments that are funded with property tax. This could include but is not limited to changes to reserve policy, general fund, and TABOR tax refund mechanisms.

Simultaneously, to ensure that we are protecting Colorado taxpayers from future extreme property tax increases and being fiscally responsible, the General Assembly should also consider creating and providing a process to review and recommend long-term property tax relief. The General Assembly should consider a review of best practices to create property tax relief for homeowners and businesses, while preventing lapses in the administration of public services by local governments that rely on property tax revenue to provide such public services, and make legislative changes to create long-term tax relief and stability for Colorado homeowners and businesses.

B. Resources to Enable Colorado's Families to Receive Summer EBT

In 2022, Congress enacted the Consolidated Appropriations Act (PL 117-328), increasing access to meals for children during the summer months. Summer EBT is a new, permanent federal program to provide nutrition benefits to qualifying families for the months in which students are not in school. By participating in the program, Colorado would receive an estimated \$35 million annually for over 300,000 food-insecure Colorado children during the critical summer months when there is limited access to other resources such as the free and reduced lunch program. States have until January 1, 2024 to provide the U.S. Department of Agriculture with an intent to administer the program for summer 2024. The need to rapidly establish systems and structures for this new program necessitates immediate action before the Second Regular Session of the 74th General Assembly to reduce the risk of non-compliance.

Given this critical timeline, the General Assembly should consider taking appropriate legislative action to allow the CDHS to establish and administer this program in partnership with CDE beginning in summer 2024. Such action should include but is not limited to providing resources for program administration and establishing relevant departmental authorities, including the authority to issue benefits, promulgate rules, and access the data needed for the purposes of administering the Summer EBT program in accordance with federal law.

III. Proclamation

I, Jared Polis, Governor of the State of Colorado, with this proclamation find extraordinary occasions exist to convene the Seventy-Fourth General Assembly of this State and summon the members of the Seventy-Fourth General Assembly to meet in Special Session at 9:00 AM on November 17, 2023, at the State Capitol, in the City and County of Denver, and

designate the following specific subjects for consideration, appropriate legislative action, and funding:

- A. Concerning a property tax relief package to reduce Coloradans' property tax burden in 2023.
- B. Concerning the fiscal impact of the tax relief package on the interests of schools and local governments that are funded with property tax potentially utilizing reserves, TABOR surplus, and general fund.
- C. Concerning necessary administrative changes attributed to the tax relief package only for 2023.
- D. Concerning TABOR tax refund mechanisms only for 2023.
- E. Concerning rental assistance only during the 2022-2023 fiscal year.
- F. Concerning adjustments to the Earned Income Tax Credit only for the 2023 tax year, utilizing resources available from 2022-2023 fiscal year.
- G. Concerning the creation of a process to review and make recommendations on long-term property tax relief.
- H. Concerning the nutrition of over 300,000 food-insecure Colorado children during the summer months by establishing departmental authority to authorize the Summer Electronic Benefits Transfer program in Colorado beginning in summer 2024.



GIVEN under my hand and
the Executive Seal of the
State of Colorado, this ninth
day of November, 2023.

Jared Polis
Governor