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MEMORANDUM

January 3, 2017

TO: Members of the House and Senate Finance Committees
FROM: Katie Ruedebusch, Research Analyst, 303-866-3001
SUBJECT: Reports Submitted to the Joint Finance Committee: 2016 Interim

Summary

This memorandum provides information on the reports received by the House and Senate Finance Committees during the 2016 interim. The memorandum is organized according to reporting entity. In addition, the memorandum includes a list of reports due during the 2017 legislative session.

Colorado Energy Research Authority

Energy Research Cash Fund annual report. The Colorado Energy Research Authority (authority) directs the allocation of state matching funds to the research proposals of the Colorado Energy Research Collaboratory, a consortium of the Colorado School of Mines, Colorado State University, the University of Colorado Boulder, and the National Renewable Energy Laboratory. The report summarizes the authority's research investments and the impact of the research in Colorado.¹ The most recent annual report can be found here:
<http://tinyurl.com/zqnrgeb>

Colorado Office of Economic Development Reports

Advanced industry accelerator program update. The Advanced Industries Accelerator Program was created in 2013 to promote Colorado advanced industry engineering and research and development companies.² Colorado offers four grants and two global business programs to help these Colorado companies compete nationally and globally. The report can be found here:
<http://tinyurl.com/jpkqfsc>

Colorado Regional Tourism Act annual report. Under Colorado law, the Colorado Office of Economic Development (OEDIT) and Department of Revenue (DOR) report to the finance committees annually on the tax expenditures used for regional tourism economic development and the aggregate amount of state sales tax increment revenue diverted to financing entities for approved projects.³ The report received during the interim updates the committees on the

¹Section 24-48.5-120 (4)(a), C.R.S.

²Section 24-48.5-117 (6)(a), C.R.S.

³Section 24-46-308 (5), (6)(a), C.R.S.

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Pueblo Regional Tourism Zone, the Colorado Springs Regional Tourism Zone, the Aurora/Gaylord Regional Tourism Zone, and the Go NoCO Regional Tourism Zone. The most recent and archived reports can be found here: <http://tinyurl.com/zq4j3vc>

Economic gardening pilot project annual report. House Bill 13-1003 created a three-year economic gardening pilot program within OEDIT with annual reporting requirements.⁴ Economic gardening is defined in state law as an approach to economic growth and development that emphasizes nurturing and cultivating local small businesses by providing strategic assistance to second-stage companies. Second-stage companies are fast-growing companies that are no longer startups, but are growing and expanding quickly. The report provides a summary of the annual progress of the project, including reporting jobs created and retained. The most recent report can be found here:

<http://tinyurl.com/jag7cpe>

Innovative industries internship report. The program, which began in January 2016, provides reimbursements to companies that offer high-level internships in advanced manufacturing, aerospace, bioscience, construction, electronics, energy and natural resources, engineering, and information technology.⁵ The internship must be for an enrolled, secondary school (Colorado resident) student for at least 130 hours and last up to six months. In 2016, 202 internships were approved by the Colorado Department of Labor and Employment. The report, which includes program data, industry demographics, and intern demographic information, can be found here: <http://tinyurl.com/jfa6hhj>

Conservation Easement Reports

Conservation easement Department of Revenue quarterly report. During the interim, the finance committees received two quarterly reports from DOR regarding conservation easement tax credit resolutions.⁶ The conservation easement tax credit allows real property owners who donate all or part a conservation easement to a governmental entity or charitable organization to receive an income tax credit. The most recent report, dated September 30, 2016, stated that all conservation easement cases that were in dispute prior to 2011 have been resolved through settlement, administrative hearing, or District Court ruling. All conservation easement reports can be found here: <http://tinyurl.com/h889px4>

Conservation easement appeals in the Colorado courts quarterly report. During the interim, the finance committees received two quarterly reports from the State Court Administrator for the Colorado Judicial Department regarding conservation easements.⁷ Under Colorado law, certain conservation easement credit claim disputes initiated prior to May 19, 2011, may be appealed directly to the district courts instead of through the administrative hearings process.⁸ The reports detail the number of taxpayers choosing the appeals process, the number of cases pending, the number cases resolved to date, the funds expended by the courts for appeals, and the amount of deficient taxes, interest, and penalties owed or waived. All reports can be found here: <http://tinyurl.com/h8a23p6>

⁴Section 24-48.5-102.7 (6), C.R.S.

⁵ Section 24-46.3-105 (5), C.R.S.

⁶Section 39-22-522.5 (12), C.R.S.

⁷Section 39-22-522.5 (13), C.R.S.

⁸Section 39-22-522.5 (2), C.R.S.

Office of the State Controller and Office of the State Auditor

Schedule of nonexempt TABOR revenues and schedule of computations. In September, the finance committees received a report from OSA and the State Controller certifying revenues subject to the Taxpayer's Bill of Rights (TABOR) and outlining excess revenue.⁹ The report also includes a comparison of FY 2014-15 to FY 2015-16 general and program nonexempt TABOR revenues. The most recent report can be found here: <http://tinyurl.com/jnkxksp>

Reports Due during the 2017 Legislative Session

During the 2017 legislative session, the finance committees are scheduled to receive two reports. Reports concerning the Building Excellent Schools (BEST) program and the annual retail marijuana report are due in February and April 2017, respectively.

⁹Section 24-77-106.5 (1)(b), C.R.S.