

House Bill 1264 Working Group Final Report with Recommendations

*A report to the:
Rural Affairs and Agriculture Committee of the House of Representatives
Agriculture and Natural Resources Committee of the Senate*

November 26, 2019

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Recommendation – Reparations

Reparations is intended to repair damages caused by the Department of Revenue's arbitrary disallowance of Colorado conservation easement tax credits to (a) landowners who in good faith conveyed a conservation easement(s) to a qualified conservation easement holder between January 1, 2000 and December 31, 2013; and, (b) buyers of tax credits who purchased conservation easement tax credits during this period. The State of Colorado shall reinstate the fair market value of a conservation easement contribution granted in good faith between January 1, 2000 and December 31, 2013 as determined by an/the appraisal that was used to claim and substantiate a federal conservation easement tax deduction that was accepted by the Internal Revenue Service (IRS). The total reparation allowable shall be reduced by any settlement amount received from the Colorado Department of Revenue, IRS, or any other party. Reparations shall be generated from the unclaimed portion of the conservation easement tax credit cap between 2011 and 2019 and if necessary by allocating a portion – up to and not to exceed one-half (1/2) – of any future years' conservation easement tax credit caps. Reparations shall be paid in the form of either a tax credit or a tax refund and shall represent final, non-appealable resolution of all claims, controversies, and matters regarding disputed or disallowed tax credits between 2000 and 2013.

Recommendation – Administration of Orphan Easements

Conservation easements, held by entities that (a) are non-functioning but not legally dissolved¹; (b) are functioning and submit a written statement to the Division of Conservation that they are unable or unwilling to continue to fulfill the perpetual stewardship obligations of an easement holder; or (c) have not completed their annual monitoring obligations for three (3) consecutive years, may be designated as abandoned following an investigation conducted by the Division of Conservation. Abandoned conservation easements shall be placed into receivership for a period not to exceed five (5) years. The receiver shall be either (a) the Division of Conservation or (b) the county where the easement(s) is/are located. Once in receivership, easements shall be

¹ Non-functioning but not legally dissolved organizations are defined as organizations that have lost their 501(c)3 status or organizations that (1) are not certified by the Colorado Division of Conservation; (2) have not filed tax reports (IRS Form 990) for a period of three (3) consecutive years; and (3) are not in good standing with the Colorado Secretary of State.

2003
 "State Certified"
 Appraiser
 HIXSON
 CONSERVATION
 EASEMENT

CRS 39-22-522

 IRS 170(h)
 is the only
 standard for
 C/E appraisals

IRS
 2007-2010
 extensive review
 ACCEPTED
 FULL VALUE
 of HIXSON
 CE appraisal

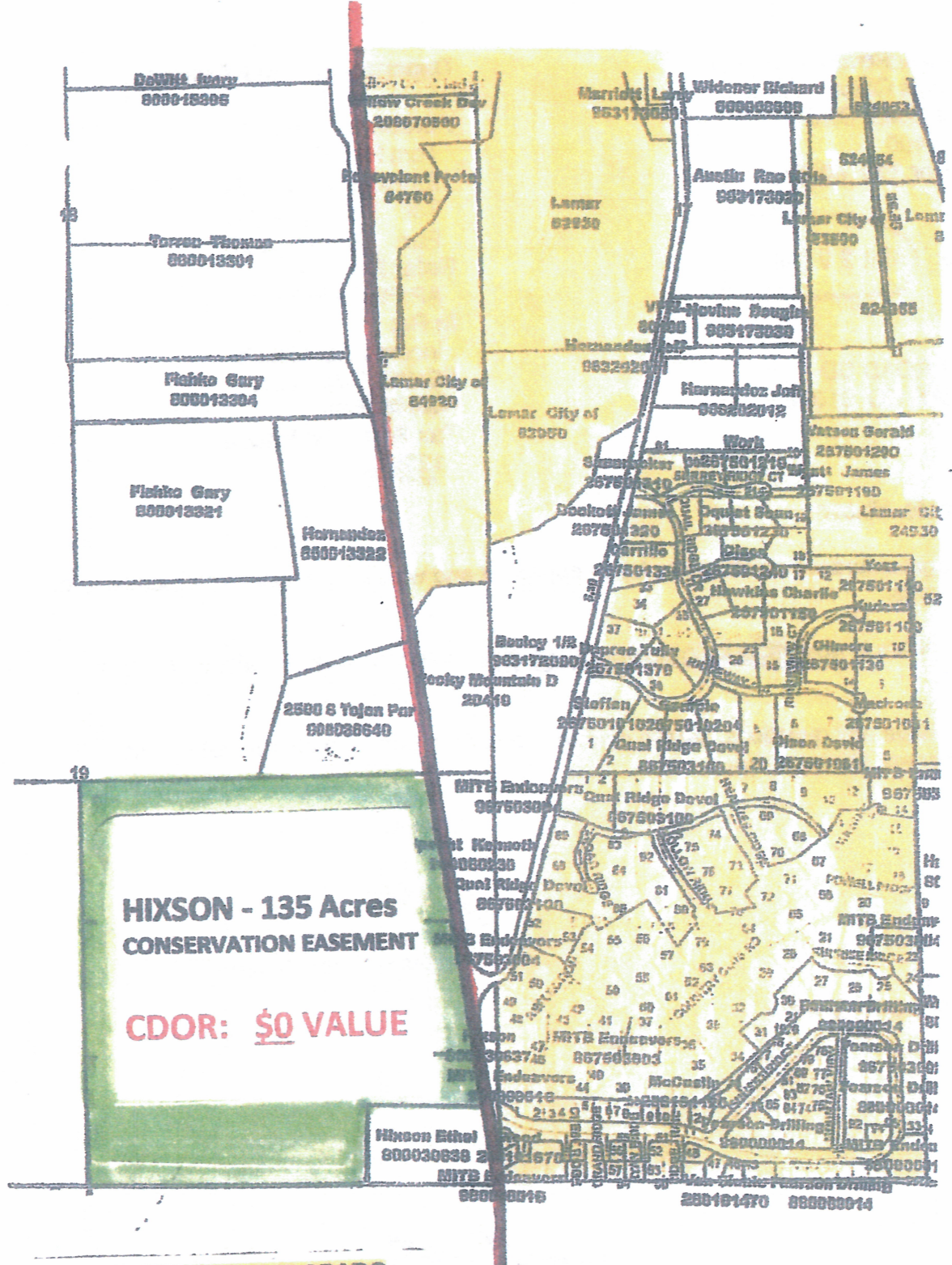
CDOR
 C/E = \$0

Hixsons v. CDOR
 (2007 - 2015)

David v. Goliath
 (Goliath won)

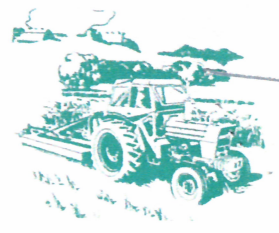
HIXSONS
 paid back
 CE tax credits

* LAND TRUST
 retains
 HIXSONS C/E



CITY of LAMAR, COLORADO
 (City Boundaries)

HWY 287 - 3,000 Trucks/Day



HIXSON FARMS
 7943 County Road DD
 Lamar, CO 81052

Jillane Hixson

jrh@centurytel.net

719-336-4285 (office)
 719-336-4185 (fax)
 719-691-4585 (cell)

Hixson01572

Internal Revenue Service

Appeals Office
1244 Speer Blvd.
Suite 400
Denver, CO 80204

Date: APR 20 2010

7943 ROAD DD
LAMAR CO 81052

Department of the Treasury

Person to Contact:

Tom Radow
Employee ID Number: 0232791
Tel: 720-956-4502
Fax: 720-956-4567

Refer Reply to:

AP:FW:DEN:TAR

In Re:

Income Tax Liability
SSN/EIN Number:
[REDACTED]

Tax Period(s) Ended:
12/2003

Dear Ms. Hixson:

The agreement we reached has been approved and we will complete our processing of your case.

Since there is no deficiency or overassessment, you do not need to take any further action.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely,



John A Salazar
Appeals Team Manager

cc: Fred Kelly Grant

IRS Evaluation
2003 Conservation Easement
Appraisal / Tax Credits