

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 19-1046.01 Gregg Fraser x4325

HOUSE BILL 19-1264

HOUSE SPONSORSHIP

Roberts and Wilson, Buentello

SENATE SPONSORSHIP

Winter and Donovan,

House Committees

Rural Affairs & Agriculture

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PROGRAMMATIC EFFICIENCY OF THE CONSERVATION**
102 **EASEMENT TAX CREDIT PROGRAM, AND, IN CONNECTION**
103 **THEREWITH, INCREASING THE TRANSPARENCY OF THE**
104 **PROGRAM.**

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>.)

A conservation easement is an agreement in which a property owner agrees to limit the use of his or her land in perpetuity in order to protect one or more specified conservation purposes. The instruments

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.

creating the conservation easement are recorded in the public records affecting the ownership of the property. The conservation easement is held by a third party (holder), which monitors the use of the land and ensures that the terms of the agreement are upheld. A state income tax credit is currently allowed for a portion of the value of a donated conservation easement.

The statutes establishing the conservation easement oversight commission and the program to certify conservation easement holders in the division of conservation are currently set to repeal on July 1, 2019. The bill extends the repeal dates for each to July 1, 2026. In addition, the bill would:

- ! Eliminate a requirement that the board of real estate appraisers establish education and experience requirements for conservation easement appraisers;
- ! Relocate and modify certain provisions governing the creation and valuation of conservation easements;
- ! Allow the division of conservation to use an alternative method acceptable to the division and the conservation easement oversight commission to value a conservation easement;
- ! Modify provisions governing a conservation easement working group convened to address specified issues relating to claiming a state income tax credit for the donation of a conservation easement;
- ! Require the owner of property who is granting a conservation easement to execute a disclosure form developed by the division of conservation and the conservation easement oversight commission regarding the easement;
- ! Modify provisions governing when a conservation easement may be extinguished;
- ! Prohibit a conservation easement for which a state income tax credit has been allowed from being released, terminated, extinguished, or abandoned by merger, which occurs when the same entity holds both the easement and the land subject to the easement;
- ! Increase the percentage of the value of a conservation easement that may be claimed as an income tax credit and the total amount that may be claimed for the easement, while limiting the amount of credits that may be issued per year; and
- ! Make an appropriation to Colorado state university to facilitate the provision of public access to the Colorado ownership, management, and protection (COMaP) service which maintains a database and corresponding map of

conservation easements and other protected lands in Colorado.

Additionally, the bill makes conforming amendments to certain statutory sections contained in HB 19-1172, which recodifies title 12, to ensure that the provisions of the bill will be effective if HB 19-1172 becomes law.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 12-61-704, **repeal**
3 (1)(k) as follows:

4 **12-61-704. Powers and duties of the board - rules.** (1) In
5 addition to all other powers and duties imposed upon it by law, the board
6 has the following powers and duties:

7 (k) ~~To establish classroom education and experience requirements~~
8 ~~for an appraiser who prepares an appraisal for a conservation easement~~
9 ~~for which a tax credit is claimed pursuant to section 39-22-522. The~~
10 ~~requirements must ensure that appraisers have a sufficient amount of~~
11 ~~training and expertise to accurately prepare appraisals that comply with~~
12 ~~the uniform standards of professional appraisal practice and any other~~
13 ~~provision of law related to the appraisal of conservation easements for~~
14 ~~which a tax credit is claimed. A tax credit certificate for a conservation~~
15 ~~easement shall not be given in accordance with sections 12-61-1105 and~~
16 ~~12-61-1106 unless the appraiser who prepared the appraisal of the~~
17 ~~easement met all requirements established in accordance with this~~
18 ~~subsection (1)(k) in effect at the time the appraisal certification is signed.~~

19 **SECTION 2.** In Colorado Revised Statutes, 12-61-1101, **amend**
20 (1)(e)(II) and (1)(e)(III); and **add** (1)(e)(IV) as follows:

21 **12-61-1101. Legislative declaration.** (1) The general assembly
22 finds, determines, and declares that:

1 (e) Establishing the division of conservation to administer the
2 conservation easement tax credit program will:

3 (II) Allow the conservation easement oversight commission to
4 advise the division of conservation and the department of revenue
5 regarding conservation easements for which a tax credit is claimed and
6 to review applications for conservation easement holder certification; ~~and~~

7 (III) Ensure that the division of conservation and the department
8 of revenue are sharing relevant information concerning conservation
9 easement appraisals in order to ensure compliance with accepted
10 appraisal practices and other provisions of law; AND

11 (IV) ENSURE THAT THE FEES PAID BY TAXPAYERS ARE ADEQUATE
12 TO PAY FOR THE ADMINISTRATIVE COSTS OF THE DIVISION OF
13 CONSERVATION AND THE CONSERVATION EASEMENT OVERSIGHT
14 COMMISSION IN ADMINISTERING THE REQUIREMENTS OF THIS ARTICLE 61,
15 BUT NOT SO HIGH AS TO ACT AS A DISINCENTIVE TO THE CREATION OF
16 CONSERVATION EASEMENTS IN THE STATE.

17 **SECTION 3.** In Colorado Revised Statutes, 12-61-1103, **amend**
18 (8) as follows:

19 **12-61-1103. Conservation easement oversight commission -**
20 **created - repeal.** (8) This section is repealed, effective ~~July 1, 2019~~ JULY
21 1, 2026.

22 **SECTION 4.** In Colorado Revised Statutes, 12-61-1104, **amend**
23 (7) and (13) as follows:

24 **12-61-1104. Certification of conservation easement holders -**
25 **rules - definition - repeal.** (7) The division shall promulgate rules to
26 effectuate the duties of the commission pursuant to article 4 of title 24.
27 Such rules shall specifically address the following:

1 (a) Allowing for the expedited or automatic certification of an
2 entity that is currently accredited by national land conservation
3 organizations that are broadly accepted by the conservation industry; AND

4 (b) A streamlined and lower-cost process for conservation
5 easement holders that do not intend to accept new donations of
6 conservation easements for which tax credits would be claimed that
7 focuses on the holder's stewardship capabilities.

8 ~~(c) The fees charged pursuant to subsection (3) of this section or~~
9 ~~section 12-61-1106 (6), specifically ensuring that the fees are adequate to~~
10 ~~pay for administrative costs but not so high as to act as a disincentive to~~
11 ~~the creation of conservation easements in the state; and~~

12 ~~(d) The adoption of best practices, processes, and procedures used~~
13 ~~by other entities that regularly review conservation easement transactions,~~
14 ~~including a practice, process, or procedure deeming qualified~~
15 ~~conservation easement appraisals approved by these entities based on~~
16 ~~their independent reviews as credible for purposes of the conservation~~
17 ~~easement tax credit.~~

18 (13) This section is repealed, effective ~~July 1, 2019~~ JULY 1, 2026.

19 **SECTION 5.** In Colorado Revised Statutes, 12-61-1106, **amend**
20 (2)(a)(II), (3)(b)(II), (13)(c) introductory portion, and (15); **repeal**
21 (3)(b)(IV); and **add** (14.5) as follows:

22 **12-61-1106. Conservation easement tax credit certificate**
23 **application process - definitions - rules.** (2) (a) The division shall
24 establish and administer a process by which a landowner seeking to claim
25 an income tax credit for any conservation easement donation made on or
26 after January 1, 2014, must apply for a tax credit certificate as required by
27 section 39-22-522 (2.5) and (2.7). The purpose of the application process

1 is to determine whether a conservation easement donation for which a tax
2 credit will be claimed:

3 (II) Is substantiated with a qualified appraisal prepared by a
4 qualified appraiser in accordance with the SUBSTANCE AND PRINCIPLES OF
5 uniform standards of professional appraisal practice OR AN ALTERNATIVE
6 METHOD ACCEPTABLE TO THE DIVISION OF CONSERVATION AND THE
7 CONSERVATION EASEMENT OVERSIGHT COMMISSION; and

8 (3) For the purpose of reviewing applications and making
9 determinations regarding the issuance of tax credit certificates, including
10 the dollar amount of the tax credit certificate to be issued:

11 (b) The director has authority and responsibility to determine the
12 credibility of the appraisal. In determining credibility, the director shall
13 consider, at a minimum, compliance with the following requirements:

14 (II) The appraisal conforms with THE SUBSTANCE AND PRINCIPLES
15 OF the uniform standards of professional appraisal practice promulgated
16 by the appraisal standards board of the appraisal foundation and any other
17 provision of law;

18 ~~(IV) The appraiser meets any education and experience~~
19 ~~requirements established by the board of real estate appraisers in~~
20 ~~accordance with section 12-61-704 (1)(k).~~

21 (13) (c) The director is authorized to share publicly available
22 information regarding conservation easements with a third-party vendor
23 for the purpose of developing and maintaining a registry of conservation
24 easements in the state with a corresponding map displaying the
25 boundaries of each easement in the state relative to county boundaries and
26 other relevant mapping information. FOR PURPOSES OF THIS SUBSECTION
27 (13)(c), "PUBLICLY AVAILABLE INFORMATION" MEANS ANY DOCUMENT

1 SHOWING EVIDENCE OF ITS RECORDATION IN THE RECORDS OF A COUNTY
2 CLERK AND RECORDER OR OTHER INFORMATION READILY AVAILABLE TO
3 THE GENERAL PUBLIC. Prior to sharing the information, the director shall
4 consult with the commission regarding the appropriate types of
5 information and the methods used for collecting the information. The
6 department of regulatory agencies shall annually report on the
7 information contained in the registry as a part of its presentation to its
8 committee of reference at a hearing held pursuant to section 2-7-203
9 (2)(a) of the "State Measurement for Accountable, Responsive, and
10 Transparent (SMART) Government Act". The information to be shared
11 shall include the following:

12 (14.5) (a) THE DIVISION SHALL CONVENE A WORKING GROUP IN
13 CONJUNCTION WITH THE DEPARTMENT OF LAW AND THE DEPARTMENT OF
14 REVENUE TO DEVELOP PROPOSED STATUTES AND REGULATIONS FOR THE
15 FOLLOWING:

16 (I) AN ALTERNATIVE METHOD TO THE APPRAISAL PROCESS SET
17 FORTH IN SECTION 39-22-522 (3.3) TO ESTABLISH THE AMOUNT OF TAX
18 CREDITS FOR WHICH A QUALIFIED CONSERVATION EASEMENT
19 CONTRIBUTION WOULD BE ELIGIBLE; AND

20 (II) A PROCESS TO PROVIDE RETROACTIVE TAX CREDITS TO
21 TAXPAYERS WHO CLAIMED CREDITS PURSUANT TO SECTION 39-22-522
22 BETWEEN JANUARY 1, 2000, AND DECEMBER 31, 2013, AND WHOSE TAX
23 CREDITS WERE DENIED IN WHOLE OR IN PART, INCLUDING THE
24 DEVELOPMENT OF ELIGIBILITY CRITERIA FOR RECEIVING SUCH
25 RETROACTIVE TAX CREDITS.

26 (b) THE WORKING GROUP SHALL CONSIST OF STAKEHOLDERS
27 INCLUDING BUT NOT LIMITED TO CERTIFIED HOLDERS, TAXPAYERS WHO

1 HAVE CONVEYED A CONSERVATION EASEMENT AND CLAIMED A TAX
2 CREDIT, CONSERVATION EASEMENT APPRAISERS, CONSERVATION
3 ATTORNEYS, AND REPRESENTATIVES FROM THE DEPARTMENT OF LAW,
4 DEPARTMENT OF REVENUE, AND THE DEPARTMENT OF REGULATORY
5 AGENCIES.

6 (c) THE WORKING GROUP SHALL SUBMIT A REPORT TO THE RURAL
7 AFFAIRS AND AGRICULTURE COMMITTEE OF THE HOUSE OF
8 REPRESENTATIVES AND THE AGRICULTURE AND NATURAL RESOURCES
9 COMMITTEE OF THE SENATE BY NO LATER THAN DECEMBER 1, 2019. THE
10 REPORT MUST INCLUDE ANY RECOMMENDATIONS FOR LEGISLATION OR
11 RULE MAKING TO ADDRESS THE ISSUES ADDRESSED PURSUANT TO THIS
12 SUBSECTION (14.5).

13 (15) The division may promulgate rules to effectuate the purpose,
14 implementation, and administration of this section pursuant to article 4 of
15 title 24. The authority to promulgate rules includes the authority to:

16 (a) Define further in rule the administrative processes and
17 requirements, including application processing and review time frames,
18 for obtaining and issuing an optional preliminary advisory opinion
19 pursuant to subsection (14) of this section; AND

20 (b) ADOPT BEST PRACTICES, PROCESSES, AND PROCEDURES USED
21 BY OTHER ENTITIES THAT REGULARLY REVIEW CONSERVATION EASEMENT
22 TRANSACTIONS, INCLUDING A PRACTICE, PROCESS, OR PROCEDURE
23 DEEMING QUALIFIED CONSERVATION EASEMENT APPRAISALS APPROVED BY
24 THESE ENTITIES BASED ON THEIR INDEPENDENT REVIEWS AS CREDIBLE FOR
25 PURPOSES OF THE CONSERVATION EASEMENT TAX CREDIT.

26 **SECTION 6.** In Colorado Revised Statutes, 38-30.5-103, **add** (6)
27 as follows:

1 AUTHORITY OF A PART OF A PROPERTY OR OF THE ENTIRE PROPERTY
2 ENCUMBERED BY A CONSERVATION EASEMENT IN GROSS RENDERS IT
3 IMPOSSIBLE TO FULFILL ANY OF THE CONSERVATION PURPOSES OUTLINED
4 IN THE DEED OF CONSERVATION EASEMENT, THE CONSERVATION
5 EASEMENT MAY BE TERMINATED, RELEASED, EXTINGUISHED, OR
6 ABANDONED THROUGH CONDEMNATION PROCEEDINGS. A CONSERVATION
7 EASEMENT IN GROSS FOR WHICH A COLORADO STATE INCOME TAX CREDIT
8 HAS BEEN ALLOWED MAY NOT IN WHOLE OR IN PART BE RELEASED,
9 TERMINATED, EXTINGUISHED, OR ABANDONED BY MERGER WITH THE
10 UNDERLYING FEE INTEREST IN THE SERVIENT LAND OR WATER RIGHTS.

11 **SECTION 8.** In Colorado Revised Statutes, 39-22-522, **amend**
12 (2.7), (3.3), and (4)(a)(II.5); **repeal** (3.8); and **add** (4)(a)(II.7) as follows:

13 **39-22-522. Credit against tax - conservation easements.**
14 (2.7) Notwithstanding any other provision, for income tax years
15 commencing on or after January 1, 2014, no claim for a credit shall be
16 allowed unless a tax credit certificate is issued by the DIVISION OF REAL
17 ESTATE PRIOR TO MAY 30, 2018, OR BY THE division of conservation ON
18 OR AFTER MAY 30, 2018, in accordance with sections 12-61-1105 and
19 12-61-1106 and the taxpayer files the tax credit certificate with the
20 income tax return filed with the department of revenue.

21 (3.3) The appraisal for a conservation easement in gross donated
22 prior to January 1, 2014, and for which a credit is claimed shall be a
23 qualified appraisal from a qualified appraiser, as those terms are defined
24 in section 170 (f)(11) of the internal revenue code. The appraisal shall be
25 in conformance with the uniform standards of professional appraisal
26 practice promulgated by the appraisal standards board of the appraisal
27 foundation and any other provision of law. The appraiser shall hold a

1 valid license as a certified general appraiser in accordance with the
2 provisions of part 7 of article 61 of title 12. ~~C.R.S. The appraiser shall~~
3 ~~also meet any education and experience requirements established by the~~
4 ~~board of real estate appraisers in accordance with section 12-61-704~~
5 ~~(1)(k), C.R.S.~~ If there is a final determination, other than by settlement of
6 the taxpayer, that an appraisal submitted in connection with a claim for
7 a credit pursuant to this section is a substantial or gross valuation
8 misstatement as such misstatements are defined in section 1219 of the
9 federal "Pension Protection Act of 2006", Pub.L. 109-280, the department
10 shall submit a complaint regarding the misstatement to the board of real
11 estate appraisers for disciplinary action in accordance with the provisions
12 of part 7 of article 61 of title 12. ~~C.R.S.~~

13 (3.8) (a) ~~The division of conservation shall convene a working~~
14 ~~group in conjunction with the department of law the department of~~
15 ~~revenue and the department of regulatory agencies to develop statutory~~
16 ~~and regulatory recommendations that do not conflict with federal law for~~
17 ~~the following:~~

18 (I) ~~An alternate method to the appraisal process set forth in~~
19 ~~subsection (3.3) of this section to establish a baseline property value,~~
20 ~~using agreed upon publicly available datasets for rural and agricultural~~
21 ~~properties. The baseline valuation would then be subject to different~~
22 ~~levels of restriction including, but not limited to, a most restrictive,~~
23 ~~medium restrictive, and least restrictive easement to arrive at a final~~
24 ~~determination established through public policy from which the amount~~
25 ~~of a tax credit could be calculated pursuant to this section. The alternate~~
26 ~~method should work across the state of Colorado.~~

27 (II) ~~A recommendation for a process to petition a court of~~

1 competent jurisdiction consistent with federal laws and regulations to
2 extinguish a conservation easement, including proposed definitions for
3 the terms "impossible" and "impracticable" as they are applied for
4 purposes of determining whether an easement may be extinguished under
5 state and federal law;

6 (HH) A process to provide retroactive tax credits to taxpayers who
7 claimed tax credits pursuant to this section between January 1, 2000, and
8 December 31, 2008, and whose tax credits were denied in whole or in
9 part, including the development of eligibility criteria for such retroactive
10 tax credits; and

11 (IV) The development of a written form to warn landowners who
12 have conservation easements on their property of the legal and other
13 consequences of terminating an easement on their property.

14 (b) The working group shall submit a report to the transportation
15 and energy committee of the house of representatives, the agriculture,
16 livestock, and natural resources committee of the house of
17 representatives, the agriculture, natural resources, and energy committee
18 of the senate, and the transportation committee of the senate no later than
19 December 1, 2018. The report must include any recommendations for
20 legislation or rulemaking to address the issues addressed pursuant to this
21 subsection (3-8).

22 (4) (a) (II.5) For a conservation easement in gross created in
23 accordance with article 30.5 of title 38 C.R.S., that is donated on or after
24 January 1, 2015, BUT PRIOR TO JANUARY 1, 2019, to a governmental entity
25 or a charitable organization described in section 38-30.5-104 (2), C.R.S.,
26 the credit provided for in subsection (2) of this section shall be an amount
27 equal to seventy-five percent of the first one hundred thousand dollars of

1 the fair market value of the donated portion of such conservation
2 easement in gross when created, and fifty percent of all amounts of the
3 donation in excess of one hundred thousand dollars; except that, in no
4 case shall the credit exceed one million five hundred thousand dollars per
5 donation.

6 (II.7) FOR A CONSERVATION EASEMENT IN GROSS CREATED IN
7 ACCORDANCE WITH ARTICLE 30.5 OF TITLE 38 THAT IS DONATED ON OR
8 AFTER JANUARY 1, 2019, TO A GOVERNMENTAL ENTITY OR A CHARITABLE
9 ORGANIZATION DESCRIBED IN SECTION 38-30.5-104 (2), THE CREDIT
10 PROVIDED FOR IN SUBSECTION (2) OF THIS SECTION SHALL BE AN AMOUNT
11 EQUAL TO NINETY PERCENT OF THE FAIR MARKET VALUE OF THE DONATED
12 PORTION OF SUCH CONSERVATION EASEMENT IN GROSS WHEN CREATED;
13 EXCEPT THAT, IN NO CASE SHALL THE CREDIT EXCEED FIVE MILLION
14 DOLLARS PER DONATION. CREDITS SHALL BE ISSUED IN INCREMENTS OF NO
15 MORE THAN ONE MILLION FIVE HUNDRED THOUSAND DOLLARS PER YEAR.
16 CREDITS EARNED THROUGH A DONATION IN A PRIOR YEAR SHALL RECEIVE
17 PRIORITY IN SUBSEQUENT YEARS.

18 **SECTION 9.** In Colorado Revised Statutes, 23-18-308, **amend**
19 (1)(b) and (1)(c); and **add** (1)(d) as follows:

20 **23-18-308. Fee-for-service contracts - limited purpose - repeal.**

21 (1) Subject to available appropriations, the department shall enter into
22 fee-for-service contracts for the following purposes:

23 (b) The inclusive higher education pilot program pursuant to
24 section 23-75-104; ~~and~~

25 (c) Cybersecurity and distributed ledger technologies, such as
26 blockchains, as set forth in sections 24-33.5-1904 and 24-33.5-1905; AND

27 (d) THE PROVISION OF PUBLIC ACCESS TO THE COLORADO

1 OWNERSHIP, MANAGEMENT, AND PROTECTION (COMAP) SERVICE THAT IS
2 MANAGED BY THE COLORADO NATURAL HERITAGE PROGRAM AND THE
3 GEOSPATIAL CENTROID AT COLORADO STATE UNIVERSITY. THIS
4 SUBSECTION (1)(d) IS REPEALED, EFFECTIVE JUNE 30, 2020.

5 **SECTION 10.** In Colorado Revised Statutes, 12-10-604, **repeal**
6 **as relocated by HB 19-1172 (1)(k)** as follows:

7 **12-10-604. Powers and duties of the board - rules.** (1) In
8 addition to all other powers and duties imposed upon it by law, the board
9 has the following powers and duties:

10 ~~(k) To establish classroom education and experience requirements~~
11 ~~for an appraiser who prepares an appraisal for a conservation easement~~
12 ~~for which a tax credit is claimed pursuant to section 39-22-522. The~~
13 ~~requirements must ensure that appraisers have a sufficient amount of~~
14 ~~training and expertise to accurately prepare appraisals that comply with~~
15 ~~the uniform standards of professional appraisal practice and any other~~
16 ~~provision of law related to the appraisal of conservation easements for~~
17 ~~which a tax credit is claimed. A tax credit certificate for a conservation~~
18 ~~easement shall not be given in accordance with sections 12-61-1105 and~~
19 ~~12-61-1106 unless the appraiser who prepared the appraisal of the~~
20 ~~easement met all requirements established in accordance with this~~
21 ~~subsection (1)(k) in effect at the time the appraisal certification is signed.~~

22 **SECTION 11.** In Colorado Revised Statutes, 12-15-101, **amend**
23 **as relocated by HB 19-1172 (1)(e)(II) and (1)(e)(III); and add as**
24 **relocated by HB 19-1172 (1)(e)(IV)** as follows:

25 **12-15-101. Legislative declaration.** (1) The general assembly
26 finds, determines, and declares that:

27 (e) Establishing the division of conservation to administer the

1 conservation easement tax credit program will:

2 (II) Allow the conservation easement oversight commission to
3 advise the division of conservation and the department of revenue
4 regarding conservation easements for which a tax credit is claimed and
5 to review applications for conservation easement holder certification; ~~and~~

6 (III) Ensure that the division of conservation and the department
7 of revenue are sharing relevant information concerning conservation
8 easement appraisals in order to ensure compliance with accepted
9 appraisal practices and other provisions of law; AND

10 (IV) ENSURE THAT THE FEES PAID BY TAXPAYERS ARE ADEQUATE
11 TO PAY FOR THE ADMINISTRATIVE COSTS OF THE DIVISION OF
12 CONSERVATION AND THE CONSERVATION EASEMENT OVERSIGHT
13 COMMISSION IN ADMINISTERING THE REQUIREMENTS OF THIS ARTICLE 15,
14 BUT NOT SO HIGH AS TO ACT AS A DISINCENTIVE TO THE CREATION OF
15 CONSERVATION EASEMENTS IN THE STATE.

16 **SECTION 12.** In Colorado Revised Statutes, 12-15-103, **amend**
17 **as relocated by HB 19-1172** (8) as follows:

18 **12-15-103. Conservation easement oversight commission -**
19 **created - repeal.** (8) This section is repealed, effective ~~July 1, 2019~~ JULY
20 1, 2026.

21 **SECTION 13.** In Colorado Revised Statutes, 12-15-104, **amend**
22 **as relocated by HB 19-1172** (7) and (13) as follows:

23 **12-15-104. Certification of conservation easement holders -**
24 **rules - definition - repeal.** (7) The division shall promulgate rules to
25 effectuate the duties of the commission pursuant to article 4 of title 24.
26 Such rules shall specifically address the following:

27 (a) Allowing for the expedited or automatic certification of an

1 entity that is currently accredited by national land conservation
2 organizations that are broadly accepted by the conservation industry; AND

3 (b) A streamlined and lower-cost process for conservation
4 easement holders that do not intend to accept new donations of
5 conservation easements for which tax credits would be claimed that
6 focuses on the holder's stewardship capabilities.

7 (c) ~~The fees charged pursuant to subsection (3) of this section or~~
8 ~~section 12-61-1106 (6), specifically ensuring that the fees are adequate to~~
9 ~~pay for administrative costs but not so high as to act as a disincentive to~~
10 ~~the creation of conservation easements in the state; and~~

11 (d) ~~The adoption of best practices, processes, and procedures used~~
12 ~~by other entities that regularly review conservation easement transactions,~~
13 ~~including a practice, process, or procedure deeming qualified~~
14 ~~conservation easement appraisals approved by these entities based on~~
15 ~~their independent reviews as credible for purposes of the conservation~~
16 ~~easement tax credit.~~

17 (13) This section is repealed, effective ~~July 1, 2019~~ JULY 1, 2026.

18 **SECTION 14.** In Colorado Revised Statutes, 12-15-106, **amend**
19 **as relocated by HB 19-1172** (2)(a)(II), (3)(b)(II), (13)(c) introductory
20 portion, and (15); **repeal as relocated by HB 19-1172** (3)(b)(IV); and
21 **add as relocated by HB 19-1172** (14.5) as follows:

22 **12-15-106. Conservation easement tax credit certificate**
23 **application process - definitions - rules.** (2) (a) The division shall
24 establish and administer a process by which a landowner seeking to claim
25 an income tax credit for any conservation easement donation made on or
26 after January 1, 2014, must apply for a tax credit certificate as required by
27 section 39-22-522 (2.5) and (2.7). The purpose of the application process

1 is to determine whether a conservation easement donation for which a tax
2 credit will be claimed:

3 (II) Is substantiated with a qualified appraisal prepared by a
4 qualified appraiser in accordance with the SUBSTANCE AND PRINCIPLES OF
5 uniform standards of professional appraisal practice OR AN ALTERNATIVE
6 METHOD ACCEPTABLE TO THE DIVISION OF CONSERVATION AND THE
7 CONSERVATION EASEMENT OVERSIGHT COMMISSION; and

8 (3) For the purpose of reviewing applications and making
9 determinations regarding the issuance of tax credit certificates, including
10 the dollar amount of the tax credit certificate to be issued:

11 (b) The director has authority and responsibility to determine the
12 credibility of the appraisal. In determining credibility, the director shall
13 consider, at a minimum, compliance with the following requirements:

14 (II) The appraisal conforms with THE SUBSTANCE AND PRINCIPLES
15 OF the uniform standards of professional appraisal practice promulgated
16 by the appraisal standards board of the appraisal foundation and any other
17 provision of law;

18 ~~(IV) The appraiser meets any education and experience~~
19 ~~requirements established by the board of real estate appraisers in~~
20 ~~accordance with section 12-61-704 (1)(k).~~

21 (13) (c) The director is authorized to share publicly available
22 information regarding conservation easements with a third-party vendor
23 for the purpose of developing and maintaining a registry of conservation
24 easements in the state with a corresponding map displaying the
25 boundaries of each easement in the state relative to county boundaries and
26 other relevant mapping information. FOR PURPOSES OF THIS SUBSECTION
27 (13)(c), "PUBLICLY AVAILABLE INFORMATION" MEANS ANY DOCUMENT

1 SHOWING EVIDENCE OF ITS RECORDATION IN THE RECORDS OF A COUNTY
2 CLERK AND RECORDER OR OTHER INFORMATION READILY AVAILABLE TO
3 THE GENERAL PUBLIC. Prior to sharing the information, the director shall
4 consult with the commission regarding the appropriate types of
5 information and the methods used for collecting the information. The
6 department of regulatory agencies shall annually report on the
7 information contained in the registry as a part of its presentation to its
8 committee of reference at a hearing held pursuant to section 2-7-203
9 (2)(a) of the "State Measurement for Accountable, Responsive, and
10 Transparent (SMART) Government Act". The information to be shared
11 shall include the following:

12 (14.5) (a) THE DIVISION SHALL CONVENE A WORKING GROUP IN
13 CONJUNCTION WITH THE DEPARTMENT OF LAW AND THE DEPARTMENT OF
14 REVENUE TO DEVELOP PROPOSED STATUTES AND REGULATIONS FOR THE
15 FOLLOWING:

16 (I) AN ALTERNATIVE METHOD TO THE APPRAISAL PROCESS SET
17 FORTH IN SECTION 39-22-522 (3.3) TO ESTABLISH THE AMOUNT OF TAX
18 CREDITS FOR WHICH A QUALIFIED CONSERVATION EASEMENT
19 CONTRIBUTION WOULD BE ELIGIBLE; AND

20 (II) A PROCESS TO PROVIDE RETROACTIVE TAX CREDITS TO
21 TAXPAYERS WHO CLAIMED CREDITS PURSUANT TO SECTION 39-22-522
22 BETWEEN JANUARY 1, 2000, AND DECEMBER 31, 2013, AND WHOSE TAX
23 CREDITS WERE DENIED IN WHOLE OR IN PART, INCLUDING THE
24 DEVELOPMENT OF ELIGIBILITY CRITERIA FOR RECEIVING SUCH
25 RETROACTIVE TAX CREDITS.

26 (b) THE WORKING GROUP SHALL CONSIST OF STAKEHOLDERS
27 INCLUDING BUT NOT LIMITED TO CERTIFIED HOLDERS, TAXPAYERS WHO

1 HAVE CONVEYED A CONSERVATION EASEMENT AND CLAIMED A TAX
2 CREDIT, CONSERVATION EASEMENT APPRAISERS, CONSERVATION
3 ATTORNEYS, AND REPRESENTATIVES FROM THE DEPARTMENT OF LAW,
4 DEPARTMENT OF REVENUE, AND THE DEPARTMENT OF REGULATORY
5 AGENCIES.

6 (c) THE WORKING GROUP SHALL SUBMIT A REPORT TO THE RURAL
7 AFFAIRS AND AGRICULTURE COMMITTEE OF THE HOUSE OF
8 REPRESENTATIVES AND THE AGRICULTURE AND NATURAL RESOURCES
9 COMMITTEE OF THE SENATE BY NO LATER THAN DECEMBER 1, 2019. THE
10 REPORT MUST INCLUDE ANY RECOMMENDATIONS FOR LEGISLATION OR
11 RULE MAKING TO ADDRESS THE ISSUES ADDRESSED PURSUANT TO THIS
12 SUBSECTION (14.5).

13 (15) The division may promulgate rules to effectuate the purpose,
14 implementation, and administration of this section pursuant to article 4 of
15 title 24. The authority to promulgate rules includes the authority to:

16 (a) Define further in rule the administrative processes and
17 requirements, including application processing and review time frames,
18 for obtaining and issuing an optional preliminary advisory opinion
19 pursuant to subsection (14) of this section; AND

20 (b) ADOPT BEST PRACTICES, PROCESSES, AND PROCEDURES USED
21 BY OTHER ENTITIES THAT REGULARLY REVIEW CONSERVATION EASEMENT
22 TRANSACTIONS, INCLUDING A PRACTICE, PROCESS, OR PROCEDURE
23 DEEMING QUALIFIED CONSERVATION EASEMENT APPRAISALS APPROVED BY
24 THESE ENTITIES BASED ON THEIR INDEPENDENT REVIEWS AS CREDIBLE FOR
25 PURPOSES OF THE CONSERVATION EASEMENT TAX CREDIT.

26 **SECTION 15. Appropriation.** (1) For the 2019-20 state fiscal
27 year, \$250,000 is appropriated to the department of higher education. This

1 appropriation is from the general fund. To implement this act, the
2 department may use this appropriation for the college opportunity fund
3 program to be used for limited purpose fee-for-service contracts with
4 state institutions.

5 (2) For the 2019-20 state fiscal year, \$250,000 is appropriated to
6 the department of higher education. This appropriation is from
7 reappropriated funds received from the limited purpose fee-for-service
8 contracts with state institutions under subsection (1) of this section. To
9 implement this act, the department may use this appropriation for the
10 board of governors of the Colorado state university system for allocation
11 to the Colorado natural heritage program and the geospatial centroid to
12 facilitate the provision of public access to the Colorado ownership,
13 management, and protection (COMaP) service.

14 **SECTION 16. Effective date.** This act takes effect June 30,
15 2019; except that sections 10 to 14 of this act take effect only if House
16 Bill 19-1172 becomes law, in which case sections 10 to 14 take effect on
17 October 1, 2019.

18 **SECTION 17. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, and safety.