

**First Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 23B-0021.02 Alison Killen x4350

HOUSE BILL 23B-1003

HOUSE SPONSORSHIP

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House Committees

State, Civic, Military, & Veterans Affairs
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE COMMISSION ON PROPERTY TAX,**
102 **AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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>.)

The bill creates the property tax task force (task force). The task force consists of 11 members, including members of the general assembly and individuals who are not members of the general assembly. The bill also creates 2 task force subpanels that consist of members from the task force and other members. The purposes of the task force and the task force subpanels are to study and develop a permanent and sustainable

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

SENATE
Amended 3rd Reading
November 20, 2023

SENATE
Amended 2nd Reading
November 19, 2023

HOUSE
3rd Reading Unamended
November 18, 2023

HOUSE
Amended 2nd Reading
November 17, 2023

property tax structure for the state of Colorado.

The task force is required to:

- Convene by June 15, 2024;
- Meet at least 5 times in its first year and at least 8 times every year thereafter that it meets; and
- Submit reports with its findings and recommendations to the general assembly by October 15.

After the task force makes its first report to the general assembly, the task force may determine that it has fulfilled its purposes and the task force may be disbanded.

The task force is repealed on November 1, 2027.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Colorado has experienced historic growth in property values
5 which has caused property taxes to rise well above the rate of inflation,
6 contributing to an increase in the cost of housing;

7 (b) Legislation passed in 2022 and 2023 temporarily reduced
8 property taxes for homeowners and businesses;

9 (c) It is important that leaders come together to work towards
10 developing a property tax structure for future years that balances the
11 needs of homeowners, businesses, and local governments that rely on
12 property tax to provide local services;

13 (d) The state of Colorado has a long tradition of respecting local
14 control. In furtherance of that tradition, the general assembly declares that
15 buy-in and involvement from individuals with an intimate understanding
16 of the needs of their communities will be crucial in realizing its goal to
17 develop a permanent and sustainable property tax structure for the state.

18 (e) Colorado public schools receive over half of their funding
19 from property tax and the Colorado general assembly has a bipartisan

1 objective to fully fund the Public School Finance Act without a budget
2 stabilization factor; and

3 (f) Residential tenants pay property taxes through their rent, which
4 contributes to the high cost of housing, making residential tenants an
5 important consideration in any property tax proposal.

6 **SECTION 2.** In Colorado Revised Statutes, **add** part 22 to article
7 2 of title 2 as follows:

8 **PART 22**

9 **PROPERTY TAX TASK FORCE**

10 **2-2-2201. Commission on property tax - creation - powers and**
11 **duties - report - repeal.** (1) NOTWITHSTANDING SECTION 2-3-303.3,
12 THERE IS CREATED THE COMMISSION ON PROPERTY TAX, REFERRED TO IN
13 THIS SECTION AS THE "COMMISSION", FOR THE PURPOSE OF STUDYING AND
14 MAKING RECOMMENDATIONS FOR A PROPERTY TAX STRUCTURE THAT
15 PROTECTS PROPERTY OWNERS AND RESIDENTIAL TENANTS FROM RISING
16 PROPERTY TAXES WHILE MEETING THE NEEDS OF GOVERNMENTS THAT
17 RELY ON PROPERTY TAX TO PAY FOR LOCAL SERVICES.

18 (2) THE COMMISSION CONSISTS OF NINETEEN MEMBERS THAT
19 REPRESENT THE DEMOGRAPHIC AND GEOGRAPHIC DIVERSITY OF THE STATE
20 AS FOLLOWS:

21 =====
22 (a) TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES, WITH ONE
23 MEMBER OF THE MAJORITY PARTY APPOINTED BY THE SPEAKER OF THE
24 HOUSE OF REPRESENTATIVES AND ONE MEMBER OF THE MINORITY PARTY
25 APPOINTED BY THE HOUSE MINORITY LEADER;

26 (b) TWO MEMBERS OF THE SENATE, WITH ONE MEMBER OF THE
27 MAJORITY PARTY APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE

1 MEMBER OF THE MINORITY PARTY APPOINTED BY THE SENATE MINORITY
2 LEADER;

3 (c) THE PROPERTY TAX ADMINISTRATOR IN THE DIVISION OF
4 PROPERTY TAXATION IN THE DEPARTMENT OF LOCAL AFFAIRS;

5 (d) ONE INDIVIDUAL WHO IS A MAYOR OR ELECTED CITY COUNCIL
6 PERSON, OR THE DESIGNEE OF A MAYOR OR ELECTED CITY COUNCIL
7 PERSON, APPOINTED BY THE COLORADO MUNICIPAL LEAGUE;

8 (e) ONE INDIVIDUAL WHO IS SERVING OR HAS SERVED AS A COUNTY
9 ASSESSOR, APPOINTED BY THE GOVERNOR;

10 (f) THE EXECUTIVE DIRECTOR OF THE SPECIAL DISTRICT
11 ASSOCIATION OF COLORADO;

12 (g) ONE INDIVIDUAL WHO IS THE CHIEF FINANCIAL OFFICER OF A
13 SCHOOL DISTRICT, APPOINTED BY THE COLORADO ASSOCIATION OF
14 SCHOOL EXECUTIVES;

15 (h) ONE INDIVIDUAL REPRESENTING A STATEWIDE ORGANIZATION
16 THAT HAS EXPERTISE IN COLORADO SCHOOL FUNDING POLICY OR A
17 STATEWIDE ORGANIZATION THAT REPRESENTS COLORADO EDUCATORS,
18 APPOINTED BY THE PRESIDENT OF THE SENATE;

19 (i) ONE INDIVIDUAL REPRESENTING AN ORGANIZATION THAT
20 REPRESENTS COLORADO COMMERCIAL OR RESIDENTIAL PROPERTY
21 OWNERS, APPOINTED BY THE HOUSE MINORITY LEADER;

22 (j) ONE INDIVIDUAL WHO IS A FIRE CHIEF, APPOINTED BY THE
23 COLORADO STATE FIRE CHIEFS;

24 (k) ONE INDIVIDUAL REPRESENTING AN ORGANIZATION WITH
25 EXPERTISE IN ADVOCATING FOR LOW-INCOME INDIVIDUALS, SENIORS,
26 INDIVIDUALS WITH FIXED INCOMES, OR RESIDENTIAL TENANTS, APPOINTED
27 BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES;

1 (l) THE EXECUTIVE DIRECTOR OF A STATEWIDE OR REGIONAL
2 BUSINESS ORGANIZATION, APPOINTED BY THE SENATE MINORITY LEADER;

3 (m) ONE INDIVIDUAL WHO IS SERVING AS A COUNTY
4 COMMISSIONER FROM A COUNTY THAT IS IN THE FRONT RANGE REGION, AS
5 DEFINED IN SECTION 26-5-103.5 (2)(c)(I)(B), APPOINTED BY THE
6 PRESIDENT OF THE SENATE;

7 (n) ONE INDIVIDUAL WHO IS SERVING AS A COUNTY COMMISSIONER
8 FROM A COUNTY THAT IS IN THE MOUNTAIN REGION, AS DEFINED IN
9 SECTION 26-5-103.5 (2)(c)(I)(C), APPOINTED BY THE SPEAKER OF THE
10 HOUSE OF REPRESENTATIVES;

11 (o) ONE INDIVIDUAL WHO IS SERVING AS A COUNTY COMMISSIONER
12 FROM A COUNTY THAT IS IN THE EASTERN REGION, AS DEFINED IN SECTION
13 26-5-103.5 (2)(c)(I)(A). APPOINTED BY THE HOUSE MINORITY LEADER;

14 (p) ONE INDIVIDUAL WHO IS SERVING AS A COUNTY COMMISSIONER
15 FROM A COUNTY THAT IS IN THE SOUTHERN REGION, AS DEFINED IN
16 SECTION 26-5-103.5 (2)(c)(I)(D), APPOINTED BY THE SENATE MINORITY
17 LEADER; AND

18 (q) ONE INDIVIDUAL WHO IS SERVING AS A COUNTY COMMISSIONER
19 FROM A COUNTY THAT IS IN THE WESTERN REGION, AS DEFINED IN SECTION
20 26-5-103.5 (2)(c)(I)(E), APPOINTED BY THE GOVERNOR.

21 (3) (a) ALL APPOINTMENTS DESCRIBED IN SUBSECTION (2) OF THIS
22 SECTION SHALL BE MADE NO LATER THAN DECEMBER 4, 2023. AN
23 INDIVIDUAL WHO IS MATERIALLY CONNECTED TO AN INITIATIVE PETITION
24 THAT CONCERNS PROPERTY TAX AND THAT HAS BEEN SUBMITTED TO THE
25 DIRECTORS OF THE LEGISLATIVE COUNCIL AND THE OFFICE OF LEGISLATIVE
26 LEGAL SERVICES FOR REVIEW AND COMMENT PURSUANT TO SECTION
27 1-40-105 (1) OR WHO IS A REGISTERED AGENT OR COMPENSATED

1 EMPLOYEE OF AN ISSUE COMMITTEE, AS DEFINED IN SECTION 1-45-103
2 (12), THAT SUPPORTS OR OPPOSES SUCH AN INITIATED MEASURE IS
3 INELIGIBLE TO BE APPOINTED TO THE COMMISSION.

4 (b) THE PRESIDENT OF THE SENATE SHALL APPOINT THE CHAIR OF
5 THE COMMISSION AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
6 SHALL APPOINT THE VICE-CHAIR OF THE COMMISSION. == ==

7 (c) MEMBERS OF THE COMMISSION SERVE AT THE PLEASURE OF THE
8 APPLICABLE APPOINTING AUTHORITY OR UNTIL THE MEMBER NO LONGER
9 SERVES IN THE POSITION FOR WHICH THAT MEMBER WAS APPOINTED TO
10 THE COMMISSION, AT WHICH TIME A VACANCY IS DEEMED TO EXIST ON THE
11 COMMISSION. IF A VACANCY OCCURS, THE APPROPRIATE APPOINTING
12 AUTHORITY SHALL APPOINT A REPLACEMENT MEMBER WHO MEETS THE
13 REQUIREMENTS SET FORTH IN SUBSECTION (2) OF THIS SECTION FOR THE
14 VACANT POSITION NOT LATER THAN TEN BUSINESS DAYS FROM THE DATE
15 THE VACANCY IS DEEMED TO EXIST. IF THE APPROPRIATE APPOINTING
16 AUTHORITY FAILS TO APPOINT A REPLACEMENT MEMBER AS REQUIRED BY
17 THIS SUBSECTION (3)(c), THE SPEAKER OF THE HOUSE OF
18 REPRESENTATIVES SHALL APPOINT A REPLACEMENT MEMBER WHO MEETS
19 THE REQUIREMENTS SET FORTH IN SUBSECTION (2) OF THIS SECTION.

20 (d) THE COMMISSION MAY ESTABLISH SPECIAL PURPOSE
21 SUBCOMMITTEES WITH NONVOTING MEMBERS TO EVALUATE AND
22 CONSIDER PROPERTY TAX ISSUES AS IT DEEMS NECESSARY TO FULFILL ITS
23 GOALS AND OBJECTIVES SET FORTH IN SUBSECTION (5) OF THIS SECTION.

24 (e) AS SOON AS FEASIBLE AFTER THE EFFECTIVE DATE OF THIS
25 SUBSECTION (3)(e), THE COMMISSION SHALL ENTER INTO A CONTRACT
26 WITH A FACILITATOR WITH EXPERIENCE IN TAX POLICY TO GUIDE THE
27 WORK OF THE COMMISSION AND TO ASSIST IN DRAFTING THE REPORT

1 REQUIRED IN SUBSECTION (6)(a) OF THIS SECTION. THE COMMISSION SHALL
2 SELECT A NEUTRAL FACILITATOR WHO IS NOT AFFILIATED WITH A
3 STATEWIDE ORGANIZATION DESCRIBED IN SUBSECTION (2) OF THIS
4 SECTION.

5 (4) (a) THE COMMISSION SHALL MEET AT LEAST TWICE A MONTH
6 BEGINNING THE WEEK OF DECEMBER 18, 2023, THROUGH THE WEEK OF
7 MARCH 15, 2024; EXCEPT THAT, THE COMMISSION NEED NOT MEET MORE
8 THAN ONCE IN DECEMBER, 2023. THE COMMISSION MAY MEET MORE
9 OFTEN AT THE DISCRETION OF THE CHAIR. A MAJORITY OF THE MEMBERS
10 OF THE COMMISSION MAY VOTE TO EXTEND THE WORK OF THE COMMISSION
11 PAST MARCH 15, 2024, _____ OR TO TERMINATE THE WORK OF THE
12 COMMISSION AT ANY TIME, AND THE WORK OF THE COMMISSION MAY ALSO
13 BE EXTENDED AS REQUIRED BY SUBSECTION (6)(a) OF THIS SECTION.

14 (b) THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF
15 LEGISLATIVE LEGAL SERVICES SHALL BE AVAILABLE TO ASSIST THE
16 COMMISSION IN CARRYING OUT ITS DUTIES.

17 (5) (a) THE PURPOSE OF THE COMMISSION IS TO IDENTIFY,
18 CONSIDER, AND EVALUATE _____ LEGISLATIVE OPTIONS FOR A PERMANENT
19 AND SUSTAINABLE PROPERTY TAX STRUCTURE FOR THE STATE. IN
20 CONNECTION WITH SUCH IDENTIFICATION, CONSIDERATION, AND
21 EVALUATION, THE COMMISSION SHALL, AS IT DEEMS APPROPRIATE,
22 IDENTIFY, CONSIDER, AND EVALUATE PROPOSED INITIATIVES CONCERNING
23 PROPERTY TAX FOR THE 2024 GENERAL ELECTION.

24 (b) THE COMMISSION SHALL IDENTIFY, CONSIDER, AND EVALUATE
25 OPTIONS FOR A PROPERTY TAX STRUCTURE THAT PROTECTS PROPERTY
26 OWNERS FROM RISING TAX BILLS AND IS SUSTAINABLE FOR LOCAL
27 GOVERNMENTS AND PUBLIC SCHOOLS, _____ WHICH MAY INCLUDE

1 CONSIDERATION OF PROPERTY TAX PROPOSALS THAT HAVE BEEN
2 SUBMITTED TO THE STATE TITLE BOARD.

3 (c) FOR EACH PROPERTY TAX STRUCTURE OPTION IDENTIFIED,
4 CONSIDERED, AND EVALUATED PURSUANT TO SUBSECTIONS (5)(a) AND
5 (5)(b) OF THIS SECTION, THE COMMISSION SHALL CONSIDER THE
6 FOLLOWING FACTORS:

7 (I) LOCAL CONTROL;

8 (II) IMPACT TO PROPERTY OWNERS AND LOCAL TAXING
9 JURISDICTIONS IN DIFFERENT AREAS OF THE STATE;

10 (III) IMPACT TO RESIDENTIAL AND NONRESIDENTIAL REAL
11 PROPERTY;

12 (IV) IMPACT TO SCHOOL FINANCE AND THE BUDGET STABILIZATION
13 FACTOR;

14 (V) LONG-TERM IMPACT TO PROPERTY OWNERS AND LOCAL
15 TAXING JURISDICTIONS UNDER DIFFERENT PROPERTY VALUE GROWTH
16 SCENARIOS;

17 (VI) IMPACTS TO HOUSING AFFORDABILITY, INCLUDING FOR
18 RESIDENTIAL TENANTS;

19 (VII) IMPACTS TO RESIDENTIAL TENANTS, INCENTIVES FOR
20 DEVELOPMENT, AND THE POTENTIAL FOR LOWER PROPERTY TAXES FOR
21 RESIDENCES AS A RESULT OF CHANGING TO A LAND VALUE TAX SYSTEM;

22 (VIII) IMPACTS TO THE ABILITY OF COUNTIES TO PROVIDE
23 STATUTORILY MANDATED AND VOTER-APPROVED SERVICES TO COLORADO
24 RESIDENTS; AND

25 (IX) DISPROPORTIONATE IMPACTS OF THE RISING TAX BILLS ON
26 PEOPLE WITH LOWER INCOMES, ESPECIALLY PEOPLE WITH FIXED INCOMES,
27 IN PROVIDING FAIR AND EQUITABLE PROPERTY TAX RELIEF.

1 (6) (a) NO LATER THAN MARCH 15, 2024, THE COMMISSION SHALL
2 MAKE A REPORT TO THE GENERAL ASSEMBLY AND THE GOVERNOR,
3 INCLUDING RECOMMENDATIONS FOR BOTH SHORT-TERM AND LONG-TERM
4 LEGISLATIVE CHANGES THAT WILL FURTHER THE PURPOSE OF THE
5 COMMISSION SET FORTH IN SUBSECTION (5)(a) OF THIS SECTION. THE
6 COMMISSION SHALL, AS IT DEEMS APPROPRIATE, INCLUDE IN THE REPORT
7 AN EVALUATION OF PROPOSED INITIATIVES CONCERNING PROPERTY TAX
8 FOR THE 2024 GENERAL ELECTION THAT ADDRESSES THE FACTORS SET
9 FORTH IN SUBSECTION (5)(c) OF THIS SECTION. IF A PROPOSED INITIATIVE
10 CONCERNING PROPERTY TAX FOR THE 2024 GENERAL ELECTION IS TIMELY
11 SUBMITTED TO THE DIRECTORS OF THE LEGISLATIVE COUNCIL AND THE
12 OFFICE OF LEGISLATIVE LEGAL SERVICES FOR REVIEW AND COMMENT
13 PURSUANT TO SECTION 1-40-105 (1) AFTER THE COMMISSION HAS
14 SUBMITTED THE REPORT, THE COMMISSION SHALL RECONVENE, CONSIDER
15 THE EFFECT OF THE PROPOSED INITIATIVE IF IT WERE TO BE APPROVED BY
16 THE VOTERS OF THE STATE AND BECOME LAW AND, IF DEEMED
17 APPROPRIATE BY THE COMMISSION, SUPPLEMENT THE REPORT WITH
18 ADDITIONAL INFORMATION ABOUT THE PROPOSED INITIATIVE.

19 (b) THE COMMISSION REPORT MUST CONTAIN ONLY
20 RECOMMENDATIONS SUPPORTED BY TEN OR MORE MEMBERS OF THE
21 COMMISSION.

22 (c) IF A MAJORITY OF COMMISSION MEMBERS VOTE TO EXTEND THE
23 WORK OF THE COMMISSION PAST MARCH 15, 2024, IN ACCORDANCE WITH
24 SUBSECTION (4)(a) OF THIS SECTION, THEN THE COMMISSION SHALL MAKE
25 A REPORT TO THE GENERAL ASSEMBLY AND THE GOVERNOR IN
26 ACCORDANCE WITH THIS SUBSECTION (6) NO LATER THAN DECEMBER 31,
27 2024.

1 (7) THE EXECUTIVE COMMITTEE OF THE LEGISLATIVE COUNCIL,
2 CREATED IN SECTION 2-3-301 (1), MAY ALLOCATE FUNDING FROM THE
3 LEGISLATIVE DEPARTMENT CASH FUND, CREATED IN SECTION 2-2-1601,
4 FOR THE PURPOSES OF THE COMMISSION INCLUDING FOR HIRING
5 PROFESSIONAL FACILITATION SERVICES, PUBLIC OUTREACH AND
6 ENGAGEMENT, AND OTHER NECESSARY SERVICES.

7 (8) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2024.

8 **SECTION 3. Appropriation.** (1) For the 2023-24 state fiscal
9 year, \$80,271 is appropriated to the legislative department. This
10 appropriation is from the general fund. To implement this act, the
11 department may use this appropriation as follows:

- 12 (a) \$8,492 for use by the general assembly;
- 13 (b) \$63,185 for use by the legislative council, which amount is
14 based on an assumption that the legislative council will require an
15 additional 0.8 FTE; and
- 16 (c) \$8,594 for use by the office of legislative legal services, which
17 amount is based on an assumption that the office will require an
18 additional 0.1 FTE.

19 **SECTION 4. Safety clause.** The general assembly finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety or for appropriations for
22 the support and maintenance of the departments of the state and state
23 institutions.