

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 20-0241.02 Esther van Mourik x4215

SENATE BILL 20-019

SENATE SPONSORSHIP

Tate, Moreno

HOUSE SPONSORSHIP

Benavidez and Bockenfeld, Snyder

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE LEGISLATIVE OVERSIGHT**
102 **COMMITTEE CONCERNING TAX POLICY, AND, IN CONNECTION**
103 **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/>.)

Tax Expenditure Evaluation Interim Study Committee. The bill creates the legislative oversight committee concerning tax policy (committee), and the associated task force (task force).

The committee is required to consider the policy considerations contained in the tax expenditure evaluations prepared by the state auditor

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.

and is responsible for the oversight of the task force. The committee may recommend legislative changes that are treated as bills recommended by an interim legislative committee.

The task force is required to study tax policy and develop and propose for committee consideration any modifications to the current system of state and local taxation.

The task force is also authorized, upon request by a committee member, to provide evidence-based feedback on the potential benefits or consequences of a legislative or other policy proposal not directly affiliated with or generated by the task force, including any bill or resolution introduced by the general assembly that affects tax policy.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 4 to article
3 21 of title 39 as follows:

4 PART 4

5 LEGISLATIVE OVERSIGHT COMMITTEE

6 CONCERNING TAX POLICY

7 **39-21-401. Legislative declaration.** (1) THE GENERAL ASSEMBLY
8 FINDS THAT:

9 (a) IN 2000, THE GENERAL ASSEMBLY ENACTED THE FORMATION
10 OF A TEMPORARY COMMISSION ON TAXATION FOR THE PURPOSE OF
11 REVIEWING AND REPORTING ON THE CURRENT SYSTEM OF TAXATION BY
12 STATE AND LOCAL GOVERNMENTS AND MAKING RECOMMENDATIONS FOR
13 MODIFICATIONS;

14 (b) THE STATE OF COLORADO AND ITS CITIZENS HAVE
15 EXPERIENCED MANY CHANGES SINCE THAT LAST COMPREHENSIVE REVIEW
16 AND ANALYSIS OF TAX POLICY WAS COMPLETED;

17 (c) THE TAX STRUCTURE OF THE STATE AND LOCAL GOVERNMENTS
18 IN COLORADO HAS BECOME MORE COMPLICATED AND OUTDATED
19 THROUGH A LONG HISTORY OF INCREMENTAL AND PIECEMEAL

1 MODIFICATIONS MADE BY STATUTORY AND CONSTITUTIONAL ENACTMENTS
2 THAT HAVE RESULTED IN UNINTENDED CONSEQUENCES;

3 (d) THESE MODIFICATIONS MAY HAVE RESULTED IN THE TAX
4 BURDEN FOR FINANCING GOVERNMENT SERVICES AND PROGRAMS BEING
5 BORNE DISPROPORTIONATELY BY CERTAIN TAXPAYERS AND MAY HAVE
6 DIMINISHED COLORADO'S ABILITY TO ATTRACT NEW BUSINESSES AND
7 RETAIN EXISTING BUSINESSES THAT ARE VITAL TO THE ECONOMIC
8 WELL-BEING OF THE STATE AND ITS CITIZENS; AND

9 (e) IT IS NECESSARY TO REVIEW THE STATE'S CURRENT TAX POLICY.

10 (2) THEREFORE, THE GENERAL ASSEMBLY FURTHER FINDS AND
11 DECLARES THAT IT IS NECESSARY TO CREATE THE LEGISLATIVE OVERSIGHT
12 COMMITTEE CONCERNING TAX POLICY AND, IN ADDITION, TO ESTABLISH
13 THE COMMITTEE AS THE APPROPRIATE ENTITY TO REVIEW THE
14 EVALUATIONS OF TAX EXPENDITURES THAT ARE STATUTORILY COMPLETED
15 BY THE STATE AUDITOR.

16 **39-21-402. Definitions.** AS USED IN THIS PART 4, UNLESS THE
17 CONTEXT OTHERWISE REQUIRES:

18 (1) "LEGISLATIVE OVERSIGHT COMMITTEE" OR "COMMITTEE"
19 MEANS THE LEGISLATIVE OVERSIGHT COMMITTEE CONCERNING TAX
20 POLICY ESTABLISHED PURSUANT TO SECTION 39-21-403.

21

22 **39-21-403. Legislative oversight committee concerning tax**
23 **policy - creation - duties - report.** (1) **Creation.** (a) THERE IS HEREBY
24 CREATED A LEGISLATIVE OVERSIGHT COMMITTEE CONCERNING TAX
25 POLICY.

26 (b) THE COMMITTEE CONSISTS OF TEN MEMBERS AS FOLLOWS:

27 (I) THE PRESIDENT OF THE SENATE SHALL APPOINT TWO SENATORS

1 AND ONE NONLEGISLATIVE MEMBER WITH EXPERIENCE IN MATTERS OF TAX
2 POLICY, ECONOMICS, OR COMMERCE TO SERVE ON THE COMMITTEE, AND
3 THE MINORITY LEADER OF THE SENATE SHALL APPOINT ONE SENATOR AND
4 ONE NONLEGISLATIVE MEMBER WITH EXPERIENCE IN MATTERS OF TAX
5 POLICY, ECONOMICS, OR COMMERCE TO SERVE ON THE COMMITTEE; AND

6 (II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
7 APPOINT TWO REPRESENTATIVES AND ONE NONLEGISLATIVE MEMBER
8 FROM A STATEWIDE ORGANIZATION REPRESENTING COLORADO COUNTIES,
9 MUNICIPALITIES, CITIES, OR TOWNS TO SERVE ON THE COMMITTEE, AND
10 THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL
11 APPOINT ONE REPRESENTATIVE AND ONE NONLEGISLATIVE MEMBER FROM
12 A STATEWIDE ORGANIZATION REPRESENTING COLORADO COUNTIES,
13 MUNICIPALITIES, CITIES, OR TOWNS TO SERVE ON THE COMMITTEE.

14 (c) (I) THE NONLEGISLATIVE MEMBERS SHALL SERVE AS
15 NON-VOTING MEMBERS OF THE COMMITTEE.

16 (II) APPOINTEES TO THE COMMITTEE MUST HAVE EXPERIENCE WITH
17 OR INTEREST IN THE STUDY AREAS OF THE COMMITTEE.

18 (III) APPOINTMENTS MUST BE MADE NO LATER THAN THIRTY DAYS
19 AFTER THE EFFECTIVE DATE OF THIS ACT.

20 (d) THE TERMS OF THE MEMBERS EXPIRE ON OR TERMINATE ON THE
21 CONVENING DATE OF THE FIRST REGULAR SESSION OF THE SEVENTY-THIRD
22 GENERAL ASSEMBLY. AS SOON AS PRACTICABLE AFTER SUCH CONVENING
23 DATE, BUT NO LATER THAN THE END OF THE LEGISLATIVE SESSION, THE
24 SPEAKER AND MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND
25 THE PRESIDENT AND THE MINORITY LEADER OF THE SENATE SHALL EACH
26 APPOINT OR REAPPOINT MEMBERS IN THE SAME MANNER AS PROVIDED IN
27 SUBSECTION (1)(b) OF THIS SECTION. THEREAFTER, THE TERMS OF

1 MEMBERS APPOINTED OR REAPPOINTED EXPIRE ON THE CONVENING DATE
2 OF THE FIRST REGULAR SESSION OF EACH GENERAL ASSEMBLY, AND ALL
3 SUBSEQUENT APPOINTMENTS AND REAPPOINTMENTS MUST BE MADE AS
4 SOON AS PRACTICABLE AFTER SUCH CONVENING DATE, BUT NO LATER
5 THAN THE END OF THE LEGISLATIVE SESSION.

6 (e) THE PERSON MAKING THE ORIGINAL APPOINTMENT OR
7 REAPPOINTMENT SHALL FILL ANY VACANCY BY APPOINTMENT FOR THE
8 REMAINDER OF AN UNEXPIRED TERM. MEMBERS APPOINTED OR
9 REAPPOINTED SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY
10 AND CONTINUE IN OFFICE UNTIL THE MEMBER'S SUCCESSOR IS APPOINTED.

11 (f) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL
12 SELECT THE FIRST CHAIR OF THE COMMITTEE, AND THE PRESIDENT OF THE
13 SENATE SHALL SELECT THE FIRST VICE-CHAIR. THE CHAIR AND VICE-CHAIR
14 SHALL ALTERNATE ANNUALLY THEREAFTER BETWEEN THE TWO HOUSES.

15 (g) THE CHAIR AND VICE-CHAIR OF THE COMMITTEE MAY
16 ESTABLISH SUCH ORGANIZATIONAL AND PROCEDURAL RULES AS ARE
17 NECESSARY FOR THE OPERATION OF THE COMMITTEE.

18 (h) (I) LEGISLATIVE MEMBERS OF THE COMMITTEE ARE ENTITLED
19 TO RECEIVE COMPENSATION AND REIMBURSEMENT OF EXPENSES AS
20 PROVIDED IN SECTION 2-2-326.

21 (II) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL,
22 THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE
23 STATE AUDITOR SHALL SUPPLY STAFF ASSISTANCE TO THE COMMITTEE AS
24 EACH DEEMS APPROPRIATE, WITHIN EXISTING APPROPRIATIONS.

25 (2) **Duties.** (a) THE COMMITTEE SHALL MEET AT LEAST FOUR
26 TIMES EACH YEAR AND AT SUCH OTHER TIMES AS IT DEEMS NECESSARY.

27

1 (b) THE COMMITTEE SHALL CONSIDER THE POLICY
2 RECOMMENDATIONS CONTAINED IN THE TAX EXPENDITURE EVALUATIONS
3 PREPARED BY THE STATE AUDITOR PURSUANT TO SECTION 39-21-305.

4 (c) THE COMMITTEE SHALL STUDY TAX POLICY AND MAY DEVELOP
5 ANY MODIFICATIONS TO THE CURRENT SYSTEM OF STATE AND LOCAL
6 TAXATION.

7 (d) UPON REQUEST BY A LEGISLATOR OR A LEGISLATIVE MEMBER
8 OF THE COMMITTEE, THE COMMITTEE SHALL PROVIDE EVIDENCE-BASED
9 FEEDBACK ON THE POTENTIAL BENEFITS OR CONSEQUENCES OF A
10 LEGISLATIVE OR OTHER POLICY PROPOSAL NOT DIRECTLY AFFILIATED WITH
11 OR GENERATED BY THE COMMITTEE, INCLUDING ANY BILL OR RESOLUTION
12 INTRODUCED BY THE GENERAL ASSEMBLY THAT AFFECTS TAX POLICY. THE
13 FEEDBACK MUST BE PROVIDED WITHIN TWO WEEKS OF THE REQUEST AND
14 REMAIN AS CONCISE AS POSSIBLE WHILE CAPTURING ANY AVAILABLE
15 EVIDENCE. IF THE COMMITTEE CANNOT IDENTIFY EVIDENCE TO
16 EFFECTIVELY INFORM A RESPONSE, THE FEEDBACK WILL INDICATE A LACK
17 OF EVIDENCE.

18 (e) THE COMMITTEE MAY WORK WITH AND DEVELOP
19 RELATIONSHIPS WITH OTHER STATE AGENCIES, GROUPS, INTERIM
20 LEGISLATIVE COMMITTEES, TASK FORCES, ORGANIZATIONS, OR STATEWIDE
21 INITIATIVES THAT ARE PURSUING ISSUES AND POLICY INITIATIVES SIMILAR
22 TO THOSE ADDRESSED IN THIS SUBSECTION (2) IN ORDER TO LEVERAGE
23 EFFICIENT POLICY-MAKING OPPORTUNITIES THROUGH COLLABORATIVE
24 EFFORTS.

25 (f) THE COMMITTEE MAY RECOMMEND LEGISLATIVE CHANGES
26 THAT ARE TREATED AS BILLS RECOMMENDED BY AN INTERIM LEGISLATIVE
27 COMMITTEE FOR PURPOSES OF ANY INTRODUCTION DEADLINES OR BILL

1 LIMITATIONS IMPOSED BY THE JOINT RULES OF THE GENERAL ASSEMBLY.

2 (g) ON OR BEFORE JANUARY 15 OF EACH YEAR, THE COMMITTEE
3 SHALL SUBMIT, AND MAKE PUBLICLY AVAILABLE ON ITS WEBSITE, A
4 REPORT TO THE GENERAL ASSEMBLY. THE ANNUAL REPORT MUST BRIEFLY
5 SUMMARIZE THE STUDY ISSUES, RECOMMENDATIONS CONSIDERED, AND
6 ANY ACTIONS TAKEN BY THE COMMITTEE DURING THE PREVIOUS YEAR.
7 THE REPORT MUST COMPLY WITH THE PROVISIONS OF SECTION 24-1-136
8 (9). NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT
9 IN THIS SECTION TO REPORT TO THE GENERAL ASSEMBLY CONTINUES
10 INDEFINITELY.

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13 **39-21-404. Repeal of part.** THIS PART 4 IS REPEALED, EFFECTIVE
14 JULY 1, 2025.

15 **SECTION 2. Appropriation.** (1) For the 2020-21 state fiscal
16 year, \$80,222 is appropriated to the legislative department. This
17 appropriation is from the general fund. To implement this act, the
18 department may use this appropriation as follows:

19 (a) \$31,572 for use by the legislative council, which amount is
20 based on an assumption that the legislative council will require an
21 additional 0.5 FTE;

22 (b) \$43,005 for use by the the office of legislative legal services,
23 which amount is based on an assumption that the office will require an
24 additional 0.6 FTE; and

25 (c) \$5,645 for use by the general assembly.

26 **SECTION 3. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.