

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0658.03 Jason Gelender x4330

HOUSE BILL 24-1295

HOUSE SPONSORSHIP

Titone and Herod,

SENATE SPONSORSHIP

Fenberg,

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING COMMUNITY REVITALIZATION INCENTIVES FOR THE
102 SUPPORT OF CREATIVE INDUSTRIES, AND, IN CONNECTION
103 THEREWITH, EXTENDING THE COMMUNITY GRANT
104 REVITALIZATION PROGRAM AND CREATING AN INCOME TAX
105 CREDIT FOR EXPENSES INCURRED IN COMPLETING
106 INFRASTRUCTURE THAT SUPPORTS CREATIVE INDUSTRIES AND
107 CREATIVE INDUSTRY WORKERS.

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>.)

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.

Section 1 of the bill modifies the community revitalization grant program (grant program) by:

- Including projects that are eligible for funding under the space to create program administered by the creative industries division (division) within the office of economic development (office) as projects intended to be supported by the grant program;
- Extending deadlines for the adoption of policies, procedures, and guidelines for the grant program and for grant program reporting; and
- Extending the scheduled repeal of the grant program from January 1, 2025, to the date on which all money transferred or otherwise credited to the community revitalization fund pursuant to this section is expended.

Section 2 creates a new community revitalization income tax credit (credit), for income tax years commencing on or after January 1, 2026, but before January 1, 2033, in an amount equal to 25% of the amount of eligible expenditures made by a qualified applicant in completing an eligible project; except that the office may reduce the credit percentage for reservations for credits made in any income tax year, and the maximum amount of the credit for a single project is \$3 million. In addition, the maximum amount of credits that may be reserved during any calendar year is \$16 million. An eligible project is a capital improvement project within a creative district, a historic district, or a neighborhood commercial center or a main street that involves the construction, rehabilitation, conversion, remodeling, or other improvement of one or more buildings, structures, or facilities for uses that support creative industries and creative industry workers and that is approved as an eligible project by the office.

The bill details a process for claiming the credit that requires:

- The submission by a qualified applicant to the office of an eligible project plan that includes an estimate of eligible expenditures;
- Preliminary and final review and approval of the plan by the office;
- Reservation of a credit for the qualified applicant by the office;
- Commencement of the eligible project incurrence by the qualified applicant of a specified minimum portion of the eligible expenditures within a specified period;
- Completion of the eligible project;
- Issuance of a tax credit certificate by the office;
- Filing of the tax credit certificate by the qualified applicant with the department of revenue with the qualified

- applicant's tax return or informational return; and
● Recapture of the credit if the eligible project is not used for a use that makes it an eligible project during a specified compliance period.

The office is required to annually report to the general assembly regarding the credit and may, after soliciting advice from the department of revenue, create and modify policies and procedures as necessary to implement the credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-48.5-317, **amend**
3 (2)(a)(V), (2)(a)(VI), (4) introductory portion, (8)(a), and (9); **repeal**
4 (2)(b); and **add** (2)(a)(VII) as follows:

5 **24-48.5-317. Community revitalization grants - fund -**
6 **reporting - compliance with federal requirements - legislative**
7 **declaration - definitions - repeal.** (2) (a) The community revitalization
8 grant program is hereby established in the division. The purpose of the
9 grant program is to provide state assistance in the form of grant awards
10 to finance various projects across the state that are intended to create or
11 revitalize mixed-use commercial centers. The grant program is intended
12 to support creative projects in these commercial centers that would
13 combine revitalized or newly constructed commercial spaces with public
14 or community spaces including but not limited to such projects as:

15 (V) The renovation or refurbishment of vacant or blighted
16 property for creative industries, economic development, or historic
17 preservation purposes; and

18 (VI) Child care centers; AND

19 (VII) PROJECTS THAT ARE ELIGIBLE FOR FUNDING UNDER THE
20 SPACE TO CREATE COLORADO PROGRAM ADMINISTERED BY THE DIVISION.

21 (b) ~~All grants awarded under this section must be encumbered not~~

1 ~~later than December 31, 2022.~~

2 (4) On or before ~~September 1, 2021~~, DECEMBER 1, 2024, the
3 director of the division, in consultation with the director of the division
4 of local government, or their designees, shall adopt policies, procedures,
5 and guidelines for the grant program that include without limitation:

6 (8) (a) On or before ~~November 1, 2022~~ NOVEMBER 1, 2024, and
7 on or before ~~November 1, 2023~~ NOVEMBER 1, 2026, the division shall
8 publish a report summarizing the use of all of the money that was
9 awarded as grants under the grant program in the preceding fiscal year.

10 At a minimum, the report shall specify the amount of grant money
11 distributed to each grant recipient and a description of each grant
12 recipient's use of the grant money. The report must be posted on the
13 website of the office of economic development created in section
14 24-48.5-101.

15 (9) This section is WILL BE repealed effective ~~January 1, 2025~~ IF
16 ALL MONEY TRANSFERRED OR OTHERWISE CREDITED TO THE COMMUNITY
17 REVITALIZATION FUND PURSUANT TO THIS SECTION IS EXPENDED. THE
18 DIRECTOR OF THE DIVISION SHALL NOTIFY THE REVISOR OF STATUTES IN
19 WRITING OF THE DATE WHEN THE CONDITION SPECIFIED IN THIS
20 SUBSECTION (9) HAS OCCURRED BY E-MAILING THE NOTICE TO
21 REVISOROFSTATUTES.GA@COLEG.GOV. THIS SECTION IS REPEALED,
22 EFFECTIVE UPON THE DATE IDENTIFIED IN THE NOTICE THAT ALL MONEY
23 TRANSFERRED OR OTHERWISE CREDITED TO THE COMMUNITY
24 REVITALIZATION FUND PURSUANT TO THIS SECTION IS EXPENDED, OR, IF
25 THE NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE
26 TO THE REVISOR OF STATUTES.

27 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-560 as

1 follows:

2 **39-22-560. Community revitalization tax credit - tax**
3 **preference performance statement - legislative declaration -**
4 **definitions - repeal. (1) Tax preference performance statement. IN**

5 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
6 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
7 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
8 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

9 (a) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT
10 ALLOWED BY THIS SECTION ARE:

11 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS;

12 AND

13 (II) TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES OR
14 INDIVIDUALS;

15 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT
16 ALLOWED BY THIS SECTION IS TO REVITALIZE COMMUNITIES BY PROVIDING
17 FINANCIAL SUPPORT AND A FINANCIAL INCENTIVE FOR CAPITAL
18 IMPROVEMENT PROJECTS IN CREATIVE DISTRICTS THAT SUPPORT CREATIVE
19 INDUSTRIES AND CREATIVE INDUSTRY WORKERS BY PROVIDING
20 AFFORDABLE HOUSING AND LIVE-WORK SPACES FOR SUCH WORKERS AND
21 OTHER MIXED-USE AND CREATIVE-USE SPACES FOR BOTH SUCH WORKERS
22 AND THE GENERAL PUBLIC THAT ENJOYS AND BENEFITS FROM THEIR WORK.

23 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
24 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT IN ACHIEVING THE
25 PURPOSES SPECIFIED IN SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION
26 BASED ON THE INFORMATION REQUIRED TO BE MAINTAINED BY AND
27 REPORTED BY THE OFFICE PURSUANT TO SUBSECTION (11) OF THIS

1 SECTION.

2 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
3 OTHERWISE REQUIRES:

4 (a) "APPLICATION" MEANS AN APPLICATION IN THE FORM AND
5 MANNER APPROVED BY THE OFFICE FOR THE CREDIT ALLOWED IN THIS
6 SECTION THAT INCLUDES THE PROJECT PLAN AND ESTIMATED ELIGIBLE
7 EXPENDITURES.

8 (b) "CREATIVE DISTRICT" HAS THE SAME MEANING AS SET FORTH
9 IN SECTION 24-48.5-314 (2)(b).

10 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

11 (d) "ELIGIBLE EXPENDITURES" MEANS REASONABLE AND
12 NECESSARY EXPENDITURES, IN ACCORDANCE WITH GUIDELINES
13 DEVELOPED BY THE OFFICE, ACTUALLY PAID BY A TAXPAYER IN
14 COMPLETING AN ELIGIBLE PROJECT.

15 (e) "ELIGIBLE PROJECT" MEANS A CAPITAL IMPROVEMENT PROJECT
16 UNDERTAKEN IN THE STATE WITHIN A CREATIVE DISTRICT, A HISTORIC
17 DISTRICT, OR A NEIGHBORHOOD COMMERCIAL CENTER OR ON A MAIN
18 STREET THAT INVOLVES THE CONSTRUCTION, REHABILITATION,
19 CONVERSION, REMODELING, OR OTHER IMPROVEMENT OF ONE OR MORE
20 BUILDINGS, STRUCTURES, OR FACILITIES FOR USES THAT SUPPORT
21 CREATIVE INDUSTRIES AND CREATIVE INDUSTRY WORKERS, INCLUDING
22 AFFORDABLE HOUSING AND LIVE-WORK SPACES FOR SUCH WORKERS AND
23 OTHER MIXED-USE, CREATIVE-USE, PERFORMANCE, AND EXHIBITION
24 SPACES FOR SUCH WORKERS AND FOR THE GENERAL PUBLIC AND THAT IS
25 APPROVED BY THE OFFICE IN ACCORDANCE WITH THE POLICIES,
26 PROCEDURES, AND GUIDELINES FOR THE IMPLEMENTATION AND
27 ADMINISTRATION OF THE TAX CREDIT ALLOWED BY THIS SECTION ADOPTED

1 BY THE OFFICE PURSUANT TO SUBSECTION (12) OF THIS SECTION.

2 (f) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT.

3 (g) (I) "QUALIFIED APPLICANT" MEANS A PERSON THAT:

4 (A) HAS A CONTRACTUAL OR REAL PROPERTY INTEREST IN AN
5 EXISTING OR PLANNED BUILDING, STRUCTURE, OR FACILITY THAT IS TO BE
6 CONSTRUCTED, REHABILITATED, CONVERTED, REMODELED, OR OTHERWISE
7 IMPROVED THROUGH THE COMPLETION OF AN ELIGIBLE PROJECT; AND

8 (B) MAKES ELIGIBLE EXPENDITURES;

9 (II) A QUALIFIED APPLICANT MAY BE A PERSON SUBJECT TO TAX
10 PURSUANT TO THIS ARTICLE 22 OR A PERSON OR POLITICAL SUBDIVISION OF
11 THE STATE THAT IS EXEMPT FROM SUCH TAXATION PURSUANT TO SECTION
12 39-22-112 (1).

13 (3) **Credit allowed.** (a) FOR INCOME TAX YEARS COMMENCING ON
14 OR AFTER JANUARY 1, 2026, BUT PRIOR TO JANUARY 1, 2033, A QUALIFIED
15 APPLICANT IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED
16 BY THIS ARTICLE 22 FOR PLACING AN ELIGIBLE PROJECT IN SERVICE IN AN
17 AMOUNT SPECIFIED ON THE CREDIT CERTIFICATE ISSUED BY THE OFFICE
18 PURSUANT TO SUBSECTION (7) OF THIS SECTION.

19 (b) IN ORDER TO CLAIM THE CREDIT ALLOWED PURSUANT TO THIS
20 SECTION, THE QUALIFIED APPLICANT MUST SUBMIT AN APPLICATION AS
21 SPECIFIED IN SUBSECTION (4) OF THIS SECTION, PLACE THE ELIGIBLE
22 PROJECT IN SERVICE PRIOR TO JANUARY 1, 2033, OBTAIN A TAX CREDIT
23 CERTIFICATE FROM THE OFFICE AS SPECIFIED IN SUBSECTION (7) OF THIS
24 SECTION, AND, ONCE ISSUED BY THE OFFICE, FILE THE TAX CREDIT
25 CERTIFICATE WITH THE QUALIFIED APPLICANT'S INCOME TAX RETURN AS
26 SPECIFIED IN SUBSECTION (8) OF THIS SECTION.

27 (4) **Application submission and review.** (a) AN APPLICANT MAY

1 SUBMIT AN APPLICATION TO THE OFFICE ON OR AFTER JANUARY 1, 2025,
2 BUT NO LATER THAN OCTOBER 3, 2029.

3 (b) THE OFFICE SHALL REVIEW ALL SUBMITTED APPLICATIONS TO:

4 (I) DETERMINE WHETHER THE APPLICANT IS A QUALIFIED
5 APPLICANT;

6 (II) DETERMINE WHETHER THE APPLICATION IS COMPLETE AND
7 INCLUDES A PROPERTY ADDRESS, LEGAL DESCRIPTION, OR OTHER SPECIFIC
8 LOCATION IDENTIFIER;

9 (III) MAKE A PRELIMINARY DETERMINATION WHETHER THE
10 PROJECT PLAN IS A PLAN FOR AN ELIGIBLE PROJECT BASED ON THE POLICIES
11 AND PROCEDURES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION
12 (12) OF THIS SECTION;

13 (IV) DETERMINE WHETHER THE ELIGIBLE PROJECT IS ENTITLED TO
14 A TAX CREDIT RESERVATION AS SPECIFIED IN SUBSECTION (6) OF THIS
15 SECTION;

16 (V) ONCE THE ELIGIBLE PROJECT IS PLACED IN SERVICE, MAKE A
17 FINAL DETERMINATION WHETHER THE PROJECT IS AN ELIGIBLE PROJECT
18 BASED ON THE POLICIES AND PROCEDURES DEVELOPED BY THE OFFICE
19 PURSUANT TO SUBSECTION (12) OF THIS SECTION; AND

20 (VI) IF THE PROJECT IS AN ELIGIBLE PROJECT, REVIEW THE
21 CERTIFIED ELIGIBLE EXPENDITURES AND, IF APPROVED, ISSUE A CREDIT
22 CERTIFICATE TO THE QUALIFIED APPLICANT, AS SPECIFIED IN SUBSECTION
23 (7) OF THIS SECTION.

24 (c) THE OFFICE SHALL MAKE THE DETERMINATIONS SPECIFIED IN
25 SUBSECTIONS (4)(b)(I) TO (4)(b)(V) OF THIS SECTION WITHIN NINETY DAYS
26 OF THE DATE THE OFFICE RECEIVES THE APPLICATION.

27 (d) (I) IF THE OFFICE DETERMINES THAT AN APPLICATION IS

1 INCOMPLETE OR THAT IT IS UNABLE TO MAKE THE DETERMINATIONS
2 SPECIFIED IN SUBSECTIONS (4)(b)(I) TO (4)(b)(V) OF THIS SECTION, THE
3 OFFICE SHALL NOTIFY THE APPLICANT IN WRITING OF THE OFFICE'S
4 DECISION AND SHALL REMOVE THE APPLICATION FROM THE REVIEW
5 PROCESS.

6 (II) IF AN APPLICANT RESUBMITS AN APPLICATION, THE OFFICE MAY
7 CHARGE A NEW APPLICATION FEE IN AN AMOUNT SPECIFIED IN SUBSECTION
8 (5) OF THIS SECTION.

9 (5) **Application and issuance fees.** (a) (I) FOR AN APPLICATION
10 FOR WHICH THE AMOUNT OF THE TAX CREDIT REQUESTED BY AN
11 APPLICANT PURSUANT TO THIS SECTION IS TWO HUNDRED FIFTY THOUSAND
12 DOLLARS OR MORE, THE OFFICE MAY IMPOSE A REASONABLE APPLICATION
13 FEE ON AN APPLICANT THAT DOES NOT EXCEED FIVE HUNDRED DOLLARS.

14 (II) FOR AN APPLICATION FOR WHICH THE AMOUNT OF THE TAX
15 CREDIT REQUESTED BY AN APPLICANT PURSUANT TO THIS SECTION IS LESS
16 THAN TWO HUNDRED FIFTY THOUSAND DOLLARS, THE OFFICE MAY IMPOSE
17 A REASONABLE APPLICATION FEE ON AN APPLICANT THAT DOES NOT
18 EXCEED TWO HUNDRED DOLLARS.

19 (b) THE OFFICE MAY IMPOSE ON A QUALIFIED APPLICANT A
20 REASONABLE ISSUANCE FEE OF UP TO THREE PERCENT OF THE AMOUNT OF
21 THE TAX CREDIT SPECIFIED ON THE TAX CREDIT CERTIFICATE ISSUED BY
22 THE OFFICE AS SPECIFIED IN SUBSECTION (7) OF THIS SECTION, WHICH MUST
23 BE PAID BEFORE THE TAX CREDIT CERTIFICATE IS ISSUED TO THE QUALIFIED
24 APPLICANT.

25 (c) ANY FEE REVENUE COLLECTED PURSUANT TO THIS SUBSECTION
26 (5) MUST BE APPLIED TO THE ADMINISTRATION OF THE TAX CREDIT
27 CREATED BY THIS SECTION.

1 **(6) Tax credit reservation.** (a) BASED ON THE FACTORS SPECIFIED
2 IN SUBSECTION (6)(d) OF THIS SECTION, THE OFFICE MAY DETERMINE THAT
3 A QUALIFIED APPLICANT IS ENTITLED TO A TAX CREDIT RESERVATION IN
4 ACCORDANCE WITH THE PROVISIONS OF THIS SECTION. THE OFFICE SHALL
5 ISSUE TAX CREDIT RESERVATIONS SUBJECT TO THE LIMITATIONS SET FORTH
6 IN THIS SUBSECTION (6) AND IN ACCORDANCE WITH THE POLICIES AND
7 PROCEDURES ESTABLISHED PURSUANT TO SUBSECTION (12) OF THIS
8 SECTION. THE OFFICE SHALL NOT ISSUE TAX CREDIT RESERVATIONS AFTER
9 JANUARY 1, 2030.

10 (b) IF THE OFFICE RESERVES A TAX CREDIT FOR THE BENEFIT OF A
11 QUALIFIED APPLICANT, THE OFFICE SHALL NOTIFY THE QUALIFIED
12 APPLICANT IN WRITING OF THE RESERVATION AND THE AMOUNT RESERVED.
13 THE RESERVATION OF A TAX CREDIT BY THE OFFICE FOR A QUALIFIED
14 APPLICANT DOES NOT ENTITLE THE QUALIFIED APPLICANT TO ISSUANCE OF
15 A CREDIT CERTIFICATE UNTIL THE QUALIFIED APPLICANT COMPLIES WITH
16 ALL THE OTHER REQUIREMENTS SPECIFIED IN THIS SECTION FOR THE
17 ISSUANCE OF THE TAX CREDIT. WHEN THE OFFICE APPROVES A TAX CREDIT
18 RESERVATION, THE OFFICE MAY ALSO IMPOSE ADDITIONAL REQUIREMENTS,
19 WHICH A QUALIFIED APPLICANT SHALL SATISFY AS PART OF COMPLETING
20 THE ELIGIBLE PROJECT, BEFORE A TAX CREDIT CERTIFICATE IS ISSUED TO
21 THE QUALIFIED APPLICANT.

22 (c) (I) SUBJECT TO THE LIMITATIONS IN THIS SUBSECTION (6)(c), IF
23 APPROVED, THE OFFICE MAY ISSUE A TAX CREDIT RESERVATION TO A
24 QUALIFIED APPLICANT FOR A SINGLE ELIGIBLE PROJECT IN AN AMOUNT
25 EQUAL TO THE LESSER OF TWENTY-FIVE PERCENT OF THE QUALIFIED
26 APPLICANT'S ESTIMATED ELIGIBLE EXPENDITURES OR THREE MILLION
27 DOLLARS.

1 (II) EXCEPT AS PROVIDED IN SUBSECTIONS (6)(c)(III) AND
2 (6)(c)(IV) OF THIS SECTION, THE AGGREGATE AMOUNT OF ALL TAX CREDIT
3 RESERVATIONS THAT THE OFFICE MAY ISSUE PURSUANT TO THIS SECTION
4 MUST NOT EXCEED SIXTEEN MILLION DOLLARS IN ANY CALENDAR YEAR
5 PLUS THE AMOUNT OF ANY PREVIOUSLY ISSUED TAX CREDIT
6 RESERVATIONS THAT WERE RESCINDED PURSUANT TO SUBSECTION
7 (7)(a)(II) OF THIS SECTION FROM PREVIOUS CALENDAR YEARS.

8 (III) IF THE OFFICE'S ISSUANCE OF A TAX CREDIT RESERVATION IN
9 A CALENDAR YEAR WOULD CAUSE THE OFFICE TO EXCEED THE AGGREGATE
10 LIMIT SPECIFIED IN SUBSECTION (6)(c)(II) OF THIS SECTION FOR THAT
11 CALENDAR YEAR, THEN THE AGGREGATE AMOUNT OF ALL TAX CREDIT
12 RESERVATIONS THAT THE OFFICE MAY ISSUE IN THE FOLLOWING CALENDAR
13 YEAR IS DECREASED BY THE AMOUNT OF THE TAX CREDIT RESERVATIONS
14 ISSUED IN THE PREVIOUS CALENDAR YEAR THAT EXCEEDED THE
15 LIMITATION SET FORTH IN SUBSECTION (6)(c)(II) OF THIS SECTION.

16 (IV) IF THE OFFICE'S ISSUANCE OF TAX CREDIT RESERVATIONS BY
17 THE END OF A CALENDAR YEAR IS LESS THAN THE AGGREGATE LIMIT
18 SPECIFIED IN SUBSECTION (6)(c)(II) OF THIS SECTION FOR THAT CALENDAR
19 YEAR, THEN THE AGGREGATE AMOUNT OF TAX CREDIT RESERVATIONS
20 THAT THE OFFICE MAY ISSUE IN THE NEXT CALENDAR YEAR IS INCREASED
21 BY THE UNRESERVED AMOUNT FROM THE PREVIOUS CALENDAR YEAR.

22 (d) IN MAKING THE FINAL DETERMINATION OF WHICH PROJECT
23 PLANS TO ISSUE TAX RESERVATIONS FOR PURSUANT TO THIS SUBSECTION
24 (6), THE OFFICE MAY PRIORITIZE ELIGIBLE PROJECT PLANS IN ACCORDANCE
25 WITH:

26 (I) THE NUMBER OF NEW AFFORDABLE HOUSING UNITS TO BE
27 CREATED BY THE ELIGIBLE PROJECT;

1 (II) THE NUMBER OF LIVE-WORK SPACES TO BE CREATED BY THE
2 ELIGIBLE PROJECT;

3 (III) THE GEOGRAPHIC DIVERSITY OF THE APPLICATIONS AND
4 PROJECT PLANS THAT QUALIFIED APPLICANTS HAVE SUBMITTED TO THE
5 OFFICE;

6 (IV) THE QUALITY AND ACCESSIBILITY OF MAKERSPACE TO BE
7 PROVIDED FOR CREATIVE INDUSTRY WORKERS BY THE ELIGIBLE PROJECT;

8 (V) DEMONSTRATION OF COMMUNITY ENGAGEMENT IN
9 IDENTIFYING HOW THE PROJECT WILL SATISFY UNMET NEEDS AND DRIVE
10 THE LOCAL CREATIVE ECONOMY;

11 (VI) DEMONSTRATION OF STRONG EVIDENCE THAT THE ELIGIBLE
12 PROJECT HAS OR CAN ATTRACT DIVERSE SOURCES OF FUNDING AND BROAD
13 LOCAL GOVERNMENT SUPPORT;

14 (VII) DEMONSTRATION OF HOW THE PROJECT SERVES RURAL,
15 UNDER-RESOURCED, OR UNDERSERVED COMMUNITIES;

16 (VIII) WHETHER THE PROJECT PLAN IS RECEIVING PROPERTY TAX
17 ABATEMENTS, CREDITS, REBATES, GRANTS, OR OTHER INCENTIVES FROM
18 A LOCAL TAXING JURISDICTION;

19 (IX) WHETHER THE PROJECT WILL OCCUR WITHOUT THE ISSUANCE
20 OF A TAX CREDIT PURSUANT TO THIS SECTION;

21 (X) WHETHER THE QUALIFIED APPLICANT WILL RECEIVE A
22 FEDERAL INCENTIVE FOR THE PROJECT;

23 (XI) THE PROXIMITY OF THE PROJECT TO PUBLIC TRANSPORTATION;
24 AND

25 (XII) THE EXPECTED QUALIFICATION OF THE BUILDING,
26 STRUCTURE, OR FACILITY THAT IS THE SUBJECT OF THE ELIGIBLE PROJECT
27 FOR A CERTIFIABLE SUSTAINABLE PROGRAM BOTH BEFORE AND AFTER THE

1 COMPLETION OF THE PROJECT.

2 (7) **Deadline for incurring specified amount of estimated**
3 **eligible expenditures - proof of compliance - audit of eligible**
4 **expenditure certification - issuance of tax credit certificate.** (a) (I) A
5 QUALIFIED APPLICANT RECEIVING A RESERVATION OF TAX CREDITS
6 PURSUANT TO SUBSECTION (6) OF THIS SECTION SHALL INCUR TWENTY
7 PERCENT OR MORE OF THE ESTIMATED ELIGIBLE EXPENDITURES
8 CONTAINED IN THE APPLICATION AND PROJECT PLAN NOT LATER THAN
9 EIGHTEEN MONTHS AFTER THE DATE OF ISSUANCE OF THE WRITTEN NOTICE
10 FROM THE OFFICE TO THE QUALIFIED APPLICANT GRANTING THE
11 RESERVATION OF A TAX CREDIT.

12 (II) A QUALIFIED APPLICANT FOR WHOM THE OFFICE HAS RESERVED
13 A TAX CREDIT SHALL SUBMIT EVIDENCE OF COMPLIANCE WITH THE
14 PROVISIONS OF SUBSECTION (7)(a)(I) OF THIS SECTION. IF THE OFFICE
15 DETERMINES THAT A QUALIFIED APPLICANT HAS FAILED TO COMPLY WITH
16 THE REQUIREMENTS OF SUBSECTION (7)(a)(I) OF THIS SECTION, THE OFFICE
17 SHALL PROMPTLY NOTIFY THE QUALIFIED APPLICANT AND MAY RESCIND
18 THE ISSUANCE OF THE WRITTEN NOTICE IT PREVIOUSLY GAVE THE
19 QUALIFIED APPLICANT GRANTING THE RESERVATION OF A TAX CREDIT. IF
20 THE OFFICE SO RESCINDS AN ISSUANCE OF THE WRITTEN NOTICE, THE
21 QUALIFIED APPLICANT MAY SUBMIT A NEW APPLICATION, PROJECT PLAN,
22 AND ESTIMATE OF ELIGIBLE EXPENDITURES FOR WHICH THE OFFICE MAY
23 CHARGE A NEW APPLICATION FEE IN ACCORDANCE WITH SUBSECTION (5)
24 OF THIS SECTION, AND THE TOTAL AMOUNT OF TAX CREDITS MADE
25 AVAILABLE FOR RESERVATION IN THE CALENDAR YEAR DURING WHICH THE
26 OFFICE RESCINDS THE ISSUANCE OF WRITTEN NOTICE MUST INCREASE BY
27 THE AMOUNT OF THE TAX CREDIT RESERVED IN THE WRITTEN NOTICE.

1 (b) AFTER A QUALIFIED APPLICANT COMPLETES A PROJECT, THE
2 QUALIFIED APPLICANT SHALL NOTIFY THE OFFICE THAT THE PROJECT HAS
3 BEEN PLACED IN SERVICE AND SHALL CERTIFY THE ELIGIBLE
4 EXPENDITURES, AFTER WHICH THE OFFICE SHALL MAKE A FINAL
5 DETERMINATION WHETHER THE PROJECT IS AN ELIGIBLE PROJECT AS
6 REQUIRED IN SUBSECTION (4)(b)(V) OF THIS SECTION. THE APPLICANT
7 SHALL INCLUDE A REVIEW OF THE CERTIFICATION BY A LICENSED
8 CERTIFIED PUBLIC ACCOUNTANT THAT IS NOT AFFILIATED WITH THE
9 QUALIFIED APPLICANT THAT ALIGNS WITH OFFICE POLICIES FOR
10 CERTIFICATION OF ELIGIBLE EXPENDITURES. THE APPLICANT SHALL ALSO
11 CERTIFY AND PROVIDE DOCUMENTS DEMONSTRATING THAT THE
12 APPLICANT SATISFIED ANY ADDITIONAL REQUIREMENTS IMPOSED BY THE
13 OFFICE PURSUANT TO SUBSECTION (6) OF THIS SECTION. WITHIN NINETY
14 DAYS AFTER RECEIPT OF SUCH DOCUMENTATION FROM THE QUALIFIED
15 APPLICANT, THE OFFICE SHALL REVIEW THE QUALIFIED APPLICANT'S
16 DOCUMENTATION OF CERTIFIED ELIGIBLE EXPENDITURES, DETERMINE
17 WHETHER THE DOCUMENTATION SATISFIES THE PROJECT PLAN AND OTHER
18 REQUIREMENTS, AND, IF THE OFFICE DETERMINES THAT THE
19 DOCUMENTATION SATISFIES THE PROJECT PLAN AND OTHER
20 REQUIREMENTS, THE OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE IN
21 THE AMOUNT SPECIFIED IN THE TAX CREDIT RESERVATION ISSUED TO THE
22 QUALIFIED APPLICANT PURSUANT TO SUBSECTION (6) OF THIS SECTION;
23 EXCEPT THAT A CREDIT CERTIFICATE MAY NOT BE ISSUED FOR ANY INCOME
24 TAX YEAR COMMENCING BEFORE JANUARY 1, 2026.

25 (c) IF THERE ARE ANY UNRESERVED AMOUNTS OF TAX CREDITS
26 AVAILABLE UNDER SUBSECTION (6) OF THIS SECTION, AND IF THE AMOUNT
27 OF CERTIFIED ELIGIBLE EXPENDITURES INCURRED BY THE QUALIFIED

1 APPLICANT WOULD HAVE RESULTED IN THE QUALIFIED APPLICANT BEING
2 ISSUED A TAX CREDIT CERTIFICATE THAT EXCEEDS THE AMOUNT OF THE
3 TAX CREDIT RESERVATION ISSUED TO THE QUALIFIED APPLICANT, THE
4 QUALIFIED APPLICANT MAY APPLY TO THE OFFICE FOR THE ISSUANCE OF AN
5 ADDITIONAL TAX CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO THE
6 DIFFERENCE BETWEEN THE TAX CREDIT RESERVATION AND WHAT WOULD
7 HAVE BEEN ISSUED AS A RESULT OF THE CERTIFIED ELIGIBLE
8 EXPENDITURES BY SUBMITTING AN APPLICATION IN A FORM AND MANNER
9 DETERMINED BY THE OFFICE; EXCEPT THAT THE AGGREGATE OF THE TWO
10 TAX CREDIT CERTIFICATES FOR THE ELIGIBLE PROJECT MAY NOT EXCEED
11 THREE MILLION DOLLARS. THE OFFICE SHALL REVIEW THE APPLICATION AS
12 SPECIFIED IN SUBSECTION (4) OF THIS SECTION AND, IF APPROVED, SHALL
13 ISSUE A SEPARATE TAX CREDIT CERTIFICATE AWARDING THE QUALIFIED
14 APPLICANT THE ADDITIONAL CREDIT.

15 (8) **Filing tax credit certificate with income tax return.** (a) IN
16 ORDER TO CLAIM THE CREDIT AUTHORIZED BY THIS SECTION, A QUALIFIED
17 APPLICANT SHALL FILE THE TAX CREDIT CERTIFICATE ISSUED BY THE
18 OFFICE PURSUANT TO SUBSECTION (7) OF THIS SECTION WITH THE
19 QUALIFIED APPLICANT'S STATE INCOME TAX RETURN. IF THE QUALIFIED
20 APPLICANT IS EXEMPT FROM TAX PURSUANT TO SECTION 39-22-112 (1),
21 THE QUALIFIED APPLICANT SHALL FILE A RETURN PURSUANT TO SECTION
22 39-22-601 (7)(b). THE AMOUNT OF THE TAX CREDIT THAT A QUALIFIED
23 APPLICANT MAY CLAIM PURSUANT TO THIS SECTION IS THE AMOUNT
24 STATED ON THE TAX CREDIT CERTIFICATE.

25 (b) A TAX CREDIT CERTIFICATE ISSUED TO A PARTNERSHIP, A
26 LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP, OR MULTIPLE
27 OWNERS OF A PROPERTY MUST BE PASSED THROUGH TO THE PARTNERS,

1 MEMBERS, OR OWNERS, INCLUDING ANY NONPROFIT ENTITY THAT IS A
2 PARTNER, MEMBER, OR OWNER, RESPECTIVELY, ON A PRO RATA BASIS OR
3 PURSUANT TO AN EXECUTED AGREEMENT AMONG THE PARTNERS,
4 MEMBERS, OR OWNERS DOCUMENTING AN ALTERNATE DISTRIBUTION
5 METHOD.

6 (9) **Refundability.** THE ENTIRE TAX CREDIT TO BE ISSUED
7 PURSUANT TO THIS SECTION MAY BE CLAIMED BY THE QUALIFIED
8 APPLICANT IN THE TAXABLE YEAR IN WHICH THE ELIGIBLE PROJECT IS
9 PLACED IN SERVICE. IF THE AMOUNT OF THE CREDIT ALLOWED PURSUANT
10 TO THIS SECTION EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE
11 DUE ON THE INCOME OF THE QUALIFIED APPLICANT IN THE INCOME TAX
12 YEAR FOR WHICH THE CREDIT IS BEING CLAIMED, OR THE QUALIFIED
13 APPLICANT IS A PERSON WHO IS EXEMPT FROM TAXATION PURSUANT TO
14 SECTION 39-22-112 (1), NINETY PERCENT OF THE AMOUNT OF THE CREDIT
15 NOT USED AS AN OFFSET AGAINST INCOME TAXES IN THE INCOME TAX YEAR
16 IS REFUNDED TO THE QUALIFIED APPLICANT. THE REMAINDER OF THE
17 CREDIT IS NOT CARRIED FORWARD AND MAY NOT BE USED BY THE
18 TAXPAYER.

19 (10) **Compliance monitoring and recapture.** (a) EXCEPT AS
20 PROVIDED IN SUBSECTION (10)(b) OF THIS SECTION, IF, AS OF THE LAST
21 DAY OF ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, THE
22 BUILDING, STRUCTURE, OR FACILITY THAT IS THE SUBJECT OF AN ELIGIBLE
23 PROJECT IS NOT BEING USED AS AN ELIGIBLE PROJECT, THE OFFICE SHALL
24 NOTIFY THE QUALIFIED APPLICANT AND THE DEPARTMENT THAT THE
25 CREDIT ALLOWED IN THIS SECTION IS DISALLOWED. THE QUALIFIED
26 APPLICANT SHALL ADD THE FULL AMOUNT OF THE CREDIT THAT WAS
27 ACTUALLY USED TO OFFSET THE QUALIFIED APPLICANT'S INCOME TAX OR

1 REFUNDED TO THE QUALIFIED APPLICANT TO ITS RETURN AS A
2 RECAPTURED CREDIT FOR THE TAXABLE YEAR IN WHICH THE CREDIT IS
3 DISALLOWED PURSUANT TO THIS SUBSECTION (10).

4 (b) THE POTENTIAL INCREASE IN TAX REQUIRED PURSUANT TO
5 SUBSECTION (10)(a) OF THIS SECTION DOES NOT APPLY:

6 (I) IF A BUILDING, STRUCTURE, OR FACILITY IS NOT AN ELIGIBLE
7 PROJECT AS A RESULT OF A CASUALTY LOSS IF THE LOSS IS RESTORED BY
8 RECONSTRUCTION OR REPLACEMENT WITHIN A REASONABLE PERIOD
9 ESTABLISHED BY THE OFFICE; OR

10 (II) SOLELY BY REASON OF THE DISPOSITION OF A BUILDING,
11 STRUCTURE, OR FACILITY, OR AN INTEREST THEREIN, IF IT IS REASONABLY
12 EXPECTED THAT THE BUILDING, STRUCTURE, OR FACILITY WILL CONTINUE
13 TO BE OPERATED AS AN ELIGIBLE PROJECT FOR THE REMAINDER OF THE
14 COMPLIANCE PERIOD.

15 (c) (I) THE OFFICE SHALL ESTABLISH REPORTING REQUIREMENTS
16 TO MONITOR COMPLIANCE WITH THIS SUBSECTION (10), INCLUDING
17 REQUIREMENTS REGARDING THE REPORTING OF A DISPOSITION OF A
18 BUILDING, STRUCTURE, OR FACILITY BY THE QUALIFIED APPLICANT AND
19 THE REPORTING REQUIRED FOR SUCH A BUILDING, STRUCTURE, OR
20 FACILITY FOR THE REMAINDER OF THE COMPLIANCE PERIOD.

21 (II) IF A DISPUTE ARISES ABOUT WHETHER A BUILDING,
22 STRUCTURE, OR FACILITY IS AN ELIGIBLE PROJECT, THE OFFICE SHALL
23 ADJUDICATE THE DISPUTE AND NOTIFY THE DEPARTMENT OF THE
24 RESOLUTION.

25 (III) NOTWITHSTANDING SECTION 39-21-107 (2), IF A BUILDING,
26 STRUCTURE, OR FACILITY, OR AN INTEREST THEREIN, IS DISPOSED OF
27 DURING ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, AND

1 THEREAFTER THE BUILDING, STRUCTURE, OR FACILITY IS NOT AN ELIGIBLE
2 PROJECT:

3 (A) THE QUALIFIED APPLICANT SHALL ADD THE FULL AMOUNT OF
4 THE CREDIT TO ITS RETURN AS A RECAPTURED CREDIT FOR THE TAXABLE
5 YEAR IN WHICH THE CREDIT IS DISALLOWED PURSUANT TO THIS
6 SUBSECTION (10) NOTWITHSTANDING THE DISPOSITION OF THE QUALIFIED
7 RESIDENTIAL STRUCTURE;

8 (B) THE STATUTORY PERIOD FOR THE ASSESSMENT OF ANY
9 DEFICIENCY WITH RESPECT TO THE DISALLOWED CREDIT MUST NOT EXPIRE
10 BEFORE THE EXPIRATION OF THREE YEARS FROM THE DATE THE OFFICE IS
11 NOTIFIED, IN SUCH A MANNER AS THE OFFICE DETERMINES, THAT THE
12 STRUCTURE IS NOT A QUALIFIED RESIDENTIAL STRUCTURE; AND

13 (C) THE DEPARTMENT SHALL ASSESS ANY DEFICIENCY BEFORE THE
14 EXPIRATION OF SUCH THREE-YEAR PERIOD TOGETHER WITH ANY
15 APPLICABLE INTEREST AND PENALTY IMPOSED PURSUANT TO THIS ARTICLE
16 22.

17 (d) AS USED IN THIS SUBSECTION (10), UNLESS THE CONTEXT
18 OTHERWISE REQUIRES, "COMPLIANCE PERIOD" MEANS THE PERIOD OF
19 FIFTEEN YEARS FOLLOWING THE TAXABLE YEAR IN WHICH THE QUALIFIED
20 APPLICANT PLACED THE ELIGIBLE PROJECT IN SERVICE.

21 (11) **Reporting.** (a) NO LATER THAN DECEMBER 31, 2027, AND,
22 NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), NO
23 LATER THAN DECEMBER 31 OF EACH YEAR THEREAFTER THROUGH 2033,
24 THE OFFICE SHALL PROVIDE A WRITTEN REPORT TO THE GENERAL
25 ASSEMBLY AND SHALL FURTHER MAKE THE REPORT AVAILABLE TO THE
26 PUBLIC. IN CONNECTION WITH TAX CREDITS ISSUED PURSUANT TO THIS
27 SECTION, THE REPORT MUST INCLUDE:

1 (I) THE NUMBER OF ELIGIBLE PROJECTS PLACED IN SERVICE;

2 (II) A DESCRIPTION OF THE USE OR USES OF EACH ELIGIBLE
3 PROJECT AND A STATEWIDE SUMMARY OF THE NUMBER OF ELIGIBLE
4 PROJECTS FOR EACH USE;

5 (III) FOR ELIGIBLE PROJECTS THAT CREATE AFFORDABLE HOUSING
6 OR LIVE-WORK SPACES FOR CREATIVE INDUSTRY WORKERS, THE NUMBER
7 OF AFFORDABLE HOUSING OR LIVE-WORK UNITS PLANNED OR CREATED;

8 (IV) THE OCCUPANCY RATE OF CREATED AFFORDABLE HOUSING
9 AND LIVE-WORK UNITS;

10 (V) THE COUNTIES IN WHICH QUALIFIED COMMERCIAL STRUCTURES
11 WERE CONVERTED TO QUALIFIED COMMERCIAL RESIDENTIAL STRUCTURES;
12 AND

13 (VI) THE AMOUNT OF ANY DISALLOWED TAX CREDIT RECAPTURED
14 PURSUANT TO SUBSECTION (10) OF THIS SECTION.

15 (b) THE OFFICE SHALL, IN A SUFFICIENTLY TIMELY MANNER TO
16 ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME
17 TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE DEPARTMENT WITH
18 AN ELECTRONIC REPORT OF EACH QUALIFIED APPLICANT TO WHICH THE
19 OFFICE ISSUES A TAX CREDIT CERTIFICATE FOR THE PRECEDING TAX YEAR
20 THAT INCLUDES THE FOLLOWING INFORMATION:

21 (I) THE QUALIFIED APPLICANT'S NAME;

22 (II) THE AMOUNT OF THE CREDIT; AND

23 (III) THE QUALIFIED APPLICANT'S SOCIAL SECURITY NUMBER OR
24 THE QUALIFIED APPLICANT'S COLORADO ACCOUNT NUMBER AND FEDERAL
25 EMPLOYER IDENTIFICATION NUMBER.

26 (12) **Policies and procedures.** (a) THE OFFICE MAY CREATE AND
27 MODIFY POLICIES, PROCEDURES, AND GUIDELINES AS NECESSARY TO

1 FURTHER IMPLEMENT THE TAX CREDITS TO BE CLAIMED FOR THE
2 COMPLETION OF ELIGIBLE PROJECTS PURSUANT TO THIS SECTION AND
3 SHALL SOLICIT ADVICE FROM THE DEPARTMENT IN CREATING AND
4 MODIFYING SUCH POLICIES, PROCEDURES, AND GUIDELINES.

5 (b) WITH RESPECT TO MAKING THE PRELIMINARY DETERMINATION
6 WHETHER A PROJECT PLAN IS A PLAN FOR AN ELIGIBLE PROJECT PURSUANT
7 TO SUBSECTION (4)(b)(III) OF THIS SECTION, THE OFFICE SHALL DEVELOP
8 STANDARDS THAT INCLUDE, BUT ARE NOT LIMITED TO:

9 (I) A DETAILED COST ESTIMATE FOR THE PROJECT PLAN;

10 (II) EVIDENCE OF SITE CONTROL OF THE SITE WHERE THE PROJECT
11 WILL OCCUR; AND

12 (III) THE FINANCING OR FUNDING THAT IS AVAILABLE FOR THE
13 PROJECT PLAN.

14 (13) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER
15 31, 2050.

16 **SECTION 3. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly; except
19 that, if a referendum petition is filed pursuant to section 1 (3) of article V
20 of the state constitution against this act or an item, section, or part of this
21 act within such period, then the act, item, section, or part will not take
22 effect unless approved by the people at the general election to be held in
23 November 2024 and, in such case, will take effect on the date of the
24 official declaration of the vote thereon by the governor.