DIGEST OF BILLS

2023 - First Extraordinary Session

SENATE AND HOUSE BILLS ENACTED
BY THE
SEVENTY-FOURTH GENERAL ASSEMBLY
OF THE
STATE OF COLORADO

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Includes 7 bills passed by
the General Assembly - November 20, 2023

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The first date appearing after each digest entry is the date on which the Act was approved by the Governor. The second date is the effective date of the Act.

Bills are in categorical order. This digest is intended to direct the user to the text of specific bills and does not purport to be exhaustive of the contents of the bills.

Compiled by the

Office of Legislative Legal Services

TABLE OF CONTENTS

PAGE

APPROPRIATIONS

H.B. 23B-1008 Department of the treasury - administration of 2023 property tax deferrals - appropriation. $87,910 is appropriated from the general fund to the department of the treasury for the 2023-24 state fiscal year to support the administration of property tax deferrals for the 2023 property tax year as part of the property tax deferral program.

APPROVED by Governor November 20, 2023 **EFFECTIVE** November 20, 2023

GENERAL ASSEMBLY

H.B. 23B-1003 Commission on property tax - membership - study - report - appropriation. The act creates the commission on property tax (commission) to study and report to the general assembly and the governor its recommendations for a permanent and sustainable property tax structure for the state. The commission consists of 19 members, including:

- 4 members of the general assembly;
- The property tax administrator;
- A mayor or elected city council person;
- A current or former county assessor;
- The executive director of the Special District Association of Colorado;
- A chief financial officer of a school district;
- A representative of a statewide organization with expertise in school funding policy or that represents Colorado educators;
- A representative of an organization that represents Colorado commercial or residential property owners;
- A fire chief;
- A representative of an organization with expertise in advocating for low-income individuals, seniors, individuals with fixed incomes, or residential tenants;
- The executive director of a statewide or regional business organization; and
- 5 county commissioners representing the front range, mountain, eastern, southern, and western regions of the state, respectively.

The act directs the commission to meet at least twice a month beginning the week of December 18, 2023, through the week of March 15, 2024; except that, only one meeting is required in December of 2023. The commission may meet more often at the discretion of the chair and may establish special purpose subcommittees with nonvoting members to evaluate and consider property tax issues as the commission deems necessary to fulfill its goals. The commission is required to contract with a neutral facilitator with experience in tax policy to guide the work of the commission and to assist in drafting the commission's report due to the general assembly and the governor no later than March 15, 2024.

The commission must identify, consider, and evaluate legislative options for a property tax structure that protects property owners from rising tax bills and is sustainable for local governments and public schools. For each option, the commission must consider the following factors:

- Local control;
- Impact to property owners and local taxing jurisdictions in different areas of the state;
- Impact to residential and nonresidential real property;
- Impact to school finance and the budget stabilization factor;
- Long-term impact to property owners and local taxing jurisdictions under different property value growth scenarios;
- Impact to housing affordability, including for residential tenants;

- Impacts to residential tenants, incentives for development, and the potential for lower property taxes for residences as a result of changing to a land value tax system;
- Impacts to the ability of counties to provide statutorily mandated and voter-approved services to Colorado residents; and
- Disproportionate impacts of the rising tax bills on people with lower incomes, especially people with fixed incomes, in providing fair and equitable property tax relief.

The commission's report must include recommendations, supported by 10 or more members, for both short-term and long-term legislative changes that will further the creation of a permanent and sustainable property tax structure for the state. The commission shall, as it deems appropriate, include in the report an evaluation of proposed initiatives concerning property tax for the 2024 general election that address the factors for consideration listed above. If such a proposed initiative is timely submitted to the directors of the legislative council and the office of legislative legal services after the commission has submitted its report, the commission shall reconvene to consider the effect of the proposed initiative if it were to be approved by the voters and, if deemed appropriate by the commission, supplement the report with additional information about the proposed initiative.

After submitting its report, including any supplement deemed appropriate by the commission, a majority of the members of the commission may vote to extend the work of the commission past March 15, 2024, or to terminate the work of the commission at any time. If the commission votes to extend its work, the commission shall report to the general assembly and the governor, in accordance with the same reporting requirements applicable to its March 15, 2024, report, no later than December 31, 2024, on which date the commission is repealed.

The act appropriates $80,271 to the legislative department to implement the act.

APPROVED by Governor November 28, 2023 **EFFECTIVE** November 28, 2023

GOVERNMENT - LOCAL

H.B. 23B-1001 Division of housing - housing development grant fund - emergency rental assistance grant program. The act creates the emergency rental assistance grant program (grant program) in the division of housing (division) within the department of local affairs (department) to provide grants to residential tenants who have an annual household income of 80% or less than the area median income and are at risk of eviction or displacement. The division administers the grant program and contracts with nonprofit organizations to award grants. Grants are paid from money in the housing development grant fund.

To receive a grant, a tenant must apply through the division's statewide application portal. Grant money may be expended only by a nonprofit organization that contracts with the division. Permissible uses of grant money include only the following:

- Paying rent in arrears, rent presently owed, and rent up to 2 months in advance on behalf of a grant recipient;
- Paying utility bills, late fees, court costs, reasonable attorney fees, and any other costs associated with preventing a tenant's eviction;
- Paying costs associated with relocation, including deposits and other move-in expenses, on behalf of a grant recipient;
- Paying for efforts to generate awareness of the grant program among tenants who are at risk of eviction or displacement;
- Paying for project delivery costs associated with application review as determined by the division;
- Paying for housing stability services, as defined within the implementation guidelines of the federal department of the treasury; and
- Paying costs of administering the grant program.

Contracted nonprofit organizations must report to the executive director of the department (executive director) regarding amounts and uses of grant money awarded. During the 2024 regular session of the general assembly, the executive director must report to the joint budget committee and the legislative committees with oversight of local government matters concerning the grant program.

Within 3 days after November 28, 2023, the state treasurer must transfer $15.1 million from the general fund and $14.9 million from the revenue loss restoration cash fund to the housing development grant fund for the purposes of the grant program. The division must use the money by June 30, 2024. Any unencumbered portion of the money on June 30, 2024, reverts to the general fund or to the revenue loss restoration cash fund, as applicable.

The grant program is repealed, effective June 30, 2025.

APPROVED by Governor November 28, 2023 **EFFECTIVE** November 28, 2023

GOVERNMENT - STATE

S.B. 23B-003 Identical TABOR refund of excess state revenues from all sources - refund of a portion of excess state revenues for the 2022-23 fiscal year. The act changes the refund mechanism for state revenues that exceed the state's fiscal year spending limit (TABOR refunds). Before passage of the act, 3 refund mechanisms for TABOR refunds applied for the 2022-23 state fiscal year:

- Reimbursement, paid to counties for allocation to local governments that levy property taxes, for the reduction in property taxes resulting from the property tax exemptions for qualifying seniors and veterans with a disability;
- An additional reimbursement that is paid to counties for allocation to local governmental entities that levy property taxes for the reduction in property taxes resulting from reductions in valuation for assessment; and
- A sales tax refund for individual taxpayers, the amount of which is either based on 6 tiers of income or, if there is insufficient revenue for the tiered approach, is an identical refund amount.

The act creates a new temporary refund mechanism that replaces the sales tax refund mechanism for the 2022-23 state fiscal year. Under this mechanism, each qualified individual is eligible to receive an identical refund payment from the remaining excess state revenues after refunds are made through the county reimbursement mechanisms (remaining excess state revenues). The amount of the refund is equal to the amount of remaining excess state revenues divided by the number of qualified individuals, and it is a refund from all sources of state fiscal year spending. A qualified individual filing a single return is entitled to one refund, and 2 qualified individuals filing a joint return are entitled to 2 refunds. The executive director of the department of revenue is required to administer this refund in the same manner as the identical sales tax refund. The refund is not to be reported to the department of revenue as a payment of a refund, credit, or offset of state income taxes in any information return required to be filed pursuant to federal law.

APPROVED by Governor November 20, 2023 **EFFECTIVE** November 20, 2023

HUMAN SERVICES - SOCIAL SERVICES

S.B. 23B-002 Public assistance - food benefits for students during summer months - appropriation. The act creates the summer electronic benefits transfer for children program (summer EBT) in the department of human services (state department). The purpose of summer EBT is to provide food benefits to students in low-income households for the summer months when students are not in school pursuant to federal law.

The state department is designated as the lead agency to administer summer EBT in Colorado, in cooperation with the federal government. The state department may enter into an agreement with the secretary of the United States department of agriculture food and nutrition service to accept federal program benefits for summer EBT and disburse those benefits to qualified households. To administer summer EBT, the state department shall:

- Establish eligibility criteria and distribute benefits consistent with federal law;
- Develop procedures to pursue claims for benefit recovery;
- Develop an outreach plan and conduct outreach to community-based organizations and households;
- Develop and provide resources, training, and technical assistance to local community-based organizations, specifically to local community-based organizations in rural areas, to conduct outreach and provide support and information to parents, legal guardians, and emancipated students seeking to access program benefits;
- Develop and provide resources and technical assistance, including providing contact information for local community-based organizations, to local education providers and school food authorities, specifically local education providers and school food authorities in rural areas; and
- Promulgate rules to manage household and administrative errors and any other rules necessary to comply with federal law.

The act designates the department of education as the partner agency for the administration of summer EBT. To administer summer EBT, the department of education shall:

- Develop an outreach plan and conduct outreach to local education providers and school food authorities participating in the national school lunch program (lunch program) or national school breakfast program (breakfast program); and
- Provide technical assistance to school food authorities, specifically school food authorities located in rural areas.

The state department and the department of education shall jointly:

- Develop protocols for the sharing of relevant data necessary for the administration of summer EBT and outreach to households with students who are eligible for summer EBT;
- Streamline data collection; and
- Develop and provide an opt-out process for parents, legal guardians, and emancipated students, to the extent allowable by federal law.

The act requires school food authorities that participate in the lunch program or breakfast program to provide the department of education with the minimum student-level data necessary to gather and maintain the eligibility information required by federal law. The department of education shall share the data with the state department to administer summer EBT. As required by federal or state law, all data must be treated as protected personally identifiable information.

The act appropriates $3,140,412 to the department of human services for use by the office of economic security and $169,870 to the department of education for school district operations to implement the act.

APPROVED by Governor November 28, 2023 **EFFECTIVE** November 28, 2023

TAXATION

S.B. 23B-001 Property tax - valuation changes - residential real property - property tax revenue reimbursement. **Valuation changes.** For the 2023 property tax year, section 1 of the act reduces the valuation for assessment (valuation) for multi-family residential real property and all other residential real property from the already temporarily reduced 2023 rate of 6.765% of the amount equal to the actual value minus the lesser of $15,000 or the amount that causes the valuation to be $1,000 to 6.7% of the amount equal to the actual value minus the lesser of $55,000 or the amount that causes the valuation to be $1,000.

Reimbursement of local governments. The state is currently required to reimburse (backfill) local governmental entities for property tax revenue lost as a result of reductions in valuation enacted in 2022. The act maintains this 2022 backfill mechanism for those property tax reductions. Section 2 provides an additional backfill mechanism to backfill local governmental entities for property tax revenue lost as a result of the additional reductions in valuation enacted in the act. Section 2 requires the state to backfill the following local governmental entities a total of $54,000,000 for the total amount of property tax revenue lost by those local governmental entities as a result of the reductions in valuation in the act in the same manner as the 2022 backfill mechanism, except that:

- Ambulance districts, fire districts, and health districts are reimbursed entirely;
- Local governmental entities for which the assessed value of property in the local governmental entity increased by 15% or more between the 2022 and 2023 property tax years are not reimbursed at all; and
- The executive director of the department of local affairs and the property tax administrator shall determine, in a manner that is equitable with the amounts that fire districts are reimbursed, the amount that local governmental entities that provide fire protection services are reimbursed.

Section 2 also modifies both backfill mechanisms by:

- Specifying that the amount of revenue lost for a property tax year is based on a local governmental entity's mill levy for the 2022 property tax year, excluding specified mills;
- Clarifying how local governmental entities, which are defined in the act, are treated if their boundaries are in more than one county for purposes of the backfill; and
- Requiring the state treasurer to reduce a backfill to a local government entity as necessary to prevent the local governmental entity from exceeding its constitutional fiscal year spending limit.

Transfer to the state public school fund. Section 2 requires the state treasurer to transfer $146 million from the general fund to the state education fund to offset school district property tax revenue reductions.

Local government budget deadlines. Sections 4 to 6 modify provisions in the "Local Government Budget Law of Colorado" for the 2024 fiscal year to account for impacts on a local government's budget due to changes to the assessed valuation of property within the local government's boundaries.

Delinquent property tax payments. Section 14 waives the accrual of interest on delinquent property tax payments for the first payment of property taxes for the 2023 property tax year if a payment is made within 10 days after the mailing by the county treasurer of the property taxpayer's tax statement or notification of an electronic statement.

Property tax deadlines. Sections 3 and 9 to 13 delay deadlines as necessary due to the valuation changes for the 2023 property tax year.

APPROVED by Governor November 20, 2023 **EFFECTIVE** November 20, 2023

H.B. 23B-1002 One-time TABOR refund mechanism - 2023 earned income tax credit - appropriation. The act creates a one-time TABOR refund mechanism for excess state revenues for the 2022-23 state fiscal year that are required to be refunded in the 2023-24 state fiscal year. The TABOR refund mechanism allows for an increase in the earned income tax credit that a resident individual, including a resident individual who does not have a social security number valid for employment, may claim on the resident individual's state income tax return from 25% to 50% of the federal credit claimed on the resident individual's federal income tax return or the federal credit that the resident individual would have been allowed but for the fact that the resident individual does not have a social security number that is valid for employment.

For the 2023-24 state fiscal year, $51,483 is appropriated from the general fund to the department of revenue and $516 of that amount is reappropriated to the department of personnel for implementation of the act.

APPROVED by Governor November 20, 2023 **EFFECTIVE** November 20, 2023

SUBJECT INDEX