COLORADO COUNTIES, INC.
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Tax & Finance Steering Committee
Thursday, February 23, 2023
Agenda updated 02/21/2023

Welcome/Introductions
Chair: Commissioner Dick Elsner, Park County
Vice Chair: Commissioner Bob Campbell, Teller County
CCI Staff: Gini Pingenot (gpingenot@ccionline.org | M: 720-255-8941)

Legislation for Discussion

<table>
<tr><th colspan="4">HB23-1017, Electronic Sales and Use Tax Simplification</th></tr>
<tr><td>H-Spon</td><td>Rep. R. Bockenfeld & Rep. C. Kipp</td><td>S-Spon</td><td>Sen. J. Bridges & Sen. K. Van Winkle</td></tr>
<tr><td>Summary</td><td colspan="3">As part of an effort to simplify the sales and use tax system, the department of revenue (department) created the electronic sales and use tax simplification system (SUTS), which is a one-stop portal designed to facilitate the collection and remittance of sales and use tax. As soon as possible, but no later than January 1, 2025, the bill requires the department to modify SUTS to: Notify a local taxing jurisdiction when there has been a change in an account's attributes or when an account has been closed; Populate a local account number on all returns and summary reports, if the retailer filing the return has a number and provides the number in SUTS; Ensure that the missing license tool is working properly; Facilitate the automation of the filing process; Develop a simplified spreadsheet filing system or a filing option that does not use a spreadsheet; Provide taxpayers with a bulk testing option for address files; Create a simplified process for filing a zero return; and Include additional use taxes, additional information about deductions, filtering options, and certain tabs. The bill permits the department to modify SUTS to: Require retailers to register with a local taxing jurisdiction in which taxes are due before using SUTS; and Prohibit a retailer from filing a return in SUTS unless the retailer has the correct local number on the account. With the exception of charges for payments by credit cards, the bill prohibits the department from imposing a convenience fee or any other type of charge for a payment through SUTS and from passing those charges on to local taxing jurisdictions. The bill also requires the department to: Create a campaign to promote SUTS for the purpose of increasing the awareness, participation, and compliance by retailers and local taxing jurisdictions; and Solicit and consider feedback from interested stakeholders about enhancements to SUTS that lead to greater local taxing jurisdiction participation and greater compliance by retailers</td></tr>
<tr><td>Status</td><td colspan="3">House Committee on Finance Refer Unamended to Appropriations</td></tr>
<tr><td>Position</td><td colspan="3">Support</td></tr>
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HB23-1054, Property Valuation			
H-Spon	Rep. L. Frizell & Rep. R. Pugliese	**S-Spon**	Sen. B. Pelton
Summary	Most real property is reassessed every odd-numbered year. The bill establishes a one-time exception by making the reassessment cycle beginning on January 1, 2021, a 4-year cycle so that the next reassessment cycle will begin in 2025 instead of 2023. Under current law, for the 2023 property tax year, the actual value used for purposes of valuation for assessment is reduced for commercial real property by $30,000 and for residential real property by $15,000. The bill eliminates these reductions. The bill also sets the assessment rates for nonresidential real property and multi-family residential real property for the 2024 property tax year, so that they are the same rates as for the 2023 property tax year. Lastly, the bill ensures that the actual value of property used for purposes of valuation for assessment does not increase by more than 5% between 2022 and 2025, for property that does not have an unusual condition which results in an increase or decrease in actual value. CCI has created a chart explaining how these changes would work given existing law. Click here to access that chart.		
Status	Introduced In House - Assigned to Finance		
Position	Monitor		

HB23-1091, Continuation of Child Care Contribution Tax Credit			
H-Spon	Rep. C. Kipp & Rep. R. Pugliese	**S-Spon**	Sen. J. Marchman & Sen. J. Rich
Summary	A taxpayer who makes a monetary contribution to promote child care in the state is allowed an income tax credit that is equal to 50% of the total value of the contribution. This exemption is currently available for income tax years that commence prior to January 1, 2025. The bill extends the credit for 3 years and increases the types of contributions that qualify for the tax credit to include in-kind donations of real property, which include the value of leasing real property below market value, to promote child care. The bill adds a statutory legislative declaration to comply with an existing statutory requirement that any bill that extends a tax expenditure include a statutory legislative declaration. The bill also requires the state auditor to prepare the tax expenditure evaluation report for the credit that is periodically required by current law in the income tax year commencing January 1, 2026.		
Status	House Committee on Finance Refer Amended to Appropriations		
Position	Pending		

HB23-1113, County Impact Notes By Legislative Council			
H-Spon	Rep. L. Frizell & Rep. E. Hamrick	**S-Spon**	
Summary	The bill creates a new county impact note that analyzes the potential impact of a pending bill on a county or a city and county. The legislative council staff will draft county impact notes for up to 20 legislative measures per session, unless more are allowed by the director of research of the legislative council. A county, a city and county, a statewide organization or organizations representing counties or cities and counties, and the department of local affairs are required to cooperate with and provide information for the legislative council staff in preparing county impact notes.		
Status	Postpone Indefinitely		
Position	Amend		

HB23-1184, Low-income Housing Property Tax Exemptions				
H-Spon		Rep. L. Frizell & Rep. W. Lindstedt	**S-Spon**	Sen. D. Roberts
Summary	**Section 1** of the bill clarifies and expands the current property tax exemption for property acquired by nonprofit housing providers for low-income housing. The bill clarifies that property may qualify for the property tax exemption, through construction on the property, until the property is sold or transferred. The bill expands the definition of "low-income" applicants to include individuals or families who are at or below 100% of the area median income, rather than 80% of the area median income.**Section 2** deems certain property held by community land trusts and nonprofit affordable homeownership developers to be used for a strictly charitable purpose, and to consequently be exempt from property taxation in accordance with the state constitution. To qualify for the exemption, the property must be split into a separate taxable parcel from the improvements on the property and leased to the owner of the improvements as an affordable homeownership property.			
Status	Introduced in House – Assigned to Transportation, Housing, & Local Government			
Position	Pending			

SB23-035, Middle-income Housing Authority Act				
H-Spon		Rep. Leslie Herod	**S-Spon**	Sen. Jeff Bridges & Sen. Dominick Moren0
Summary	Under current law, the middle-income housing authority (authority) has the power to make and enter into contracts or agreements with public or private entities to facilitate public-private partnerships. The bill clarifies this power of the authority to enter into public-private partnerships by specifying that: The affordable rental housing component of a public-private partnership is exempt from state and local taxation; A public-private partnership may provide for the transfer of the interest in an affordable rental housing project to an entity other than the authority; The authority may issue bonds to finance the affordable rental housing component in a public-private partnership; and Bonds issued by the authority may be payable from the revenue and assets of the affordable rental housing component of a public-private partnership or solely from the revenue or assets of the authority as current law requires. Additionally, the bill expands the board of directors of the authority from 14 to 16 by adding 2 nonvoting members. The senate majority leader and the house majority leader will each appoint a member of the general assembly from their respective chambers to serve as the 2 new nonvoting members, unless the senate majority leader and the house majority leader are from the same political party in which case the house minority leader will appoint the member to the board of directors from the house.			
Status	Senate Committee on Appropriations Refer Unamended to Senate Committee of the Whole			
Position	Support			

SB23-055, Car Sharing Program Sales Use and Ownership Tax			
H-Spon		**S-Spon**	Sen. Bob Gardner
Summary	The bill addresses the payment of sales and use and specific ownership taxes owed on cars registered with peer-to-peer car sharing programs (car sharing program), which are programs or applications that connect third-party car owners (shared car owner) with third-party drivers for the purpose of renting a motor vehicle (shared car). A car sharing program is required to verify that the shared car owner has: Either paid the state and local sales and use taxes due on the sale and purchase of the shared car or acquired the shared car tax free on the condition that the shared car owner agrees to collect sales and use tax on each rental of the shared car; and Either paid the specific ownership tax or elected to pay specific ownership tax based on each rental of the shared car. If the shared car owner has elected to pay specific ownership tax on each rental of the shared car, the car sharing program collects and remits the taxes on behalf of the shared car owner. If the shared car owner has received permission to collect and remit sales and use tax on each rental of the shared car, the car sharing program collects and remits the state tax and any state-administered local taxes on behalf of the shared car owner. Counties and municipalities are authorized to enforce the collection of any tax or fee imposed on the business of renting shared cars by requiring the car sharing program to collect the tax or fees for the rental of shared cars registered with the car sharing program.		
Status	Postpone Indefinitely		
Position	Amend		

SB23-057, County Treasurer No Longer Ex Officio District Treasurer			
H-Spon	Rep. R. Taggart	**S-Spon**	Sen. J. Rich
Summary	Under current law which passed in 1905, irrigation and drainage districts pay a fee ranging between $25 to $100 per year to a county treasurer for financial services. As amended, the bill removes this provision and requires any drainage district utilizing the services of a county treasurer to pay .0025% of the total money received by the county treasurer for assessments levied by the drainage district beginning January 1, 2026. On average, county treasurers are receiving about $160 collectively from irrigation and drainage districts within the county. The bill increases the amount a county treasurer will receive to provide financial services. A district that performs its financial services internally, without the assistance from the county treasurer, will not incur these increased costs; rather, the district will take on the workload performed formerly by the county.		
Status	Senate Committee on Local Government & Housing Refer Amended – Consent to Senate Committee of the Whole		
Position	Amend		

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<tr><th colspan="4">SB23-108, Allowing Temporary Reductions in Property Tax Due</th></tr>
<tr><td>H-Spon</td><td>Rep. L. Frizell &
Rep. R. Pugliese</td><td>S-Spon</td><td>Sen. M. Baisley</td></tr>
<tr><td>Summary</td><td colspan="3">The bill allows a local government to provide temporary property tax relief through temporary property tax credits or mill levy reductions and later eliminate the credits or restore the mill levy. The bill clarifies that a local government may temporarily reduce property taxes due by providing for tax credits or reducing the mill levy and later eliminate the tax credits or restore the mill levy. SB 108 was amended in the Senate State, Veterans and Military Affairs Committee to exclude a school district from lowering its total program mill levy below the minimum amount set in state statute.</td></tr>
<tr><td>Status</td><td colspan="3">Senate Committee on State, Veterans, & Military Affairs Refer Amended to Finance</td></tr>
<tr><td>Position</td><td colspan="3">Pending</td></tr>
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