First Regular Session
Sixty-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. R03-1040.01 Nicole Hoffman **SJR03-044**

SENATE SPONSORSHIP

Grossman,

HOUSE SPONSORSHIP

(None),

Senate Committees	**House Committees**
Finance	

SENATE JOINT RESOLUTION 03-044

CONCERNING THE CREATION OF AN INTERIM COMMITTEE TO REVIEW THE STATE INCOME TAX CREDITS THAT ARE ALLOWED TO CERTAIN TAXPAYERS WHO OWN BUSINESSES IN AN ENTERPRISE ZONE.

WHEREAS, The "Urban and Rural Enterprise Zone Act of 1986" established a program for the designation of state enterprise zones to provide incentives for private enterprises to expand and for new businesses to locate in economically distressed areas of the state; and

WHEREAS, The Economic Development Commission in the Governor's Office of Economic Development has designated 16 local enterprise zones in Colorado, and a business in a zone may qualify for 10 different enterprise zone tax credits; and

WHEREAS, The value of total enterprise zone income tax credits claimed for the 2001 income tax year was approximately $62 million; and

WHEREAS, The November 2002 report of the state auditor

concerning the enterprise zone performance audit states that "many of the zones' economic development objectives could not be evaluated because they were unmeasurable, lacked sufficient data to determine their achievement, or were not yet scheduled to be achieved"; and

WHEREAS, The 2002 enterprise zone audit report also states that "non-zone areas continue to be more competitive than zone areas in relation to overall employment growth, employment growth by industry, and per capita income" and that "the gap between the zones and non-zones in these three areas has continued since the implementation of the program in 1986"; and

WHEREAS, Some taxpayers in enterprise zones may not be qualified to receive any of the enterprise zone income tax credits and as a result may not have the incentive to participate in programs that could foster economic development in Colorado's economically depressed areas; now, therefore,

Be It Resolved by the Senate of the Sixty-fourth General Assembly of the State of Colorado, the House of Representatives concurring herein:

(1) That there shall be a committee to meet in the interim after the 2003 Regular Session of the Sixty-fourth General Assembly to review and, where necessary, propose changes to economic development incentives in the form of enterprise zone state income tax benefits. The interim committee shall consider, but shall not be limited to the following:

(a) Modifying current enterprise zone income tax credits in order to make new credits available to taxpayers without causing an additional fiscal impact to the state;

(b) Eliminating the new business facility tax credit and replacing the credit with a new program that allows a new employee tax credit to any taxpayer who owns a new or existing business in an enterprise zone, rather than only to new businesses;

(c) Determining methods of more effectively evaluating the enterprise zones' economic development objectives; and

(d) Determining the types of enterprise zone tax credits that could be enacted by the General Assembly to make enterprise zones more competitive with non-zone areas in overall employment growth, employment growth by industry, and per capita income.

(2) That the interim committee shall consist of 4 members of the General Assembly and 4 members of the Economic Developer's Council of Colorado, a nonprofit association of economic development professionals in Colorado. The President of the Senate, the Minority Leader of the Senate, and the Speaker of the House of Representatives shall appoint the members of the committee no later than 30 days after passage of this Joint Resolution as follows:

(a) The President of the Senate shall appoint one senator who

shall be named chair, and the Senate Minority Leader shall appoint one senator; and

(b) The Speaker of the House of Representatives shall appoint 2 representatives, one of whom shall be named vice-chair, and neither of whom shall be from the same political party; and

(c) The 4 members of the Economic Developer's Council of Colorado shall be appointed by the President of the Senate in cooperation with the Senate Minority Leader and the Speaker of the House of Representatives, and such members shall be representative of the geographic diversity of the state.

(3) That the interim committee shall submit its written findings and recommendations, including, but not limited to, any recommended legislation, to the General Assembly no later than October 15, 2003. Legislation recommended by the interim committee shall be treated as legislation recommended by any other interim committee for purposes of any introduction deadlines or bill limitations imposed by the Joint Rules of the Senate and the House of Representatives.

(4) That the interim committee shall meet at least 2 times to fulfill its responsibility in this study.

(5) That the legislative and nonlegislative members of the interim committee shall serve without compensation.

(6) That the Legislative Council Staff and the Office of Legislative Legal Services shall be made available to assist the interim committee in carrying out its duties.

(7) That all expenditures incurred while conducting this study shall be approved by the chair of the Legislative Council and paid by vouchers and warrants drawn as provided by law from moneys allocated to the Legislative Council for legislative studies from appropriations made by the General Assembly.