

**First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 15-0161.01 Esther van Mourik x4215

**HOUSE BILL 15-1205**

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**HOUSE SPONSORSHIP**

**Becker K. and Saine,**

**SENATE SPONSORSHIP**

**Hill and Johnston,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING THE CREATION OF THE TAX EXPENDITURE EVALUATION**  
102                      **COMMITTEE OF THE SENATE AND HOUSE OF REPRESENTATIVES,**  
103                      **AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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**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://www.leg.state.co.us/bills summaries>.)*

The bill creates a joint committee of the senate and house of representatives, known as the tax expenditure evaluation committee. The committee is made up of 7 legislative members and 3 nonvoting, nonlegislative members from the office of state planning and budgeting, the department of revenue, and the Colorado office of economic

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*



1                   **2-3-1802. Tax expenditure evaluation committee established.**

2           (1) THERE IS HEREBY ESTABLISHED A JOINT COMMITTEE OF THE SENATE  
3           AND HOUSE OF REPRESENTATIVES KNOWN AS THE TAX EXPENDITURE  
4           EVALUATION COMMITTEE, CONSISTING OF:

5                   (a) THE FOLLOWING VOTING MEMBERS OF THE COMMITTEE:

6                   (I) TWO MEMBERS OF THE FINANCE COMMITTEE OF THE SENATE, OR  
7                   SUCH SUCCESSOR COMMITTEE, ONE OF WHOM IS APPOINTED BY THE  
8                   PRESIDENT OF THE SENATE AND ONE OF WHOM IS APPOINTED BY THE  
9                   MINORITY LEADER OF THE SENATE;

10                  (II) TWO MEMBERS OF THE FINANCE COMMITTEE OF THE HOUSE OF  
11                  REPRESENTATIVES, OR SUCH SUCCESSOR COMMITTEE, ONE OF WHOM IS  
12                  APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ONE  
13                  OF WHOM IS APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF  
14                  REPRESENTATIVES;

15                  (III) ONE MEMBER FROM THE JOINT APPROPRIATIONS COMMITTEE  
16                  OF THE SENATE AND THE HOUSE OF REPRESENTATIVES. THE SPEAKER OF  
17                  THE HOUSE OF REPRESENTATIVES SHALL APPOINT THE FIRST MEMBER FROM  
18                  THE JOINT APPROPRIATIONS COMMITTEE TO SERVE A TWO-YEAR TERM.  
19                  UPON THE EXPIRATION OF THAT MEMBER'S TERM, THE PRESIDENT OF THE  
20                  SENATE SHALL APPOINT THE NEXT MEMBER FROM THE JOINT  
21                  APPROPRIATIONS COMMITTEE TO SERVE A TWO-YEAR TERM. THE  
22                  APPOINTMENT OF A MEMBER FROM THE JOINT APPROPRIATIONS  
23                  COMMITTEE MUST CONTINUE TO ALTERNATE BETWEEN THE SPEAKER AND  
24                  THE PRESIDENT AS SPECIFIED IN THIS SUBPARAGRAPH (III).

25                  (IV) TWO MEMBERS FROM THE LEGISLATIVE AUDIT COMMITTEE  
26                  CREATED IN SECTION 2-3-101, ONE OF WHOM IS APPOINTED BY THE  
27                  MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND ONE OF WHOM

1 IS APPOINTED BY THE MINORITY LEADER OF THE SENATE.

2 (b) THE FOLLOWING NONVOTING MEMBERS OF THE COMMITTEE:

3 (I) A REPRESENTATIVE OF THE OFFICE OF STATE PLANNING AND  
4 BUDGETING CREATED IN SECTION 24-37-102, C.R.S., APPOINTED BY THE  
5 OFFICE'S DIRECTOR;

6 (II) A REPRESENTATIVE OF THE DEPARTMENT OF REVENUE,  
7 APPOINTED BY THE DEPARTMENT'S EXECUTIVE DIRECTOR; AND

8 (III) A REPRESENTATIVE OF THE COLORADO OFFICE OF ECONOMIC  
9 DEVELOPMENT CREATED IN SECTION 24-48.5-101, C.R.S., APPOINTED BY  
10 THE OFFICE'S DIRECTOR.

11 (2) THE TERMS OF THE VOTING AND NONVOTING MEMBERS OF THE  
12 COMMITTEE ARE TWO YEARS FROM THE DATE OF APPOINTMENT.

13 (3) THE COMMITTEE FUNCTIONS DURING THE LEGISLATIVE  
14 SESSIONS AND DURING THE INTERIMS BETWEEN SESSIONS.

15 (4) INITIAL APPOINTMENTS TO THE COMMITTEE MUST BE MADE NO  
16 LATER THAN JULY 1, 2017. TO EXPEDITE THE WORK OF THE COMMITTEE,  
17 SUBSEQUENT APPOINTEES MAY BE DESIGNATED AFTER THE GENERAL  
18 ELECTION AND PRIOR TO THE CONVENING OF THE GENERAL ASSEMBLY AT  
19 WHICH SUCH COMMITTEE IS TO SERVE, WHETHER SUCH APPOINTEES ARE  
20 MEMBERS OF THE THEN-CURRENT GENERAL ASSEMBLY OR  
21 MEMBERS-ELECT OF THE NEXT GENERAL ASSEMBLY, OR BOTH; AND SUCH  
22 APPOINTEES HAVE ALL THE POWERS AND DUTIES AND ARE ENTITLED TO  
23 THE SAME COMPENSATION AND EXPENSE ALLOWANCE AS MEMBERS DULY  
24 APPOINTED UNDER THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION.

25 (5) THE COMMITTEE SHALL ELECT A CHAIR AND A VICE-CHAIR, ONE  
26 FROM THE SENATE MEMBERSHIP OF THE COMMITTEE AND ONE FROM THE  
27 HOUSE MEMBERSHIP OF THE COMMITTEE. THE CHAIR SO ELECTED SHALL

1 SERVE AS CHAIR FOR THE FIRST REGULAR SESSION OF THE GENERAL  
2 ASSEMBLY AT WHICH THE COMMITTEE IS TO SERVE, AND AS VICE-CHAIR  
3 FOR THE SECOND REGULAR SESSION; THE VICE-CHAIR SO ELECTED SHALL  
4 SERVE AS CHAIR FOR THE SECOND REGULAR SESSION OF SAID GENERAL  
5 ASSEMBLY.

6 **2-3-1803. Organization, procedures, and meetings.** THE  
7 COMMITTEE MAY PRESCRIBE ITS OWN RULES OF PROCEDURE AND MAY  
8 MEET AS OFTEN AS NECESSARY TO PERFORM ITS FUNCTIONS.

9 **2-3-1804. Powers and duties of the tax expenditure evaluation**  
10 **committee.** (1) THE COMMITTEE IS RESPONSIBLE FOR REVIEWING  
11 EVALUATIONS OF THE STATE'S TAX EXPENDITURES MADE BY THE STATE  
12 AUDITOR PURSUANT TO THE REQUIREMENTS SPECIFIED IN SUBSECTION (2)  
13 OF THIS SECTION AND PURSUANT TO THE SCHEDULE SET FORTH IN  
14 SUBSECTION (3) OF THIS SECTION. THE STATE AUDITOR MAY PERFORM  
15 SUCH EVALUATIONS BY ENTERING INTO A CONTRACT OR CONTRACTS WITH  
16 AN EVALUATION CONTRACTOR. SUCH CONTRACT OR CONTRACTS SHALL BE  
17 BID BY EMPLOYING STANDARD BIDDING PRACTICES INCLUDING, BUT NOT  
18 LIMITED TO, THE USE OF REQUESTS FOR INFORMATION, REQUESTS FOR  
19 PROPOSALS, OR ANY OTHER STANDARD VENDOR SELECTION PRACTICES  
20 DETERMINED BY THE COMMITTEE TO BE BEST SUITED TO SELECTING AN  
21 APPROPRIATE EVALUATION CONTRACTOR.


22 (2) (a) THE TAX EXPENDITURE EVALUATION MUST INCLUDE THE  
23 FOLLOWING:

- 24 (I) THE PURPOSE, INTENT, OR GOAL OF THE TAX EXPENDITURE;
- 25 (II) THE INTENDED BENEFICIARIES OF THE TAX EXPENDITURE;
- 26 (III) WHETHER THE TAX EXPENDITURE IS ACCOMPLISHING ITS  
27 PURPOSE, INTENT, OR GOAL;

1 (IV) THE ECONOMIC IMPACT OF THE TAX EXPENDITURE, INCLUDING  
2 PAST AND ESTIMATED FUTURE IMPACTS;

3 (V) THE EXTENT TO WHICH THE DESIGN OF THE TAX EXPENDITURE  
4 IS EFFECTIVE TO ACCOMPLISH ITS PURPOSE, INTENT, OR GOAL AND  
5 WHETHER THE DESIGN OF THE TAX EXPENDITURE IS CONSISTENT WITH BEST  
6 PRACTICES;

7 (VI) WHETHER THERE ARE OTHER TAX EXPENDITURES, STATE  
8 SPENDING, OR OTHER GOVERNMENT PROGRAMS THAT HAVE THE SAME  
9 PURPOSE, INTENT, OR GOAL AS THE TAX EXPENDITURE, WHETHER THOSE  
10 ALL ARE APPROPRIATELY COORDINATED, AND, IF NOT, HOW COORDINATION  
11 COULD BE IMPROVED;

12   
13 (VII) IF THE EVALUATION OF A PARTICULAR TAX EXPENDITURE'S  
14 ECONOMIC IMPACT IS MADE DIFFICULT BECAUSE OF DATA CONSTRAINTS,  
15 ANY SUGGESTIONS FOR CHANGES IN ADMINISTRATION OR LAW THAT  
16 WOULD FACILITATE SUCH DATA COLLECTION; AND

17 (VIII) AN EXPLANATION OF THE PERFORMANCE MEASURES USED  
18 TO DETERMINE THE EXTENT TO WHICH THE TAX EXPENDITURE IS  
19 ACCOMPLISHING ITS PURPOSE, INTENT, OR GOAL. THE PERFORMANCE  
20 MEASURES MUST BE CLEAR AND RELEVANT TO THE SPECIFIC TAX  
21 EXPENDITURE BEING EVALUATED. THE STATE AUDITOR OR THE  
22 EVALUATION CONTRACTOR SHALL CONSIDER THE ORIGINAL LEGISLATIVE  
23 INTENT AS WELL AS SUBSEQUENT DEVELOPMENTS IN THE STATE'S  
24 ECONOMY, THE NATIONAL ECONOMY, AND ANY CHANGES IN NATIONAL,  
25 STATE, OR LOCAL FISCAL POLICIES AND CONDITIONS.

26 (b) TO THE EXTENT IT CAN BE DETERMINED BY THE AUDITOR OR  
27 THE EVALUATION CONTRACTOR, THE TAX EXPENDITURE EVALUATION

1 SHOULD ALSO INCLUDE THE FOLLOWING:

2 (I) THE EXTENT TO WHICH IT IS LIKELY THAT THE DESIRED  
3 BEHAVIOR MIGHT HAVE OCCURRED WITHOUT THE TAX EXPENDITURE;

4 (II) THE EXTENT TO WHICH THE TAX EXPENDITURE IS A  
5 COST-EFFECTIVE USE OF RESOURCES COMPARED TO OTHER OPTIONS FOR  
6 USING THE SAME RESOURCES OR ADDRESSING THE SAME PURPOSE, INTENT,  
7 OR GOAL; AND

8 (III) WHETHER THERE ARE ANY OPPORTUNITIES TO IMPROVE THE  
9 EFFECTIVENESS OF THE TAX EXPENDITURE IN MEETING ITS PURPOSE,  
10 INTENT, OR GOAL.

11 (3) (a) NOTWITHSTANDING THE REQUIREMENTS IN SECTION  
12 2-3-103 (2), THE STATE AUDITOR OR THE EVALUATION CONTRACTOR  
13 SHALL EVALUATE TAX EXPENDITURES AND SUBMIT THE RESULTS OF THE  
14 EVALUATIONS IN AN EVALUATION REPORT TO THE COMMITTEE AS  
15 FOLLOWS:

16 (I) NO LATER THAN SEPTEMBER 15, 2017, FOR ANY TAX  
17 EXPENDITURES IN LAW AS OF THE EFFECTIVE DATE OF THIS PARAGRAPH (a)  
18 AND ANY TAX EXPENDITURES ENACTED DURING THE FIRST REGULAR  
19 SESSION OF THE SEVENTIETH GENERAL ASSEMBLY;

20 (II) NO LATER THAN SEPTEMBER 15, 2022, AND EACH SEPTEMBER  
21 15 EVERY FIVE YEARS THEREAFTER, FOR A REEVALUATION OF THE TAX  
22 EXPENDITURES EVALUATED IN THE PREVIOUS EVALUATION REPORT AND  
23 AN EVALUATION OF ANY NEW TAX EXPENDITURES ENACTED BY THE  
24 GENERAL ASSEMBLY SINCE THE PREVIOUS EVALUATION REPORT.

25 (b) BY DECEMBER 15, 2017, AND BY DECEMBER 15 EVERY FIVE  
26 YEARS THEREAFTER, THE COMMITTEE SHALL MEET TO CONSIDER THE  
27 EVALUATION REPORT SUBMITTED BY THE STATE AUDITOR OR THE

1 EVALUATION CONTRACTOR. THE COMMITTEE MUST HOLD A PUBLIC  
2 HEARING, TAKING TESTIMONY FROM THE STATE AUDITOR OR THE  
3 EVALUATION CONTRACTOR AND ANY INTERESTED MEMBERS OF THE PUBLIC  
4 REGARDING THE RESULTS OF THE EVALUATION REPORT. THE COMMITTEE  
5 MAY RECOMMEND LEGISLATION FOR THE CONTINUATION, REPEAL, OR  
6 MODIFICATION OF THE EVALUATED TAX EXPENDITURES FOR THE  
7 FOLLOWING LEGISLATIVE SESSION. THE COMMITTEE MAY MEET AS  
8 NECESSARY DURING THE FIVE YEARS BETWEEN THE PRESENTATION OF THE  
9 EVALUATION REPORTS.

10 (4) THE COMMITTEE MAY MAKE RECOMMENDATIONS TO THE  
11 DEPARTMENT OF REVENUE, THE OFFICE OF STATE PLANNING AND  
12 BUDGETING, THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT, OR ANY  
13 OTHER APPROPRIATE STATE AGENCY, OR MAY RECOMMEND LEGISLATION,  
14 REGARDING IMPROVEMENTS OF TAX EXPENDITURE ADMINISTRATION OR  
15 REGARDING ANY DUTIES THE COMMITTEE HAS UNDER THIS PART 18.

16 (5) LEGISLATION RECOMMENDED BY THE COMMITTEE THAT  
17 ADDRESSES ANY OF THE COMMITTEE'S DUTIES PURSUANT TO THIS PART 18  
18 IS EXEMPT FROM THE FIVE-BILL LIMITATION SPECIFIED IN RULE 24 OF THE  
19 JOINT RULES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, OR  
20 SUCH SUCCESSOR RULE.

21 (6) THE DEPARTMENT OF REVENUE MUST PROVIDE ANY REQUESTED  
22 INFORMATION, ANALYSIS, OR DATA, IF AVAILABLE AND UNDER THE  
23 CONTROL OF THE DEPARTMENT, AS REQUESTED BY THE COMMITTEE, THE  
24 STATE AUDITOR, OR THE EVALUATION CONTRACTOR; EXCEPT THAT, IF THE  
25 REQUEST INCLUDES CONFIDENTIAL INFORMATION, SUCH INFORMATION  
26 MUST REMAIN CONFIDENTIAL IN THE HANDS OF THE COMMITTEE, THE  
27 STATE AUDITOR, OR THE EVALUATION CONTRACTOR, AND THE COMMITTEE,



1 STATE AUDITOR, OR EVALUATION CONTRACTOR IS SUBJECT TO THE SAME  
2 LIMITATIONS SPECIFIED IN SECTION 39-21-113, C.R.S. OTHER STATE  
3 AGENCIES MAY PROVIDE INFORMATION OR DATA AS REQUESTED BY THE  
4 COMMITTEE, THE STATE AUDITOR, OR THE EVALUATION CONTRACTOR.

5 **2-3-1805. Staff assistance.** THE STAFF OF THE STATE AUDITOR  
6 AND THE OFFICE OF LEGISLATIVE LEGAL SERVICES SHALL ASSIST THE TAX  
7 EXPENDITURE EVALUATION COMMITTEE IN CARRYING OUT ITS DUTIES.

8 **2-3-1806. Repeal of part.** THIS PART 18 IS REPEALED, EFFECTIVE  
9 JULY 1, 2028.

10 **SECTION 2. Appropriation.** For the 2015-16 state fiscal year,  
11 \$546,114 is appropriated to the legislative department for use by the  
12 office of the state auditor. This appropriation is from the general fund and  
13 is based on an assumption that the office will require an additional 5.6  
14 FTE. To implement this act, the office may use this appropriation to  
15 support the tax expenditure evaluation committee.

16 **SECTION 3. Safety clause.** The general assembly hereby finds,  
17 determines, and declares that this act is necessary for the immediate  
18 preservation of the public peace, health, and safety.