

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

May 7, 2026

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB26-1065 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend reengrossed bill, page 6, line 8, strike "that of the calculated" and
- 2 substitute "that, to determine the allocated increment, the calculated
- 3 increment based on in-person sales only should be inflated by twenty
- 4 percent in order to account for sales that are unable to be captured due to
- 5 technical limitations, but would otherwise be included in the allocated
- 6 increment; and".

- 7 Page 6, strike lines 9 through 11.

- 8 Page 8, line 2, after "OF" insert "STATE SALES TAX".

- 9 Page 8, lines 2 and 3, strike "AND DISTRIBUTION".

- 10 Page 8, strike line 6 and substitute "COMMISSION".

- 11 Page 8, line 12, strike "OFFICE OF" and substitute "COMMISSION PURSUANT
- 12 TO SECTION 24-46-404 (3)".

- 13 Page 8, strike lines 13 through 15.

- 14 Page 10, after line 26 insert:

- 15 (I) STREET TREES;
- 16 (m) PUBLIC PLAZAS AND PEDESTRIAN SPACES;"

- 17 Reletter succeeding paragraphs accordingly.

- 18 Page 12, line 18, strike "COLORADO ECONOMIC DEVELOPMENT".

- 1 Page 13 strike lines 1 and 2.
- 2 Reletter succeeding sub-subparagraphs accordingly.
- 3 Page 13, line 10, strike "COLORADO ECONOMIC DEVELOPMENT".
- 4 Page 16, line 23, strike "DETERMINE" and substitute "ESTIMATE".
- 5 Page 16, line 24, strike "DETERMINING" and substitute "ESTIMATING".
- 6 Page 16, line 25, strike "CONTRACTED THIRD PARTY" and substitute
7 "THIRD-PARTY ANALYST".
- 8 Page 16, line 27, strike "YEARS." and substitute "YEARS, IF AVAILABLE.".
- 9 Page 17, strike lines 1 and 2 and substitute "THIRD-PARTY ANALYST SHALL
10 DELIVER ITS ESTIMATE TO THE OFFICE OF ECONOMIC DEVELOPMENT WHO
11 SHALL PROVIDE THE ESTIMATE TO THE OFFICE OF THE STATE PLANNING
12 AND BUDGETING AND THE COMMISSION FOR REVIEW.
- 13 (b) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL
14 SUBMIT TO THE COMMISSION A REVIEW OF THE THIRD-PARTY ANALYST'S
15 ESTIMATE WITHIN THIRTY CALENDAR DAYS OF RECEIPT OF THE ESTIMATE
16 FROM THE OFFICE OF ECONOMIC DEVELOPMENT.
- 17 (c) THE COMMISSION SHALL TAKE INTO ACCOUNT THE ESTIMATE
18 PROVIDED BY THE THIRD-PARTY ANALYST AND THE REVIEW PROVIDED BY
19 THE OFFICE OF STATE PLANNING AND BUDGETING AND SHALL ESTABLISH
20 A BASELINE GROWTH RATE FOR USE BY THE LOCAL GOVERNMENT AND THE
21 THIRD-PARTY ANALYST IN THE COMMISSION'S APPLICATION ASSUMPTIONS
22 AND BY THE DEPARTMENT.".
- 23 Reletter succeeding paragraphs accordingly.
- 24 Page 17, line 8, strike "DETERMINATION" and substitute "ESTIMATION".
- 25 Page 17, lines 17 and 18, strike "A CONTRACTED THIRD PARTY PURSUANT
26 TO SUBSECTION (2)(a) OF THIS SECTION" and substitute "THE
27 COMMISSION".
- 28 Page 17, line 20, strike "THE TOTAL CUMULATIVE DOLLAR AMOUNT" and
29 substitute "THEIR ESTIMATE OF THE MAXIMUM ANNUAL AND TOTAL
30 CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX INCREMENT
31 REVENUE".

- 1 Page 18, line 16, after "APPLICATION" insert "AND PRIORITIZATION".
- 2 Page 18, line 17, after "SECTION" insert "AND SECTION 24-46-404
3 (3)(f)(II) RESPECTIVELY".
- 4 Page 18, line 18, strike "THE" and substitute "THESE".
- 5 Page 18, line 20, strike "DEVELOPMENT;" and substitute "DEVELOPMENT
6 INCLUDING THE PROJECTED REAL ESTATE DEVELOPMENT, GROWTH IN
7 COMMERCIAL ACTIVITY, TOURISM, INCREASES IN THE RESIDENTIAL
8 POPULATION, JOBS, OR ANY OTHER ECONOMIC IMPROVEMENTS THAT WILL
9 INCREASE STATE SALES TAX REVENUE THAT WILL BE CATALYZED,
10 INDUCED, SUPPORTED, OR FACILITATED BY THE PROPOSED PROJECT IN THE
11 PROPOSED TRANSIT AND INVESTMENT AREA;".
- 12 Page 18, line 22, after "AFTER THE" insert "PROPOSED".
- 13 Page 20, strike lines 1 and 2 and substitute:
- 14 "(II) THE MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE SALES
15 TAX INCREMENT REVENUE THAT CAN BE ALLOCATED TO THE FINANCING
16 ENTITY;".
- 17 Page 20, line 3, after "OF" insert "STATE SALES TAX INCREMENT".
- 18 Page 20, strike lines 5 through 7 and substitute:
- 19 "(IV) WHETHER THE STATE SALES TAX INCREMENT REVENUE THAT
20 EXCEEDS THE PROJECTED COSTS OF ELIGIBLE COSTS WILL BE SPENT ON
21 ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE TRANSIT
22 INVESTMENT PROJECT.".
- 23 Page 20, line 11, before "TOTAL" insert "ANNUAL AND" and strike
24 "AMOUNT" and substitute "AMOUNTS OF STATE SALES TAX INCREMENT
25 REVENUE".
- 26 Page 20, line 23 and 24, strike "DEVELOPMENT, IN COLLABORATION WITH
27 THE DEPARTMENT OF LOCAL AFFAIRS," and substitute "DEVELOPMENT".
- 28 Page 20, line 27, strike "SHALL" and substitute "MAY".
- 29 Page 21, strike lines 4 and 5 and substitute "MAY PAY THESE COSTS FROM
30 THE GENERAL FUND TO THE EXTENT THE GENERAL ASSEMBLY HAS

- 1 SPECIFICALLY APPROPRIATED DEDICATED FUNDING WHICH IS AVAILABLE
2 FOR THIS PURPOSE; EXCEPT THAT THE OFFICE SHALL NOT PAY THESE COSTS
3 FOR MORE THAN TWO APPLICANTS IN AN APPLICATION CYCLE. AS PART OF
4 CREATING THE REPORT, THE THIRD-PARTY ANALYST MUST:".
- 5 Page 21, line 6, strike "CALCULATE" and substitute "ESTIMATE" and strike
6 "ANTICIPATED".
- 7 Page 21, line 8, strike "AREA;" and substitute "AREA THAT THE FINANCING
8 ENTITY IS ELIGIBLE TO RECEIVE;".
- 9 Page 21, strike line 9 and substitute:
- 10 "(II) ESTIMATE THE MAXIMUM ANNUAL DOLLAR AMOUNT OF".
- 11 Page 21, line 10, after "REVENUE" insert "IN THE TRANSIT INVESTMENT
12 AREA".
- 13 Page 21, line 13, strike "THE PROVISION OF" and substitute "SECTION
14 24-46-404 (3)(f)(II);
- 15 (IV) TAKE INTO ACCOUNT PROJECTED ECONOMIC DEVELOPMENT
16 INCLUDING THE PROJECTED REAL ESTATE DEVELOPMENT, GROWTH IN
17 COMMERCIAL ACTIVITY, TOURISM, INCREASE IN THE RESIDENTIAL
18 POPULATION, JOBS OR ANY OTHER ECONOMIC IMPROVEMENTS THAT WILL
19 INCREASE STATE SALES TAX REVENUE THAT WILL BE CATALYZED,
20 INDUCED, SUPPORTED, OR FACILITATED BY THE PROPOSED PROJECT IN THE
21 PROPOSED TRANSIT AND INVESTMENT AREA INCLUDED IN THE
22 APPLICATION; AND
- 23 (V) PROVIDE OTHER RELEVANT INFORMATION REQUIRED BY THE
24 OFFICE OF ECONOMIC DEVELOPMENT OR THE COMMISSION.".
- 25 Page 21 strike lines 14 and 15.
- 26 Page 22, strike lines 10 through 13.
- 27 Reletter succeeding paragraphs accordingly.
- 28 Page 23, line 4, strike "APPLICATION FEES" and substitute "SUBMISSION".
- 29 Page 23, strike lines 5 and 6.
- 30 Page 23, line 17, strike "PAY:" and substitute "PAY OR PARTIALLY PAY:".

- 1 Page 23, line 19, strike "DETERMINE" and substitute "ESTIMATE".
- 2 Page 25, line 5, strike "ARE" and substitute "IS".
- 3 Page 25, strike line 6 and substitute "MET AND HAS BEEN PRIORITIZED IN
4 ACCORDANCE WITH SECTION 24-46-403 (3)(f)(II)".
- 5 Page 25, strike lines 16 through 18 and substitute:
- 6 "(D) THE BASELINE GROWTH RATE, PURSUANT TO SECTION
7 24-46-403 (2)(c);
8 (E) THE APPROVED FINANCING TERM;"
- 9 Reletter succeeding sub-subparagraphs accordingly.
- 10 Page 25, line 19, strike "DOLLAR AMOUNT" and substitute "MAXIMUM
11 DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE".
- 12 Page 25, line 21, strike "(3)(d)(II)" and substitute "(3)(j)(II)".
- 13 Page 25, line 22, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT
14 REVENUE".
- 15 Page 25, line 24, strike "(3)(d)(III)" and substitute "(3)(j)(I)".
- 16 Page 25, line 25, strike "ANNUAL DOLLAR AMOUNT" and substitute
17 "MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE SALES TAX INCREMENT
18 REVENUE".
- 19 Page 26, line 2, after "SHALL" insert "ATTEMPT TO" and after "THE" insert
20 "MAXIMUM".
- 21 Page 26, line 3, after "THE" insert "TOTAL".
- 22 Page 26, line 5, after "TO" insert "BE PAID TO".
- 23 Page 26, line 8, after "THE" insert "MAXIMUM".
- 24 Page 26, line 10, after "THE" insert "MAXIMUM".
- 25 Page 26, line 12, after "THE" insert "TOTAL".
- 26 Page 26, line 15, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT

- 1 REVENUE".
- 2 Page 26, line 18, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT
3 REVENUE".
- 4 Page 26, line 24, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT
5 REVENUE".
- 6 Page 27, line 3, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT
7 REVENUE".
- 8 Page 27, line 6, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT
9 REVENUE".
- 10 Page 27, line 12, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT
11 REVENUE".
- 12 Page 27, line 18, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT
13 REVENUE".
- 14 Page 27, line 21, after "AMOUNT" insert "OF STATE SALES TAX INCREMENT
15 REVENUE".
- 16 Page 27, line 26, strike "APPLICATION." and substitute "APPLICATION SUCH
17 THAT THE APPLICANT CAN SPEND IN TOTAL, ON ADDITIONAL AND
18 ESTIMATED ELIGIBLE COSTS, UP TO THE TOTAL CUMULATIVE DOLLAR
19 AMOUNT OF STATE SALES TAX INCREMENT REVENUE DETERMINED BY THE
20 THIRD-PARTY ANALYST."
- 21 Page 28, after line 8 insert:
- 22 "(II) IF THE COMMISSION DETERMINES MORE THAN THREE TRANSIT
23 INVESTMENT PROJECT APPLICATIONS IN A GIVEN CALENDAR YEAR MEET
24 EACH OF THE CRITERIA ESTABLISHED IN SECTION 24-46-403 (4), THE
25 COMMISSION SHALL PRIORITIZE THE THREE PROJECTS THAT THE
26 COMMISSION WILL APPROVE USING THE FOLLOWING CRITERIA:
- 27 (A) INCLUSION IN OR FIT WITH LOCAL, REGIONAL, OR STATE
28 TRANSPORTATION PLANS;
- 29 (B) STATEWIDE GEOGRAPHIC EQUITY;
- 30 (C) SCALE OF IMPACT; AND
- 31 (D) THE DEDICATION OF MATCHING LOCAL, SPECIAL DISTRICT, OR
32 OTHER NONSTATE PROVIDED FUNDING FOR THE PROJECT."

- 1 Renumber succeeding subparagraph accordingly.
- 2 Page 28, line 14, strike "YEAR." and substitute "YEAR, SUBJECT TO THE
3 PRIORITIZATION OF ALL APPLICATIONS RECEIVED IN THE NEXT YEAR AND
4 ALL APPLICATIONS BEING RECONSIDERED FROM THE PRIOR YEAR BEING
5 CONSIDERED IN A SINGLE POOL."
- 6 Page 28, line 18, strike "SET TO BE COLLECTED".
- 7 Page 28, line 20, strike "ENTITY;" and substitute "ENTITY FOR THE
8 DURATION OF THE FINANCING TERM UP TO THE MAXIMUM ANNUAL AND
9 TOTAL CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX INCREMENT
10 REVENUE THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT
11 PROJECT;"
- 12 Page 28, line 25, after "REVENUE" insert "UP TO THE MAXIMUM ANNUAL
13 AND TOTAL CUMULATIVE DOLLAR AMOUNTS THAT CAN BE DEDICATED TO
14 THE TRANSIT INVESTMENT PROJECT".
- 15 Page 29, line 9, before "THE" insert "FOR EACH YEAR OF THE FINANCING
16 TERM, THE AMOUNT OF STATE SALES TAX INCREMENT REVENUE
17 DEDICATED TO A TRANSIT INVESTMENT PROJECT MUST NOT EXCEED THE
18 MAXIMUM ANNUAL DOLLAR AMOUNT SPECIFIED BY THE COMMISSION
19 PURSUANT TO SUBSECTION (3) OF THIS SECTION."
- 20 Page 29, line 14, strike "ANNUAL AND CUMULATIVE" and substitute
21 "MAXIMUM ANNUAL AND TOTAL CUMULATIVE DOLLAR AMOUNTS OF".
- 22 Page 29, after line 19 insert:
- 23 "(b) (I) AFTER THE DEPARTMENT HAS REMITTED THE MAXIMUM
24 ANNUAL DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE
25 SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS
26 SECTION TO THE FINANCING ENTITY FOR A CALENDAR YEAR, THE
27 DEPARTMENT SHALL NOT REMIT ANY ADDITIONAL STATE SALES TAX
28 INCREMENT REVENUE FROM THE STATE TO THE FINANCING ENTITY UNTIL
29 THE FOLLOWING YEAR."
- 30 Page 29, line 20, strike "(b)" and substitute "(II)".
- 31 Page 29, line 26, strike "COMPLETED. THE" and insert "COMPLETED.
32 (III) AFTER THE FINANCING TERM SPECIFIED BY THE COMMISSION
33 PURSUANT TO SUBSECTION (3) OF THIS SECTION IS COMPLETED, THE

1 DEPARTMENT SHALL NOT REMIT ANY ADDITIONAL STATE SALES TAX
2 INCREMENT REVENUE FROM THE STATE TO THE FINANCING ENTITY, EVEN
3 IF THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX
4 INCREMENT REVENUE SPECIFIED BY THE COMMISSION PURSUANT TO
5 SUBSECTION (3) OF THIS SECTION HAS NOT BEEN REACHED.

6 (IV) THE".

7 Page 34, strike lines 26 and 27 and substitute "DEPARTMENT SHALL,
8 AFTER ANNUALLY RETAINING AN".

9 Page 35, line 14, strike "AND" and substitute "AS ADJUSTED FOR".

10 Page 35, line 15, strike "RATE" and substitute "RATE, IF APPLICABLE,".

11 Page 35, line 17, after "THE" insert "PORTION OF".

12 Page 35, strike lines 22 and 23 and substitute:

13 (c) THIRD, EXCESS STATE SALES TAX COLLECTIONS ABOVE THE
14 MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE SALES TAX INCREMENT
15 REVENUE IN ANY GIVEN YEAR AND ANY CUMULATIVE EXCESS STATE SALES
16 TAX COLLECTIONS ABOVE THE TOTAL CUMULATIVE STATE SALES TAX
17 INCREMENT REVENUE ARE PAID".

18 Page 36, line 3, strike "MAY" and substitute "SHALL".

19 Page 36, line 23, strike "STATE" and substitute "EXCEPT FOR THE AMOUNT
20 RETAINED BY THE DEPARTMENT PURSUANT TO SUBSECTION (1) OF THIS
21 SECTION, STATE".

22 Page 49, line 22, strike "AND".

23 Page 49, line 26, strike "24." and substitute "24; AND

24 (c) RETAIN ANNUALLY AN AMOUNT OF THE STATE SALES TAX
25 INCREMENT REVENUE ESTABLISHED BY THE DEPARTMENT AS NECESSARY
26 TO OFFSET THE DEPARTMENT'S ACTUAL DIRECT COSTS AND EXPENSES
27 INCURRED IN PERFORMING THE COLLECTION AND DISBURSEMENT
28 FUNCTIONS ESTABLISHED IN PART 4 OF ARTICLE 46 OF THIS TITLE 24.".

29 Page 49, line 27, strike "ALL" and substitute "EXCEPT FOR THE AMOUNT
30 RETAINED BY THE DEPARTMENT PURSUANT TO SECTION 24-46-406 (1),
31 ALL".

- 1 Page 51, line 25, strike "DEPARTMENT" and substitute "OFFICE".
- 2 Page 60, after line 24 insert:
- 3 "(13) "TRANSFEREE" MEANS A TAXPAYER SUBJECT TO THE TAXES
4 IMPOSED BY THIS ARTICLE 22 THAT ACQUIRES CREDITS FROM A
5 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO
6 SECTION 39-22-5703 (5).".
- 7 Page 61, line 14, strike "NO MORE THAN HALF OF".
- 8 Page 61, line 16, strike "YEAR," and substitute "YEAR SO LONG AS
9 UNALLOCATED CREDITS DO NOT EXCEED MORE THAN HALF OF THE ANNUAL
10 DOLLAR LIMITS SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION,".
- 11 Page 63, line 1 strike "AN INDIVIDUAL, PERSON, FIRM," and substitute "A
12 TRANSFEREE.".
- 13 Page 63, strike lines 2 and 3.
- 14 Page 63, line 21, strike "PURSUANT TO" and substitute "IF, AS OF THE LAST
15 DAY OF ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, THE
16 AMOUNT OF THE QUALIFIED BASIS OF THE GOVERNMENTAL OR
17 QUASI-GOVERNMENTAL ENTITY IS LESS THAN THE QUALIFIED BASIS OF THE
18 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY AS OF THE LAST DAY
19 OF THE PRIOR TAXABLE YEAR.".
- 20 Page 63, strike line 22.
- 21 Page 63, line 24, strike "SECTION" and substitute "SUBSECTION (5)(c)(I)
22 OF THIS SECTION, THE GOVERNMENT OR QUASI-GOVERNMENTAL ENTITY
23 SHALL NOTIFY THE DEPARTMENT OF THE IDENTITY OF THE TRANSFEREE TO
24 WHICH IT TRANSFERRED THE CREDIT AND".
- 25 Page 63, line 25, strike "39-22-5704,".
- 26 Page 63, line 26, after "THE" insert "SAME".
- 27 Page 64, line 1, after "TAXPAYER" insert "OF AN OWNER" and strike
28 "SECTION" and insert "SUBSECTION (4) OF THIS SECTION.".
- 29 Page 64, strike line 2.

- 1 Page 65, line 14, before "TAXPAYER" insert "QUALIFIED".
- 2 Page 65, line 16, before "TAXPAYER'S" insert "QUALIFIED".
- 3 Page 66, line 15, before "TAXPAYER" insert "QUALIFIED".
- 4 Page 66, line 17, before "TAXPAYER." insert "QUALIFIED".

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