A BILL FOR AN ACT

CONCERNING THE PROPERTY-RELATED EXPENSE ASSISTANCE GRANTS
FOR LOW-INCOME SENIORS AND INDIVIDUALS WITH DISABILITIES.

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://leg.colorado.gov.)

A low-income senior or individual with a disability is currently eligible for 2 types of annual state assistance grants administered by the department of revenue related to his or her property: A grant for their property taxes or rent paid, with the latter being deemed a tax-equivalent payment (property tax and rent assistance grant), and a grant for heat or
fuel expenses (heat assistance grant). Together these are commonly known as the "PTC" rebate.

The bill expands the property tax and rent assistance grant by repealing the requirement that rent must be paid to a landlord that pays property tax. For grants claimed for 2018, the bill also increases the:

- Maximum property tax and rent assistance grant from $700 to $753;
- Maximum heat assistance grant from $192 to $206; and
- Flat grant amount, which is the minimum grant amount, from $227 to $244 for the property tax and rent assistance grant and from $73 to $78 for the heat assistance grant, assuming that the actual expenses exceed these amounts.

All of these increases reflect inflationary growth since 2014, and all of these amounts will continue to be adjusted annually for inflation.

Under current law, the maximum eligible income amounts and the phase-out amount are also annually adjusted for inflation, albeit without being defined as such. The amounts specified for grants claimed for 2018 are the inflation-adjusted amounts, and they will continue to be adjusted for inflation in the future.

Obsolete provisions relating to grants claimed for past years are repealed and other provisions relating to grants prior to 2018 are repealed after they become obsolete in the future.

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Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 39-31-101, amend (2)(a.5), (2)(c), (2.3), (3) introductory portion, (3)(b) introductory portion, (4), and (5); repeal (2)(a) introductory portion, (2)(a)(III), (2)(b) introductory portion, and (2)(b)(III); and add (2)(d) as follows:

39-31-101. Real property tax - tax equivalent - assistance - eligibility - applicability - definitions - repeal. (2) A grant is the amount of the general property taxes actually paid on the residence or the amount of taxes actually paid on a mobile home, plus any tax-equivalent payments computed pursuant to subsection (4) of this section, with respect to the rent of a trailer space during the year for which the grant is claimed, the amount of the specific ownership tax actually paid on a trailer coach, or the amount of the tax-equivalent payments, computed
pursuant to subsection (4) of this section, actually made during the year
for which such grant is claimed, but in no event may it exceed:
(a) In the case of an individual:
(III) For grants claimed for years commencing on or after January
1, 2008, but before January 1, 2014, six hundred dollars reduced by ten
percent of the amount by which the individual's income exceeds six
thousand dollars in 2008, and, each year thereafter, the amount for the
prior year adjusted for inflation.
(a.5) (I) Except as set forth in subsection (2.3) of this section, for
grants claimed for years commencing on or after January 1, 2014, BUT
BEFORE JANUARY 1, 2018, in the case of an individual whose income is
less than or equal to twelve thousand seven hundred twenty dollars, seven
hundred dollars reduced by ten percent of the amount by which the
individual's income exceeds six thousand six hundred thirty-nine dollars
or two hundred twenty-seven dollars, whichever amount is greater.
(II) THIS SUBSECTION (2)(a.5) IS REPEALED, EFFECTIVE JULY 1,
2020.
(b) In the case of spouses:
(III) For grants claimed for years commencing on or after January
1, 2008, but before January 1, 2014, six hundred dollars reduced by ten
percent of their income over nine thousand seven hundred dollars in 2008;
and, each year thereafter, the amount for the prior year adjusted for
inflation:
(c) (I) Except as set forth in subsection (2.3) of this section, for
grants claimed for years commencing on or after January 1, 2014, BUT
BEFORE JANUARY 1, 2018, in the case of spouses whose income is less
than or equal to seventeen thousand one hundred forty-six dollars, seven
hundred dollars reduced by ten percent of their income over ten thousand seven hundred thirty-one dollars, or two hundred twenty-seven dollars, whichever amount is greater.

(II) THIS SUBSECTION (2)(c) IS REPEALED, EFFECTIVE JULY 1, 2020.

(d) FOR A GRANT CLAIMED FOR THE 2018 CALENDAR YEAR, EITHER

SEVEN HUNDRED FIFTY-THREE DOLLARS REDUCED BY TEN PERCENT OF THE CLAIMANT’S INCOME OVER THE PHASE-OUT AMOUNT OR THE FLAT GRANT AMOUNT, WHICHEVER AMOUNT IS GREATER. FOR A GRANT CLAIMED FOR YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, EITHER THE MAXIMUM GRANT AMOUNT ALLOWED UNDER THIS SUBSECTION (2)(d) FOR THE PRIOR YEAR, ADJUSTED FOR INFLATION AND REDUCED BY TEN PERCENT OF THE CLAIMANT’S INCOME OVER THE PHASE-OUT AMOUNT, OR THE FLAT GRANT AMOUNT, WHICHEVER AMOUNT IS GREATER.

(2.3) (I) For grants claimed for years commencing on or after January 1, 2015, BUT PRIOR TO JANUARY 1, 2018, the income thresholds used to determine the eligibility for and amount of a grant pursuant to subsection (2) of this section are equal to the income thresholds for the prior year adjusted for inflation.

(II) THIS SUBSECTION (2.3) IS REPEALED, EFFECTIVE JULY 1, 2020.

(3) Such grant shall be allowed to such persons as described in subsection (1) of this section who meet the following requirements:

(b) Have income from all sources for the taxable year of less than the maximum ELIGIBLE INCOME amount, for which such persons are eligible to receive a grant based on the operation of paragraphs (a), (a.5), (b), and (c) of subsection (2) of this section, including WHICH INCLUDES, but IS not limited to, for this purpose, alimony, support money, cash public assistance and relief, pension or annuity benefits, federal social
security benefits, veterans' benefits, nontaxable interest, workers' compensation, and unemployment compensation benefits. For the purposes of this paragraph (b) SUBSECTION (3)(b), the following shall not be considered income:

(4) (a) The tax-equivalent amount for persons otherwise qualified who paid rent for the right to occupy premises upon which ad valorem taxes were levied, as a residence during the taxable year shall be considered as twenty percent of the actual rent paid during the taxable year, not including any charge for utilities or food.

(b) To qualify as a tax-equivalent payment, rent must have been paid as a part of a bona fide tenancy or leasing agreement and shall not include any portion of payments made to institutions or facilities commonly known as nursing homes but shall include rent paid to a public housing authority and rent paid for the use of a mobile home or paid on trailer space if paid as a part of a bona fide tenancy.

(5) As used in this section:

(a) "FLAT GRANT AMOUNT" MEANS AN AMOUNT EQUAL TO TWO HUNDRED FORTY-FOUR DOLLARS FOR THE 2018 CALENDAR YEAR, AND FOR EACH YEAR THEREAFTER THE AMOUNT FOR THE PRIOR YEAR ADJUSTED FOR INFLATION.

(b) "Inflation" means the annual percentage change in the United States department of labor, bureau of labor statistics, consumer price index for Denver-Boulder-Greeley, Denver-Aurora-Lakewood for all items and all urban consumers, or its successor index.

(c) "MAXIMUM ELIGIBLE INCOME AMOUNT" MEANS:

(I) FOR AN INDIVIDUAL, INCOME THAT IS LESS THAN OR EQUAL TO FOURTEEN THOUSAND SIX HUNDRED EIGHT DOLLARS FOR THE 2018
CALENDAR YEAR AND FOR EACH YEAR THEREAFTER, THE AMOUNT FOR THE PRIOR YEAR ADJUSTED FOR INFLATION; AND

(II) FOR SPOUSES, INCOME THAT IS LESS THAN OR EQUAL TO EIGHTEEN THOUSAND NINE HUNDRED SIXTY-FOUR DOLLARS FOR THE 2018 CALENDAR YEAR AND FOR EACH YEAR THEREAFTER, THE AMOUNT FOR THE PRIOR YEAR ADJUSTED FOR INFLATION.

d) "PHASE-OUT AMOUNT" MEANS:

(I) IN THE CASE OF AN INDIVIDUAL, AN AMOUNT EQUAL TO SEVEN THOUSAND ONE HUNDRED THIRTY-SEVEN DOLLARS FOR THE 2018 CALENDAR YEAR AND FOR EACH YEAR THEREAFTER, THE AMOUNT FOR THE PRIOR YEAR ADJUSTED FOR INFLATION; AND

(II) IN THE CASE OF SPOUSES, AN AMOUNT EQUAL TO ELEVEN THOUSAND FIVE HUNDRED THIRTY-EIGHT DOLLARS FOR THE 2018 CALENDAR YEAR AND FOR EACH YEAR THEREAFTER, THE AMOUNT FOR THE PRIOR YEAR ADJUSTED FOR INFLATION.

SECTION 2. In Colorado Revised Statutes, 39-31-102, amend (4) as follows:

39-31-102. Procedures to obtain grant - department of revenue - responsibilities. (4) The property tax assistance A grant authorized by section 39-31-101 that is claimed for general property taxes shall in no case not exceed the amount of the general property taxes actually paid. A grant for property taxes or tax-equivalent amounts paid under section 39-31-101 shall not be made unless properly claimed on or before the expiration of twenty-four months after the end of the income tax year during which such taxes or tax-equivalent amounts were actually paid.

SECTION 3. In Colorado Revised Statutes, 39-31-104, amend
(1)(a)(II), (2) introductory portion, (2)(a.5), (2)(c), (2.3), (3) introductory portion, (3)(b) introductory portion, and (4); **repeal** (2)(a) introductory portion, (2)(a)(III), (2)(b) introductory portion, and (2)(b)(III); and **add** (2)(d) as follows:

39-31-104. Heat or fuel expenses assistance - eligibility - applicability - definitions - repeal. (1) (a) (II) For persons otherwise qualified who paid heat or fuel expenses indirectly as part of their rental payments, it shall be presumed that ten percent of the actual rent paid during the taxable year was for heat or fuel expenses. For rental payments to qualify under this subparagraph (II), they must have been paid as a part of a bona fide tenancy or lease agreement. Rental payments made to institutions or facilities commonly known as nursing homes shall not qualify. But rental payments made to a public housing authority or for the use of a mobile home shall qualify if paid as a part of a bona fide tenancy or lease agreement:

(2) The **amount of the grant** shall be as follows:

(a) In the case of an individual:

(iii) For grants claimed for years commencing on or after January 1, 2008, but before January 1, 2014, one hundred ninety-two dollars reduced by three and two-tenths percent of the amount by which the individual's income exceeds six thousand dollars in 2008, and, each year thereafter, the amount for the prior year adjusted for inflation:

(a.5) (I) Except as set forth in subsection (2.3) of this section, for grants claimed for years commencing on or after January 1, 2014, but before January 1, 2018, in the case of an individual whose income is less than or equal to twelve thousand seven hundred twenty dollars, one hundred ninety-two dollars reduced by three and two-tenths percent of the
amount by which the individual's income exceeds six thousand six hundred thirty-nine dollars or seventy-three dollars, whichever amount is greater.

(II) This subsection (2)(a.5) is repealed, effective July 1, 2020.

(b) In the case of spouses:

(III) For grants claimed for years commencing on or after January 1, 2008, but before January 1, 2014, one hundred ninety-two dollars reduced by three and two-tenths percent of their income over nine thousand seven hundred dollars in 2008, and, each year thereafter, the amount for the prior year adjusted for inflation.

(c) (I) Except as set forth in subsection (2.3) of this section, for grants claimed for years commencing on or after January 1, 2014, but before January 1, 2018, in the case of spouses whose income is less than or equal to seventeen thousand one hundred forty-six dollars, one hundred ninety-two dollars reduced by three and two-tenths percent of their income over ten thousand seven hundred thirty-one dollars or seventy-three dollars, whichever amount is greater.

(II) This subsection (2)(c) is repealed, effective July 1, 2020.

(d) For a grant claimed for the 2018 calendar year, either two hundred six dollars reduced by ten percent of the claimant's income over the phase-out amount or the flat grant amount, whichever amount is greater. For a grant claimed for years commencing on or after January 1, 2019, either the maximum grant amount allowed under this subsection (2)(d) for the prior year, adjusted for inflation and reduced by ten percent of the claimant's income over the phase-out amount, or
THE FLAT GRANT AMOUNT, WHICHEVER AMOUNT IS GREATER.

(2.3) (I) For grants claimed for years commencing on or after January 1, 2015, but prior to January 1, 2018, the income thresholds used to determine the eligibility for and amount of a grant pursuant to subsection (2) of this section are equal to the income thresholds for the prior year adjusted for inflation.

(II) This subsection (2.3) is repealed, effective July 1, 2020.

(3) Such grant shall be allowed to such persons as described in subsection (1) of this section who meet the following requirements:

(b) Have income from all sources for the taxable year of less than the maximum eligible income amount, for which such persons are eligible to receive a grant based on the operation of paragraphs (a), (a.5), (b), and (c) of subsection (2) of this section, including which includes, but is not limited to, for this purpose, alimony, support money, cash public assistance and relief, pension or annuity benefits, federal social security benefits, veterans' benefits, nontaxable interest, workers' compensation, and unemployment compensation benefits. For the purposes of this paragraph (b), subsection (3)(b), the following shall not be considered income:

(4) As used in this section:

(a) "FLAT GRANT AMOUNT" MEANS AN AMOUNT EQUAL TO SEVENTY-EIGHT DOLLARS FOR THE 2018 CALENDAR YEAR, AND FOR EACH YEAR THEREAFTER THE AMOUNT FOR THE PRIOR YEAR ADJUSTED FOR INFLATION.

(b) "Inflation" means the annual percentage change in the United States department of labor, bureau of labor statistics, consumer price index for Denver-Boulder-Greeley, Denver-Aurora-Lakewood for
all items AND all urban consumers, or its successor index.

(c) "MAXIMUM ELIGIBLE INCOME AMOUNT" HAS THE SAME MEANING AS SET FORTH IN SECTION 39-31-101 (5)(c).

(d) "PHASE-OUT AMOUNT" HAS THE SAME MEANING AS SET FORTH IN SECTION 39-31-101 (5)(d).

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.