

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

PREAMENDED

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

LLS NO. 15-0718.01 Esther van Mourik x4215

HOUSE BILL 15-1236

HOUSE SPONSORSHIP

Winter,

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Energy
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING INCOME TAX CREDITS FOR IMPROVING ENERGY**
102 **EFFICIENCY IN CERTAIN BUILDINGS.**

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/billsummaries>.)

The bill creates income tax credits for a limited number of years for:

- ! An owner of an existing multi-family home if the owner makes energy efficiency improvements to the multi-family home that result in at least a 20% reduction in energy consumption;

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.*

- ! An owner of a new multi-family home or multi-family home undergoing major renovation, or an owner of a new commercial building or commercial building undergoing major renovation, if the building achieves at least a specified percentage of energy savings relative to energy consumption and either achieves LEED or green globes certification for the construction or renovation; and
- ! An owner, or multiple owners prorated according to ownership shares, of a new affordable housing project or affordable housing project undergoing major renovation, if the building achieves at least a specified percentage of energy savings relative to energy consumption and meets enterprise green community energy efficiency standards for the construction or renovation.

The bill requires the owner to provide certain documentation to the Colorado energy office and requires the Colorado energy office to issue credit certificates to the owner for the tax credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-538 as
 3 follows:

4 **39-22-538. Colorado energy efficiency improvement tax credit**
 5 **- legislative declaration - definitions - repeal.** (1) THE GENERAL
 6 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

7 (a) INVESTMENTS IN THE EFFICIENCY WITH WHICH ELECTRICITY IS
 8 CONSUMED REMAIN THE LEAST EXPENSIVE MEANS TO MEET THE DEMAND
 9 FOR THE ENERGY SERVICES, SUCH AS LIGHT, HEAT, AND HOT WATER, THAT
 10 ELECTRICITY ENABLES;

11 (b) INVESTMENTS IN ENERGY EFFICIENCY CAN REDUCE THE COSTS
 12 OF ENERGY BILLS FOR COLORADO ENERGY CONSUMERS;

13 (c) NOTWITHSTANDING EFFORTS BY NATURAL GAS AND ELECTRIC
 14 UTILITIES, THE STATE OF COLORADO, AND OTHERS TO PROMOTE ELECTRIC
 15 ENERGY EFFICIENCY, THERE REMAINS A LARGE UNTAPPED NATURAL GAS
 16 AND ELECTRIC EFFICIENCY RESOURCE, ESPECIALLY AMONG COMMERCIAL

1 AND RESIDENTIAL SECTORS AND WITHIN BUILDINGS;

2 (d) THIS UNTAPPED EFFICIENCY RESOURCE IS PRIMARILY A RESULT
3 OF PERSISTENT MARKET BARRIERS; AND

4 (e) PROVIDING TAX CREDITS TO NATURAL GAS AND ELECTRICITY
5 CONSUMERS IS A POWERFUL MEANS TO ENCOURAGE MORE COST-EFFECTIVE
6 EFFICIENCY IMPROVEMENTS, THEREBY LOWERING THE COST OF NATURAL
7 GAS AND ELECTRIC ENERGY SERVICES IN COLORADO.

8 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES:

10 (a) "AFFORDABLE HOUSING PROJECT" MEANS A PROJECT WITH A
11 MINIMUM TERM OF AFFORDABILITY OF NO LESS THAN FIVE YEARS WHICH
12 HAS EITHER:

13 (I) TWENTY PERCENT OR MORE OF THE HOUSING UNITS BOTH
14 RENT-RESTRICTED AND OCCUPIED BY FAMILIES WHOSE INCOME IS FIFTY
15 PERCENT OR LESS OF THE AREA MEDIAN INCOME AS DETERMINED BY THE
16 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
17 WITH ADJUSTMENTS FOR HOUSEHOLD SIZE; OR

18 (II) FORTY PERCENT OR MORE OF THE HOUSING UNITS BOTH
19 RENT-RESTRICTED AND OCCUPIED BY FAMILIES WHOSE INCOME IS SIXTY
20 PERCENT OR LESS OF THE AREA MEDIAN INCOME AS DETERMINED BY THE
21 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
22 WITH ADJUSTMENTS FOR HOUSEHOLD SIZE.

23 (b) "COLORADO ENERGY OFFICE" OR "OFFICE" MEANS THE
24 COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101, C.R.S.

25 (c) "COMMERCIAL BUILDING" MEANS ANY BUILDING INTENDED FOR
26 OCCUPANCY BY ONE OR MORE BUSINESSES AND IS NOT A MULTI-FAMILY
27 HOME OR AN AFFORDABLE HOUSING PROJECT.

1 (d) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE
2 COLORADO ENERGY OFFICE CERTIFYING THAT A GIVEN OWNER QUALIFIES
3 FOR THE CREDIT AUTHORIZED IN THIS SECTION AND SPECIFYING THE
4 AMOUNT OF A CREDIT.

5 (e) "ENERGY EFFICIENCY IMPROVEMENTS" MEANS MODIFICATIONS
6 MADE IN EACH INCOME TAX YEAR TO A COMMERCIAL BUILDING OR A
7 MULTI-FAMILY HOME OR TO THE EQUIPMENT IN A COMMERCIAL BUILDING
8 OR MULTI-FAMILY HOME WHERE SUCH MODIFICATIONS REDUCE THE
9 ENERGY CONSUMPTION OF THE COMMERCIAL BUILDING OR MULTI-FAMILY
10 HOME.

11 (f) "ENTERPRISE GREEN COMMUNITY" MEANS AN AFFORDABLE
12 HOUSING PROJECT THAT MEETS THE ENERGY EFFICIENCY STANDARDS AS
13 SET FORTH IN THE QUALIFIED ALLOCATION PLAN AS SUCH PLAN IS DEFINED
14 IN SECTION 39-22-2101 (8), OR THAT HAS BEEN CERTIFIED BY ENTERPRISE
15 GREEN COMMUNITIES OR SUCH SUCCESSOR ORGANIZATION.

16 (g) "GREEN GLOBES" MEANS A GREEN BUILDING RATING AND
17 CERTIFICATION PROGRAM LICENSED FOR USE BY THE GREEN BUILDING
18 INITIATIVE, A NONPROFIT ORGANIZATION, THAT OVERSEES THE
19 DEVELOPMENT OF VOLUNTARY CONSENSUS STANDARDS FOR PRODUCTS,
20 SERVICES, PROCESSES, SYSTEMS, AND PERSONNEL IN THE UNITED STATES.

21 (h) "HOUSING UNIT" MEANS A RESIDENCE INTENDED FOR
22 OCCUPANCY BY A SINGLE HOUSEHOLD.

23 (i) "INTERNATIONAL ENERGY CONSERVATION CODE" MEANS THE
24 2012 VERSION OF THE MODEL BUILDING ENERGY CODE ISSUED BY THE
25 INTERNATIONAL CODE COUNCIL, OR ITS SUCCESSOR ORGANIZATION.

26 (j) "LEED" MEANS A GREEN BUILDING CERTIFICATION PROGRAM
27 ESTABLISHED AND MAINTAINED BY THE UNITED STATES GREEN BUILDING

1 COUNCIL, OR ITS SUCCESSOR ORGANIZATION.

2 (k) "MULTI-FAMILY HOME" MEANS A BUILDING THAT CONTAINS
3 MULTIPLE HOUSING UNITS WHERE THE HEATING SYSTEMS ARE JOINTLY
4 UTILIZED.

5 (l) "NET INSTALLED COST" MEANS THE COST IN EACH INCOME TAX
6 YEAR AFTER ANY PUBLIC UTILITY REBATES OR FUNDING PROVIDED BY THE
7 STATE OR FEDERAL GOVERNMENT FOR ENERGY EFFICIENCY
8 IMPROVEMENTS.

9 (m) "OWNER" MEANS THE HOLDER OF AN INTEREST IN A
10 COMMERCIAL BUILDING OR MULTI-FAMILY HOME, INCLUDING A VENDEE
11 UNDER A CONTRACT FOR DEED TO REAL PROPERTY, AS THAT TERM IS
12 DEFINED IN SECTION 38-35-126 (1) (b), C.R.S.

13 (n) "PUBLIC UTILITY" MEANS A PUBLIC UTILITY AS DEFINED IN
14 SECTION 40-1-103, C.R.S., SUPPLYING ELECTRICITY OR NATURAL GAS AT
15 RETAIL.

16 (o) "QUALIFIED TAXPAYER" MEANS AN INDIVIDUAL, CORPORATION,
17 OR OTHER ENTITY WHO OWNS AN INTEREST, DIRECT OR INDIRECT, IN THE
18 AFFORDABLE HOUSING PROJECT AND IS SUBJECT TO THE TAXES IMPOSED
19 BY THIS ARTICLE.

20 (p) "RENT-RESTRICTED" MEANS THE GROSS RENT FOR THE HOUSING
21 UNIT DOES NOT EXCEED THIRTY PERCENT OF THE IMPUTED INCOME
22 LIMITATION APPLICABLE TO THE HOUSING UNIT IN THE AFFORDABLE
23 HOUSING PROJECT.

24 (3) (a) EXCEPT AS PROVIDED IN PARAGRAPHS (a) AND (b) OF
25 SUBSECTION (6) OF THIS SECTION, FOR INCOME TAX YEARS COMMENCING
26 ON OR AFTER JANUARY 1, 2016, BUT PRIOR TO JANUARY 1, 2019, AN
27 OWNER OF AN EXISTING MULTI-FAMILY HOME IS ALLOWED A CREDIT

1 AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE IN AN AMOUNT SET
2 FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (3) FOR ENERGY EFFICIENCY
3 IMPROVEMENTS TO THE MULTI-FAMILY HOME IF THE ENERGY EFFICIENCY
4 IMPROVEMENTS ACHIEVE AT LEAST A TWENTY PERCENT REDUCTION IN
5 ENERGY CONSUMPTION AS DETERMINED BY:

6 (I) PARTICIPATION IN AN ENERGY EFFICIENCY PROGRAM UNDER
7 THE PUBLIC UTILITY DEMAND-SIDE MANAGEMENT PROGRAM APPLICATIONS
8 SET FORTH IN SECTIONS 40-3.2-103 AND 40-3.2-104, C.R.S., WHERE THE
9 PUBLIC UTILITY ISSUES, UPON THE OWNER'S REQUEST, THE OWNER'S
10 PROJECTED ENERGY SAVINGS BASED ON PARTICIPATING IN THE UTILITY'S
11 DEMAND-SIDE MANAGEMENT PROGRAM. THE OWNER WILL HAVE THE SOLE
12 RESPONSIBILITY FOR PROVIDING SUCH PROJECTED ENERGY SAVINGS AND
13 OTHER SUPPORTING DOCUMENTATION SHOWING THAT ENERGY
14 CONSUMPTION OF THE MULTI-FAMILY HOME WILL BE REDUCED BY AT
15 LEAST TWENTY PERCENT TO THE COLORADO ENERGY OFFICE IN ORDER FOR
16 THE OFFICE TO ISSUE A CREDIT CERTIFICATE TO THE OWNER; OR

17 (II) A CREDIT CERTIFICATE ISSUED BY THE COLORADO ENERGY
18 OFFICE THAT INDICATES THE ENERGY CONSUMPTION OF THE MULTI-FAMILY
19 HOME WAS REDUCED BY AT LEAST TWENTY PERCENT FOR A MULTI-FAMILY
20 HOME SERVED BY A PUBLIC UTILITY THAT DOES NOT ALLOW FOR
21 PARTICIPATION IN AN ENERGY EFFICIENCY PROGRAM THROUGH THE PUBLIC
22 UTILITY AS DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a).

23 (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
24 PARAGRAPH (b), THE AMOUNT OF THE CREDIT IS EQUAL TO THIRTY
25 PERCENT OF THE OWNER'S NET INSTALLED COST, NOT TO EXCEED ONE
26 THOUSAND FIVE HUNDRED DOLLARS PER HOUSING UNIT PER INCOME TAX
27 YEAR AND NOT TO EXCEED SEVENTY-FIVE THOUSAND DOLLARS PER

1 MULTI-FAMILY HOME.

2 (II) FOR AN AFFORDABLE HOUSING PROJECT, THE AMOUNT OF THE
3 CREDIT MAY NOT EXCEED ONE THOUSAND EIGHT HUNDRED SEVENTY-FIVE
4 DOLLARS PER HOUSING UNIT PER INCOME TAX YEAR AND MAY NOT EXCEED
5 NINETY-THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS PER
6 AFFORDABLE HOUSING PROJECT. IF THERE IS MORE THAN ONE QUALIFIED
7 TAXPAYER WHO OWNS THE AFFORDABLE HOUSING PROJECT, THE AMOUNT
8 OF THE TAX CREDIT MUST BE PRORATED ACCORDING TO OWNERSHIP
9 SHARES, UNLESS OTHERWISE AGREED TO BY THE QUALIFIED TAXPAYERS.

10 (c) THE COLORADO ENERGY OFFICE SHALL ESTABLISH AND POST
11 GUIDELINES ON ITS WEB SITE NO LATER THAN NOVEMBER 31, 2015,
12 SETTING FORTH HOW AN OWNER OF A MULTI-FAMILY HOME SERVED BY A
13 PUBLIC UTILITY THAT DOES NOT ALLOW FOR PARTICIPATION IN AN ENERGY
14 EFFICIENCY PROGRAM THROUGH THE PUBLIC UTILITY AS DESCRIBED IN
15 SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (3) MAY
16 OBTAIN A CREDIT CERTIFICATE. IF POSSIBLE, THE COLORADO ENERGY
17 OFFICE SHALL WORK IN PARTNERSHIP WITH AND RELY UPON DATA AND
18 INFORMATION PROVIDED BY THE PUBLIC UTILITY SERVING THE
19 MULTI-FAMILY HOME.

20 (4) (a) SUBJECT TO THE REQUIREMENTS SPECIFIED IN PARAGRAPH
21 (b) OF THIS SUBSECTION (4), AND EXCEPT AS PROVIDED IN PARAGRAPHS (a)
22 AND (b) OF SUBSECTION (6) OF THIS SECTION, FOR INCOME TAX YEARS
23 COMMENCING ON OR AFTER JANUARY 1, 2016, BUT PRIOR TO JANUARY 1,
24 2019, AN OWNER OF A NEW MULTI-FAMILY HOME OR MULTI-FAMILY HOME
25 UNDERGOING MAJOR RENOVATION, OR AN OWNER OF A NEW COMMERCIAL
26 BUILDING OR COMMERCIAL BUILDING UNDERGOING MAJOR RENOVATION,
27 IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS

1 ARTICLE FOR ENERGY EFFICIENCY IMPROVEMENTS TO THE MULTI-FAMILY
2 HOME OR COMMERCIAL BUILDING AS FOLLOWS:

3 (I) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO FIFTY
4 CENTS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE MULTI-FAMILY
5 HOME OR COMMERCIAL BUILDING FOR THE FIRST FIFTY THOUSAND SQUARE
6 FEET PLUS TWENTY-FIVE CENTS PER SQUARE FOOT OF INTERIOR FLOOR
7 AREA OVER FIFTY THOUSAND SQUARE FEET, AND SHALL NOT EXCEED A
8 TOTAL OF SEVENTY-FIVE THOUSAND DOLLARS PER MULTI-FAMILY HOME
9 OR COMMERCIAL BUILDING PER INCOME TAX YEAR. THE CREDIT IS ONLY
10 ALLOWED IF THE MULTI-FAMILY HOME OR COMMERCIAL BUILDING
11 ACHIEVES AT LEAST TWENTY PERCENT ENERGY SAVINGS RELATIVE TO
12 ENERGY CONSUMPTION BASED ON THE COMMERCIAL ENERGY EFFICIENCY
13 STANDARD IN THE INTERNATIONAL ENERGY CONSERVATION CODE AND
14 ACHIEVES EITHER:

15 (A) LEED SILVER CERTIFICATION OR BETTER FOR THE
16 CONSTRUCTION OR MAJOR RENOVATION UNDER THE LEED PROGRAM IN
17 EFFECT AT THE TIME OF COMPLETION OF THE CONSTRUCTION OR MAJOR
18 RENOVATION;

19 (B) A TWO GREEN GLOBES CERTIFICATION OR BETTER FOR THE
20 CONSTRUCTION OR MAJOR RENOVATION; OR

21 (C) A COMPARABLE NUMERIC RATING UNDER A SUSTAINABLE
22 BUILDING CERTIFICATION PROGRAM AS DETERMINED BY THE OFFICE;

23 (II) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO ONE
24 DOLLAR PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE
25 MULTI-FAMILY HOME OR COMMERCIAL BUILDING FOR THE FIRST FIFTY
26 THOUSAND SQUARE FEET PLUS FIFTY CENTS PER SQUARE FOOT OF INTERIOR
27 FLOOR AREA OVER FIFTY THOUSAND SQUARE FEET, AND SHALL NOT

1 EXCEED A TOTAL OF ONE HUNDRED FIFTY THOUSAND DOLLARS PER
2 MULTI-FAMILY HOME OR COMMERCIAL BUILDING PER INCOME TAX YEAR.
3 THE CREDIT IS ONLY ALLOWED IF THE MULTI-FAMILY HOME OR
4 COMMERCIAL BUILDING ACHIEVES AT LEAST THIRTY-FIVE PERCENT
5 ENERGY SAVINGS RELATIVE TO ENERGY CONSUMPTION BASED ON THE
6 COMMERCIAL ENERGY EFFICIENCY STANDARD IN THE INTERNATIONAL
7 ENERGY CONSERVATION CODE AND ACHIEVES EITHER:

8 (A) LEED GOLD CERTIFICATION OR BETTER FOR THE
9 CONSTRUCTION OR MAJOR RENOVATION UNDER THE LEED PROGRAM IN
10 EFFECT AT THE TIME OF COMPLETION OF THE CONSTRUCTION OR MAJOR
11 RENOVATION;

12 (B) A THREE GREEN GLOBES CERTIFICATION OR BETTER FOR THE
13 CONSTRUCTION OR MAJOR RENOVATION; OR

14 (C) A COMPARABLE NUMERIC RATING UNDER A SUSTAINABLE
15 BUILDING CERTIFICATION PROGRAM AS DETERMINED BY THE OFFICE; OR

16 (III) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO TWO
17 DOLLARS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE
18 MULTI-FAMILY HOME OR COMMERCIAL BUILDING FOR THE FIRST FIFTY
19 THOUSAND SQUARE FEET PLUS ONE DOLLAR PER SQUARE FOOT OF INTERIOR
20 FLOOR AREA OVER FIFTY THOUSAND SQUARE FEET, AND SHALL NOT
21 EXCEED A TOTAL OF THREE HUNDRED THOUSAND DOLLARS PER
22 MULTI-FAMILY HOME OR COMMERCIAL BUILDING PER INCOME TAX YEAR.
23 THE CREDIT IS ONLY ALLOWED IF THE MULTI-FAMILY HOME OR
24 COMMERCIAL BUILDING ACHIEVES AT LEAST FIFTY PERCENT ENERGY
25 SAVINGS RELATIVE TO ENERGY CONSUMPTION BASED ON THE COMMERCIAL
26 ENERGY EFFICIENCY STANDARD IN THE INTERNATIONAL ENERGY
27 CONSERVATION CODE AND ACHIEVES EITHER:

1 (A) LEED PLATINUM CERTIFICATION FOR THE CONSTRUCTION OR
2 MAJOR RENOVATION UNDER THE LEED PROGRAM IN EFFECT AT THE TIME
3 OF COMPLETION OF THE CONSTRUCTION OR MAJOR RENOVATION;

4 (B) A FOUR GREEN GLOBES CERTIFICATION FOR THE
5 CONSTRUCTION OR MAJOR RENOVATION; OR

6 (C) A COMPARABLE NUMERIC RATING UNDER A SUSTAINABLE
7 BUILDING CERTIFICATION PROGRAM AS DETERMINED BY THE OFFICE.

8 (b) IN ORDER TO QUALIFY FOR THE CREDITS SPECIFIED IN THIS
9 SUBSECTION (4), THE OWNER OF THE MULTI-FAMILY HOME OR THE
10 COMMERCIAL BUILDING SHALL PRESENT THE ENERGY MODELING OF THE
11 MULTI-FAMILY HOME OR THE COMMERCIAL BUILDING TO THE COLORADO
12 ENERGY OFFICE, ALONG WITH DOCUMENTATION OF THE MULTI-FAMILY
13 HOME OR COMMERCIAL BUILDING'S INTERIOR FLOOR AREA AND, IN THE
14 CASE OF AN EXISTING MULTI-FAMILY HOME OR COMMERCIAL BUILDING,
15 DOCUMENTATION SHOWING THAT THE MULTI-FAMILY HOME OR
16 COMMERCIAL BUILDING COMPLETED A MAJOR RENOVATION. IF THE OFFICE
17 DETERMINES THAT THE OWNER OF THE MULTI-FAMILY HOME OR
18 COMMERCIAL BUILDING MEETS THE REQUIREMENTS SET FORTH IN
19 PARAGRAPH (a) OF THIS SUBSECTION (4), THE OFFICE SHALL ISSUE A
20 CREDIT CERTIFICATE TO THE OWNER THAT SETS FORTH THE AMOUNT OF
21 THE CREDIT.

22 (5) (a) SUBJECT TO THE REQUIREMENTS SPECIFIED IN PARAGRAPHS
23 (b) AND (c) OF THIS SUBSECTION (5), AND EXCEPT AS PROVIDED IN
24 PARAGRAPHS (a) AND (b) OF SUBSECTION (6) OF THIS SECTION, FOR INCOME
25 TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2016, BUT PRIOR TO
26 JANUARY 1, 2019, A QUALIFIED TAXPAYER WHO OWNS A NEW AFFORDABLE
27 HOUSING PROJECT OR AN AFFORDABLE HOUSING PROJECT UNDERGOING

1 MAJOR RENOVATION IS ALLOWED A CREDIT AGAINST THE INCOME TAXES
2 IMPOSED BY THIS ARTICLE FOR ENERGY EFFICIENCY IMPROVEMENTS TO
3 THE AFFORDABLE HOUSING PROJECT AS FOLLOWS:

4 (I) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO FIFTY
5 CENTS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE AFFORDABLE
6 HOUSING PROJECT FOR THE FIRST FIFTY THOUSAND SQUARE FEET PLUS
7 TWENTY-FIVE CENTS PER SQUARE FOOT OF INTERIOR FLOOR AREA OVER
8 FIFTY THOUSAND SQUARE FEET, AND SHALL NOT EXCEED A TOTAL OF
9 NINETY-THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS PER
10 AFFORDABLE HOUSING PROJECT PER INCOME TAX YEAR. THE CREDIT IS
11 ONLY ALLOWED IF THE AFFORDABLE HOUSING PROJECT ACHIEVES AT
12 LEAST TWENTY PERCENT ENERGY SAVINGS RELATIVE TO ENERGY
13 CONSUMPTION BASED ON THE COMMERCIAL ENERGY EFFICIENCY
14 STANDARD IN THE INTERNATIONAL ENERGY CONSERVATION CODE AND
15 ACHIEVES EITHER:

16 (A) THIRTY-FIVE TO FORTY-FIVE POINT EQUIVALENTS AS AN
17 ENTERPRISE GREEN COMMUNITY FOR NEW CONSTRUCTION; ■

18 (B) THIRTY TO FORTY POINT EQUIVALENTS AS AN ENTERPRISE
19 GREEN COMMUNITY FOR MAJOR RENOVATION;

20 (C) LEED SILVER CERTIFICATION OR BETTER FOR THE
21 CONSTRUCTION OR MAJOR RENOVATION UNDER THE LEED PROGRAM IN
22 EFFECT AT THE TIME OF COMPLETION OF THE CONSTRUCTION OR MAJOR
23 RENOVATION;

24 (D) A TWO GREEN GLOBES CERTIFICATION OR BETTER FOR THE
25 CONSTRUCTION OR MAJOR RENOVATION; OR

26 (E) A COMPARABLE NUMERIC RATING UNDER A SUSTAINABLE
27 BUILDING CERTIFICATION PROGRAM AS DETERMINED BY THE OFFICE;

1 (II) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO ONE
2 DOLLAR PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE AFFORDABLE
3 HOUSING PROJECT FOR THE FIRST FIFTY THOUSAND SQUARE FEET PLUS
4 FIFTY CENTS PER SQUARE FOOT OF INTERIOR FLOOR AREA OVER FIFTY
5 THOUSAND SQUARE FEET, AND SHALL NOT EXCEED A TOTAL OF ONE
6 HUNDRED EIGHTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS PER
7 AFFORDABLE HOUSING PROJECT PER INCOME TAX YEAR. THE CREDIT IS
8 ONLY ALLOWED IF THE AFFORDABLE HOUSING PROJECT ACHIEVES AT
9 LEAST THIRTY-FIVE PERCENT ENERGY SAVINGS RELATIVE TO ENERGY
10 CONSUMPTION BASED ON THE COMMERCIAL ENERGY EFFICIENCY
11 STANDARD IN THE INTERNATIONAL ENERGY CONSERVATION CODE AND
12 ACHIEVES EITHER:

13 (A) FORTY-SIX TO SEVENTY-FIVE POINT EQUIVALENTS AS AN
14 ENTERPRISE GREEN COMMUNITY FOR NEW CONSTRUCTION; ■

15 (B) FORTY-ONE TO SEVENTY POINT EQUIVALENTS AS AN
16 ENTERPRISE GREEN COMMUNITY FOR MAJOR RENOVATION; ■

17 (C) LEED GOLD CERTIFICATION OR BETTER FOR THE
18 CONSTRUCTION OR MAJOR RENOVATION UNDER THE LEED PROGRAM IN
19 EFFECT AT THE TIME OF COMPLETION OF THE CONSTRUCTION OR MAJOR
20 RENOVATION;

21 (D) A THREE GREEN GLOBES CERTIFICATION OR BETTER FOR THE
22 CONSTRUCTION OR MAJOR RENOVATION; OR

23 (E) A COMPARABLE NUMERIC RATING UNDER A SUSTAINABLE
24 BUILDING CERTIFICATION PROGRAM AS DETERMINED BY THE OFFICE; OR

25 (III) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO TWO
26 DOLLARS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE AFFORDABLE
27 HOUSING PROJECT FOR THE FIRST FIFTY THOUSAND SQUARE FEET PLUS ONE

1 DOLLAR PER SQUARE FOOT OF INTERIOR FLOOR AREA OVER FIFTY
2 THOUSAND SQUARE FEET, AND SHALL NOT EXCEED A TOTAL OF THREE
3 HUNDRED SEVENTY-FIVE THOUSAND DOLLARS PER AFFORDABLE HOUSING
4 PROJECT PER INCOME TAX YEAR. THE CREDIT IS ONLY ALLOWED IF THE
5 AFFORDABLE HOUSING PROJECT ACHIEVES AT LEAST FIFTY PERCENT
6 ENERGY SAVINGS RELATIVE TO ENERGY CONSUMPTION BASED ON THE
7 COMMERCIAL ENERGY EFFICIENCY STANDARD IN THE INTERNATIONAL
8 ENERGY CONSERVATION CODE AND ACHIEVES EITHER:

9 (A) MORE THAN SEVENTY-FIVE POINT EQUIVALENTS AS AN
10 ENTERPRISE GREEN COMMUNITY FOR NEW CONSTRUCTION;

11 (B) MORE THAN SEVENTY POINT EQUIVALENTS AS AN ENTERPRISE
12 GREEN COMMUNITY FOR MAJOR RENOVATION;

13 (C) LEED PLATINUM CERTIFICATION FOR THE CONSTRUCTION OR
14 MAJOR RENOVATION UNDER THE LEED PROGRAM IN EFFECT AT THE TIME
15 OF COMPLETION OF THE CONSTRUCTION OR MAJOR RENOVATION;

16 (D) A FOUR GREEN GLOBES CERTIFICATION FOR THE
17 CONSTRUCTION OR MAJOR RENOVATION; OR

18 (E) A COMPARABLE NUMERIC RATING UNDER A SUSTAINABLE
19 BUILDING CERTIFICATION PROGRAM AS DETERMINED BY THE OFFICE.

20 (b) IN ORDER TO QUALIFY FOR THE CREDITS SPECIFIED IN THIS
21 SUBSECTION (5), THE QUALIFIED TAXPAYER WHO OWNS THE AFFORDABLE
22 HOUSING PROJECT SHALL PRESENT THE ENERGY MODELING OF THE
23 AFFORDABLE HOUSING PROJECT TO THE COLORADO ENERGY OFFICE,
24 ALONG WITH DOCUMENTATION OF THE AFFORDABLE HOUSING PROJECT'S
25 INTERIOR FLOOR AREA AND, IN THE CASE OF AN EXISTING AFFORDABLE
26 HOUSING PROJECT, DOCUMENTATION SHOWING THAT THE AFFORDABLE
27 HOUSING PROJECT COMPLETED A MAJOR RENOVATION. THE QUALIFIED

1 TAXPAYER SHALL ALSO PROVIDE TO THE OFFICE A COPY OF A REGULATORY
2 AGREEMENT, RESTRICTIVE COVENANT, OR OTHER SUCH DOCUMENTATION
3 REQUIRED BY THE OFFICE TO ESTABLISH THAT THE AFFORDABLE HOUSING
4 PROJECT MEETS THE DEFINITION SET FORTH IN PARAGRAPH (a) OF
5 SUBSECTION (2) OF THIS SECTION. IF THE OFFICE DETERMINES THAT THE
6 REQUIREMENTS SET FORTH IN PARAGRAPH (a) OF THIS SUBSECTION (5)
7 WERE MET, THE OFFICE SHALL ISSUE A CREDIT CERTIFICATE TO THE
8 QUALIFIED TAXPAYER THAT SETS FORTH THE AMOUNT OF THE CREDIT.

9 (c) IF THERE IS MORE THAN ONE QUALIFIED TAXPAYER WHO OWNS
10 THE AFFORDABLE HOUSING PROJECT, THE AMOUNT OF THE CREDIT MUST
11 BE PRORATED ACCORDING TO OWNERSHIP SHARES, UNLESS OTHERWISE
12 AGREED TO BY THE QUALIFIED TAXPAYERS.

13 (6) (a) THE COLORADO ENERGY OFFICE SHALL NOT ISSUE MORE
14 THAN TWENTY-FIVE CREDIT CERTIFICATES PER INCOME TAX YEAR, AND OF
15 THOSE TWENTY-FIVE CREDIT CERTIFICATES:

16 (I) AT LEAST FIVE MUST BE FOR AFFORDABLE HOUSING PROJECTS,
17 UNLESS THE OFFICE RECEIVES FEWER THAN FIVE REQUESTS FOR CREDIT
18 CERTIFICATES FOR AFFORDABLE HOUSING;

19 (II) NO MORE THAN FIVE MAY BE FOR THE CREDIT ALLOWED IN
20 SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (4) OF THIS
21 SECTION;

22 (III) NO MORE THAN FIVE MAY BE FOR THE CREDIT ALLOWED IN
23 SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (4) OF THIS
24 SECTION; AND

25 (IV) NO MORE THAN FIVE MAY BE FOR THE CREDIT ALLOWED IN
26 SUBPARAGRAPH (III) OF PARAGRAPH (a) OF SUBSECTION (4) OF THIS
27 SECTION.

1 (b) IF AN OWNER OR QUALIFIED TAXPAYER CONSTRUCTS, MAKES
2 MAJOR RENOVATIONS TO, OR MAKES ENERGY EFFICIENCY IMPROVEMENTS
3 TO A MULTI-FAMILY HOME, COMMERCIAL BUILDING, OR AFFORDABLE
4 HOUSING PROJECT THAT IS LOCATED WHERE THE LOCAL GOVERNMENT
5 BUILDING CODE OR OTHER REGULATIONS REQUIRE ENERGY SAVINGS OR
6 ENERGY EFFICIENCY IMPROVEMENTS THAT MEET THE REQUIREMENTS FOR
7 A PARTICULAR TAX CREDIT ALLOWED IN THIS SECTION, THEN THE
8 COLORADO ENERGY OFFICE MAY NOT ISSUE A CREDIT CERTIFICATE TO THE
9 OWNER OR QUALIFIED TAXPAYER FOR SUCH CREDIT.

10 (c) TO CLAIM A CREDIT ALLOWED IN THIS SECTION, THE TAXPAYER
11 SHALL ATTACH A COPY OF THE CREDIT CERTIFICATE ISSUED BY THE
12 COLORADO ENERGY OFFICE TO HIS OR HER TAX RETURN. NO TAX CREDIT
13 IS ALLOWED UNDER THIS SECTION UNLESS THE TAXPAYER PROVIDES THE
14 COPY OF THE CREDIT CERTIFICATE.

15 (7) IF THE AMOUNT OF A CREDIT ALLOWED IN THIS SECTION
16 EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE
17 TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS
18 BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET
19 AGAINST INCOME TAXES IN THE CURRENT INCOME TAX YEAR MAY BE
20 CARRIED FORWARD AND USED AS A CREDIT AGAINST SUBSEQUENT YEARS'
21 INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED FIVE YEARS AND
22 MUST BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE.
23 ANY CREDIT REMAINING AFTER THE FIVE YEAR PERIOD MAY NOT BE
24 REFUNDED OR CREDITED TO THE TAXPAYER.

25 (8) IN REVIEWING THE PLANNED AND ACTUAL ENERGY SAVINGS
26 ACHIEVEMENT OF A PUBLIC UTILITY UNDER THE PUBLIC UTILITY
27 DEMAND-SIDE MANAGEMENT PROGRAM APPLICATIONS SET FORTH IN

1 SECTIONS 40-3.2-103 AND 40-3.2-104, C.R.S., THE PUBLIC UTILITIES
2 COMMISSION SHALL NOT PENALIZE THE ENERGY SAVINGS ACHIEVEMENT
3 OF A PUBLIC UTILITY BECAUSE PARTICIPANTS IN SUCH PROGRAMS ALSO
4 QUALIFY FOR INCOME TAX CREDITS UNDER THIS SECTION.

5 (9) NO LATER THAN JANUARY 5, 2018, THE COLORADO ENERGY
6 OFFICE SHALL SUBMIT A REPORT TO THE FINANCE COMMITTEES OF THE
7 SENATE AND HOUSE OF REPRESENTATIVES THAT DETAILS:

8 (a) THE QUALITY OF THE IMPLEMENTATION OF THIS SECTION;

9 (b) THE AMOUNT OF ENERGY EFFICIENCY IMPROVEMENT
10 ESTIMATED TO BE ATTRIBUTABLE TO THIS SECTION;

11 (c) THE VALUE OF THE TAX CREDITS ALLOWED UNDER THIS
12 SECTION; AND

13 (d) ANY PROBLEMS OR ISSUES ARISING IN THE IMPLEMENTATION OF
14 THIS SECTION.

15 (10) THE COLORADO ENERGY OFFICE SHALL, IN A SUFFICIENTLY
16 TIMELY MANNER TO ALLOW THE DEPARTMENT OF REVENUE TO PROCESS
17 RETURNS CLAIMING THE CREDIT ALLOWED BY THIS SECTION, PROVIDE THE
18 DEPARTMENT OF REVENUE WITH AN ELECTRONIC REPORT OF THE
19 TAXPAYERS RECEIVING A CREDIT CERTIFICATE AS ALLOWED IN THIS
20 SECTION FOR THE PRECEDING CALENDAR YEAR THAT INCLUDES THE
21 FOLLOWING INFORMATION:

22 (a) THE TAXPAYER'S NAME;

23 (b) THE TAXPAYER'S SOCIAL SECURITY NUMBER; AND

24 (c) THE AMOUNT OF THE CREDIT ALLOWED IN THIS SECTION.

25 (11) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2024.

26 **SECTION 2. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly (August
2 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within such period, then the act, item, section, or part will not take effect
6 unless approved by the people at the general election to be held in
7 November 2016 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.