



HIXSON FARMS
Jillane Hixson
7943 County Road DD
Lamar, CO 81052
719-336-4285
jrh@centurytel.net

December 19, 2018

- * **2003 Conservation Easement Donor**
Sold C/E Tax Credits to preserve family farm
- * **IRS Accepted Appraisal (100% of Value)**
- * **CDOR disallowed State Tax Credits**
CE = \$0 value
- * **8 YEARS of Appeals / Litigation**
Colorado Department of Revenue / State Attorney General
- * **2015 - C/E TAX CREDITS paid back to CDOR**
(20 yr pay't plan – home equity loan)
- * **Land Trust retains/controls HIXSON property - Conservation Easement**

2018 – HB-1291
PLEASE REJECT
Working Group Report

December 18, 2018
114388-1-38
114388-1-38
114388-1-38
114388-1-38
114388-1-38

- * 2003 Conservation Easement Deed
- * Sold CMT Tax Credits to preserve family farm
- * IRS Accepted Appraisal (100% of value)
- * CDOR disclosed state Tax Credits
CE = \$0 value
- * 8 YEARS of Appeals Litigation
Colorado Department of Revenue v. State Attorney General
- * 2017 - CE TAX CREDITS paid back to CDOR
(20 yr pay plan - home equity loan)
- * Land Trust preserves 100% DIXSON property - Conservation Easement

2018 - HR-1291

PLEASE REJECT

Working Group Report

COLORADO - CONSERVATION EASEMENTS

Brief Background

1999 HB-1155 -- Established conservation easements with State Tax credits
CRS 39-22-522 identifies **IRS 170(h)** as the only standard

2001 HB-1090 -- Expanded tax credits (\$260K) ... **transferrable to 3rd party**

2003 – 2007 LAND OWNERS “donated” land (property rights) to LAND TRUSTS

2007 - CDOR arbitrarily disallowed **800 Conservation Easements** (2003 -2007)

C/E = \$0

Pay back 100% Tax Credits + Penalty + Interest

\$265 Million Claw Back

2008 - NEW RULES

HB1353 -- CEOC (Conservation Easement Oversight Commission)

-- **NEW Appraisal Standards**

2011 HB-1208 ... *(failed)*

CDOR must produce prima facie evidence of fraud, within two years, else accept C/Es tax credits

2011 HB1300 -- Legislature shirked responsibility to hold CDOR to follow the LAW:
Resolve appeals with CDOR in District Court – 4 Hearings mandated:

- 1) **Threshold Hearing ...** *i.e. \$50K – \$350K atty fees for “each” Land Owner’s – 1st Hearing*
 - 2) **C/E Validity Hearing**
 - 3) **C/E Value Hearing**
 - 4) **Liability**
- Not a single land owner could “afford” proceeding to trial*

2011 - 2015: CDOR / STATE ATTORNEY GENERAL (170 Attorneys at disposal)
Legislature allocated **\$10 MILLION** to **retroactively** apply the **NEW RULES**

- **Land Owners paid back tax credits** *(penalty & interest waived)*
Land Owners settled under FINANCIAL DURESS
- **Conservation Easement remains intact** *(LAND TRUST control)*

2018 HB-1291

Requested process to EXTINGUISH CEs for Tax Credits denied, in whole or in part

COLLEGE OF CONSERVATION FARMERS

Bill & Jeannette

1009 HB 1128 - Established conservation easement with the tax credits
CRS 36-22-222 identifies IRS 170(e) as the only standard

1001 HB 1090 - Expanded tax credits (\$200K) - transferable to 3rd party

2003 - 2007 LAND OWNERS - eligible land (property rights) to LAND TRUSTS

2006 - CDOR eligibility for 80% Conservation Easements (CRS 36-22-222)

CRS 80

pay back into tax credits - property - interest

2006 Wilson - tax credit

82008 - NEW RULES

HB 1327 - CDOR Conservation easement - right of easement

- NY V Appraisal standards

2011 HB 1314 - CDOR

CDOR and property taxes are evidence of... otherwise... CDOR to...

2011 HB 1300 - Legislature shifted responsibility to hold CDOR to follow the NY V

Rec'd a copy with CDOR in District Court - 4 Hearings - redacted

In the Court Hearing... 2011 HB 1300... CDOR...

NY V Appraisal standards

CDOR... NY V Appraisal standards... CDOR...

of liability

2011 - 2012 CDOR VESTED ATTORNEY GENERAL (170 Attorney on disposal)

legislation allowed SHR BILLIN to retroactively apply the NY V

* Land trusts and tax credits - see NY V Appraisal standards

Land trusts and tax credits - see NY V Appraisal standards

* Conserved in Easement remains - NY V Appraisal standards

2018 HB 1091

Requested process to NY V Appraisal standards for tax of the decedent in whole or in part

2018 – HB-1291
FIXES NOTHING

Provides more power to the CEOC monopoly

- **Was HB-1291 Lawful?**
VOID of language to amend **Title 24** to "create" the **Division of Conservation?**
- **CONFLICTS of INTEREST:**
DORA Director Margarite Salazar appoint Mark Weston as Director of Division of Conservation

Margarite Salazar – former board member of LAND TRUST – NATURE CONSERVANCY

Mark Weston, Defendant, **LUAF v. State of Colorado** Federal Case 1:16-CV-00603-PAB-SKC

Defendants:

MICHAEL S. HARTMAN, individually and in his official capacity as executive director of the Colorado Department of Revenue; MARCIA WATERS, individually and in her official capacity as director of the Colorado Department of Real Estate; **MARK WESTON, individually and in his official capacity as the Program Manager for the Conservation Easement Program;** and PETER ERICSON, individually and in his official capacity as the Chair of the Colorado Conservation Easement Oversight Commission,

2018 – HB-1291
Working Group report:
DEFECTIVE & DECEPTIVE

Working Group

- **\$45 Million BUDGET**
 - **No funding for outreach / regional meetings**
 - **No NOTICES ... CDOR has every stakeholders' address**
 - **E-Mail / Website Survey in lieu of outreach (notices/meetings)**
 - * **selective participation (to "known" e-mail addresses)**
- **Consisted of:**
 - **Mark Weston, Director Division of Conservation**
 - **00.1% Land Owners**
 - **99.9% Special Interests**
 - **Land Trusts**
 - **Tax Brokers**
 - **Self-anointed Appraisers**

DRAFT Report (October, 2018)

- * **29 respondents favored retroactive tax credits** while **15 respondents were not in favor**
- * **many respondents favored C/E Extinguishments** if C/E Tax Credits were disallowed

FINAL REPORT Recommendations (December, 2018):

No Retroactive Tax Credits

C/E Extinguishments available via Court (i.e. more land-owner' anguish & attorney fees)

2018 - HB-1291

DEFERRED

Asides were given in the CAC monopoly

VOID of language to amend Title 24 to "create" the Division of Conservation

CONFLICTS OF INTEREST

Director Mark Weston as Director of Division of Conservation

Director Weston - former board member of LAND TRUST ALLIANCE

Mark Weston Defendant, STATE OF COLORADO Federal Case File C-18-00078-SKC

Defendant:

STATE OF COLORADO, Defendant, STATE OF COLORADO Federal Case File C-18-00078-SKC

2018 - HB-1291

Working Group Report

DEFERRED

Working Group

845 Million BUDGET

- No funding for each regional meetings
- No NOTICES ... CDOR has every stakeholder address
- E-Mail / Website survey in lieu of outreach (business meetings)
- * selective participation to "known" e-mail addresses

Consisted of:

- Mark Weston, Director, Division of Conservation
- 60196 Land Owners
- 60196 Special Interests
- Land Trusts
- Tax Brokers
- Self-nominated Appraisers

DRAFT Report (October, 2018)

* 29 respondents favored retroactive tax credits while 15 respondents were not
* many respondents favored CAC Expenditures - CAC Tax Credits were disallowed

FINAL REPORT Recommendations (December, 2018)

CAC Expenditures to include via e-out - the more land-owners, the more...

Tax Credit Connection, Inc.



Home Colorado Conservation Environmental Remediation Historic Preservation New Mexico Conservation



Colorado home Seller Resources Buyer Resources Land & People About Us Our Values Contact

Quick links

Registration

- [Seller registration form](#)
- [Buyer registration form](#)

Seller Articles

Buyer Articles

Helpful Links

Seller Frequently Asked Questions

Buyer Frequently Asked Questions

Cap Update

2015

Requested \$19,135,724

Issued \$17,169,009

Available \$25,864,276

2016

Requested \$12,253,832

Issued \$7,945,882

Available \$32,746,504

2017

Requested \$2,480,500

Issued \$477,500

Available \$42,519,500

Preserving Colorado and New Mexico's Natural Treasures

About Us

Track Record of Commitment to Land Conservation

Tax Credit Connection, Inc. has been supporting land conservation since the company's inception in 2003. By offering small grants and donations to land conservation organizations, sponsoring the statewide Colorado Coalition of Land Trusts' annual conference, volunteering to educate the state legislature on bills to improve the tax credit program and providing educational materials and conferences, Tax Credit Connection is a strong conservation partner.

Experience Working with the State Review Process

We were involved with the formulation of the state review process for conservation easement tax credit certificates that was implemented in January 2014. Since then, we have continued to thoroughly review landowners' files including their appraisals, deeds of conservation easement, title work and all other due diligence. By providing that final set of eyes on the project, we can find red flags that might cause a hiccup at the state and keep things moving smoothly. We want you to get your tax credits as quickly as possible.

Nearly \$80M in Tax Credits Sold to Date

Tax Credit Connection, Inc. gets deals done. Since our founding in 2003, we have transferred \$80 million in tax credits for our landowners. That has helped landowners to earn tens of millions they were able to put in their pockets. Our buyers have also saved millions on their taxes while supporting the preservation of Colorado's natural treasures. Our goal is to make the process as easy as possible for our buyers and sellers and be there with you every step of the way.

* Graphic inserted .. data derived from TAX CREDIT CONNECTION website

Conservation Easements "STAKE HOLDER" \$ PROFITS \$

* C/E Tax Credit Brokers ... \$0 Risk, \$0 Investment ... MEGA PROFITS at "Stake"

TAX CREDIT CONNECTION <https://taxcreditconnection.com/conserves-colorado/about-us-co/>

	TAX CREDIT CONNECTION	
	Tax Credits Brokered	10% Broker Fee
2003 - 2014	\$54,407,609	\$5,440,761
2015	\$17,169,009	\$1,716,901
2016	\$7,945,882	\$794,588
2017	\$477,500	\$47,750
	\$80,000,000	\$8,000,000

STATE of COLORADO Un-Used C/E Allocation

\$25,864,276

\$32,746,504

\$42,519,500

\$101,130,280

CONSERVATION EASEMENTS

What's at Stake?
EASY MONEY

for
Tax Credit Brokers
(Stake Holders)

- **EASY MONEY! \$,\$\$\$,\$\$\$**
 - \$ **5% - 10% Brokerage Fees**
 - \$ **\$ 2.25M - \$4.5M**
(**\$45 Million/year – State of Colorado – C/E Tax Credits**)
- **NO INVESTMENT**
- **NO RISK**
- **NO ACCOUNTABILITY to:**
 - **Land Owners**
 - **Tax Credit Buyers**
 - **State of Colorado**

EASY MONEY

\$\$\$\$\$\$\$