

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 18-0967.01 Bob Lackner x4350

HOUSE BILL 18-1283

HOUSE SPONSORSHIP

Benavidez,

SENATE SPONSORSHIP

Neville T.,

House Committees

Finance
Appropriations

Senate Committees

Finance

A BILL FOR AN ACT

101 **CONCERNING THE CLASSIFICATION OF RESIDENTIAL LAND FOR**
102 **PROPERTY TAX PURPOSES RESULTING FROM A SIGNIFICANT**
103 **CHANGE IN THE RESIDENTIAL IMPROVEMENTS LOCATED UPON**
104 **THE LAND.**

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>.)

When residential improvements are destroyed, demolished, or relocated on or after January 1, 2018, that, were it not for their destruction, demolition, or relocation, would have qualified the land upon

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

SENATE
3rd Reading Unamended
April 23, 2018

SENATE
2nd Reading Unamended
April 20, 2018

HOUSE
3rd Reading Unamended
April 11, 2018

HOUSE
Amended 2nd Reading
April 10, 2018

which the improvements were located as residential land for the following property tax year, the bill requires the residential land classification to remain in place for the year in which the improvements were destroyed, demolished, or relocated and one subsequent property tax year if the assessor determines that evidence is present that the owner intends to rebuild or locate a residential improvement on the land. For purposes of making this determination, the assessor may consider, but is not limited to considering, a building permit or other land development permit for the land, construction plans for such residential improvement, or efforts by the owner to obtain financing for a residential improvement.

The residential land classification of the land must change according to current use if:

- ! A new residential improvement or part of a new residential improvement is not constructed or placed on the land in accordance with applicable land use regulations prior to the January 1 of the property tax year immediately following the 2-year period described in the bill;
- ! The assessor determines that the classification of the land at the time of the destruction, demolition, or relocation was erroneous; or
- ! A change of use has occurred. For purposes of the bill, a change of use does not include the temporary loss of the residential use due to the destruction, demolition, or relocation of the residential improvement.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-102, **add**
3 (14.4)(c) as follows:

4 **39-1-102. Definitions.** As used in articles 1 to 13 of this title 39,
5 unless the context otherwise requires:

6 (14.4) (c) (I) NOTWITHSTANDING SECTION 39-1-103 (5)(c) AND
7 EXCEPT AS PROVIDED IN SUBSECTION (14.4)(c)(II) OF THIS SECTION, WHEN
8 RESIDENTIAL IMPROVEMENTS ARE DESTROYED, DEMOLISHED, OR
9 RELOCATED ON OR AFTER JANUARY 1, 2018, THAT, WERE IT NOT FOR THEIR
10 DESTRUCTION, DEMOLITION, OR RELOCATION, WOULD HAVE QUALIFIED
11 THE LAND UPON WHICH THE IMPROVEMENTS WERE LOCATED AS

1 RESIDENTIAL LAND FOR THE FOLLOWING PROPERTY TAX YEAR, THE
2 RESIDENTIAL LAND CLASSIFICATION SHALL REMAIN IN PLACE FOR THE
3 YEAR OF DESTRUCTION, DEMOLITION, OR RELOCATION AND ONE
4 SUBSEQUENT PROPERTY TAX YEAR IF THE ASSESSOR DETERMINES THERE
5 IS EVIDENCE THAT THE OWNER INTENDS TO REBUILD OR LOCATE A
6 RESIDENTIAL IMPROVEMENT ON THE LAND. FOR PURPOSES OF THIS
7 DETERMINATION, THE ASSESSOR MAY CONSIDER, BUT IS NOT LIMITED TO
8 CONSIDERING, A BUILDING PERMIT OR OTHER LAND DEVELOPMENT PERMIT
9 FOR THE LAND, CONSTRUCTION PLANS FOR SUCH RESIDENTIAL
10 IMPROVEMENT, OR EFFORTS BY THE OWNER TO OBTAIN FINANCING FOR A
11 RESIDENTIAL IMPROVEMENT.

12 (II) THE RESIDENTIAL LAND CLASSIFICATION OF THE LAND
13 DESCRIBED IN SUBSECTION (14.4)(c)(I) OF THIS SECTION SHALL CHANGE
14 ACCORDING TO CURRENT USE IF:

15 (A) A NEW RESIDENTIAL IMPROVEMENT OR PART OF A NEW
16 RESIDENTIAL IMPROVEMENT IS NOT CONSTRUCTED OR PLACED ON THE
17 LAND IN ACCORDANCE WITH APPLICABLE LAND USE REGULATIONS PRIOR
18 TO THE JANUARY 1 AFTER THE PERIOD DESCRIBED IN SUBSECTION
19 (14.4)(c)(I) OF THIS SECTION;

20 (B) THE ASSESSOR DETERMINES THAT THE CLASSIFICATION OF THE
21 LAND AT THE TIME OF THE DESTRUCTION, DEMOLITION, OR RELOCATION
22 WAS ERRONEOUS; OR

23 (C) A CHANGE OF USE HAS OCCURRED. FOR PURPOSES OF THIS
24 SUBSECTION (14.4)(c)(II)(C), A CHANGE OF USE SHALL NOT INCLUDE THE
25 TEMPORARY LOSS OF THE RESIDENTIAL USE DUE TO THE DESTRUCTION,
26 DEMOLITION, OR RELOCATION OF THE RESIDENTIAL IMPROVEMENT.

27 **SECTION 2.** In Colorado Revised Statutes, 39-1-103, **amend**

1 (5)(c) as follows:

2 **39-1-103. Actual value determined - when.** (c) Except as
3 provided in section 39-1-102 (14.4)(b) OR 39-1-102 (14.4)(c) and in
4 ~~paragraphs (e) and (f) of this subsection (5)~~ SUBSECTIONS (5)(e) AND
5 (5)(f) OF THIS SECTION, once any property is classified for property tax
6 purposes, it shall remain so classified until such time as its actual use
7 changes or the assessor discovers that the classification is erroneous. The
8 property owner shall endeavor to comply with the reasonable requests of
9 the assessor to supply information which cannot be ascertained
10 independently but which is necessary to determine actual use and properly
11 classify the property when the assessor has evidence that there has been
12 a change in the use of the property. Failure to supply such information
13 shall not be the sole reason for reclassifying the property. Any such
14 request for such information shall be accompanied by a notice that states
15 that failure on the part of the property owner to supply such information
16 will not be used as the sole reason for reclassifying the property in
17 question. Subject to the availability of funds under the assessor's budget
18 for such purpose, no later than May 1 of each year, the assessor shall
19 inform each person whose property has been reclassified from
20 agricultural land to any other classification of property of the reasons for
21 such reclassification including, but not limited to, the basis for the
22 determination that the actual use of the property has changed or that the
23 classification of such property is erroneous.

24 **SECTION 3. Act subject to petition - effective date -**
25 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
26 the expiration of the ninety-day period after final adjournment of the
27 general assembly (August 8, 2018, if adjournment sine die is on May 9,

1 2018); except that, if a referendum petition is filed pursuant to section 1
2 (3) of article V of the state constitution against this act or an item, section,
3 or part of this act within such period, then the act, item, section, or part
4 will not take effect unless approved by the people at the general election
5 to be held in November 2018 and, in such case, will take effect on the
6 date of the official declaration of the vote thereon by the governor.

7 (2) This act applies to residential improvements that are destroyed,
8 demolished, or relocated on or after the applicable effective date of this
9 act.