

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 19-0106.01 Jason Gelender x4330

HOUSE BILL 19-1141

HOUSE SPONSORSHIP

Beckman, Landgraf, Sandridge, Ransom

SENATE SPONSORSHIP

(None),

House Committees

State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE PRESERVATION OF THE PROPERTY TAX EXEMPTION
102 FOR QUALIFYING SENIORS AND DISABLED VETERANS, AND, IN
103 CONNECTION THEREWITH, PRESERVING THE EXEMPTION OF A
104 SENIOR WHO CHANGES PRIMARY RESIDENCES DUE TO MEDICAL
105 NECESSITY AND LIMITING THE CIRCUMSTANCES IN WHICH THE
106 AMOUNT OF THE EXEMPTION MAY BE REDUCED.

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>.)

The bill specifies that for property tax years commencing on or

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.

after January 1, 2020, a senior is deemed to be a 10-year owner-occupier of a primary residence that the senior has owned and occupied for less than 10 years and therefore qualifies for the senior property tax exemption for the residence if:

- ! The senior would have qualified for the senior property tax exemption for the senior's former primary residence but for the fact that medical necessity required the senior to stop occupying the former primary residence;
- ! The senior has not previously received the exemption for a former primary residence on the basis of medical necessity; and
- ! The senior has not owned and occupied another primary residence since the senior first stopped occupying his or her former primary residence due to medical necessity.

"Medical necessity" is defined as a medical condition of a senior that a physician licensed to practice medicine in Colorado has certified, on a form developed by the state property tax administrator, as having required the senior to stop occupying the senior's prior primary residence. When applying for such an exemption, a senior must provide to the assessor the form establishing proof of medical necessity.

For any property tax year commencing on or after January 1, 2019, the bill prohibits the general assembly from reducing or suspending the exemption for qualifying seniors and disabled veterans by lowering the maximum amount of actual value of residential real property that is the primary residence of a qualifying senior or a qualifying disabled veteran of which 50% is exempt from property taxation below \$200,000 unless the amount of general fund revenue for the state fiscal year that ended during the prior property tax year is less than the amount of general fund revenue for the next preceding state fiscal year. If the general assembly lowers the amount of actual value of residential real property that is the primary residence of a qualifying senior or a qualifying disabled veteran of which 50% is exempt from property taxation for a property tax year below \$200,000 in accordance with the new limitation established by the bill, that amount automatically increases to \$200,000 for any subsequent property tax year for which the amount of general fund revenue for the state fiscal year that ended during the prior property tax year is equal to or more than the amount of general fund revenue for the next preceding state fiscal year.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-3-203, **amend**
3 (6)(a) introductory portion, (6)(a)(I.5), and (6)(a)(II); and **add** (6)(a)(I.7)

1 and (7) as follows:

2 **39-3-203. Property tax exemption - qualifications - conditions**
3 **for reduction of exemption - legislative declaration - definitions.**

4 (6) (a) Notwithstanding the ten-year occupancy requirement set forth in
5 ~~subparagraph (I) of paragraph (a) of subsection (1)~~ SUBSECTION (1)(a)(I)
6 of this section, an owner-occupier who has not actually owned and
7 occupied residential real property for which the owner-occupier has
8 claimed an exemption under ~~said~~ subsection (1) OF THIS SECTION for the
9 ten years preceding the assessment date ~~shall be~~ IS deemed to have met
10 the ten-year requirement and ~~shall be~~ IS allowed an exemption under ~~said~~
11 subsection (1) OF THIS SECTION with respect to the property if:

12 (I.5) For property tax years commencing on or after January 1,
13 2015, the owner-occupier would have qualified for the exemption with
14 respect to other residential real property that the owner-occupier owned
15 and occupied as his or her primary residence before moving to the
16 residential real property for which an exemption is claimed but for the
17 fact that a natural disaster destroyed the former primary residence or
18 otherwise rendered it uninhabitable; ~~and~~ OR

19 (I.7) (A) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
20 JANUARY 1, 2020, THE OWNER-OCCUPIER WOULD HAVE QUALIFIED FOR
21 THE EXEMPTION WITH RESPECT TO OTHER RESIDENTIAL REAL PROPERTY
22 THAT THE OWNER-OCCUPIER OWNED AND OCCUPIED AS HIS OR HER
23 PRIMARY RESIDENCE BEFORE MOVING TO THE RESIDENTIAL REAL
24 PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED BUT FOR THE FACT THAT
25 MEDICAL NECESSITY REQUIRED THE OWNER-OCCUPIER TO STOP OCCUPYING
26 THE OTHER RESIDENTIAL REAL PROPERTY AS HIS OR HER PRIMARY
27 RESIDENCE, SO LONG AS THE OWNER-OCCUPIER HAS NOT PREVIOUSLY

1 RECEIVED THE EXEMPTION DUE TO THE OPERATION OF THIS SUBSECTION
2 (6)(a)(I.7)(A) FOR PROPERTY OTHER THAN THE RESIDENTIAL REAL
3 PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED AND THE
4 OWNER-OCCUPIER PRESENTS TO THE ASSESSOR WHEN APPLYING FOR THE
5 EXEMPTION THE FORM ESTABLISHING PROOF OF MEDICAL NECESSITY THAT
6 IS DESCRIBED IN SUBSECTION (6)(a)(I.7)(B) OF THIS SECTION.

7 (B) FOR PURPOSES OF THIS SUBSECTION (6)(a)(I.7), "MEDICAL
8 NECESSITY" MEANS A MEDICAL CONDITION OF AN OWNER-OCCUPIER THAT
9 A PHYSICIAN LICENSED TO PRACTICE MEDICINE IN THE STATE PURSUANT TO
10 ARTICLE 36 OF TITLE 12 HAS CERTIFIED, ON A FORM DEVELOPED BY THE
11 ADMINISTRATOR AND MADE AVAILABLE ON THE WEBSITE OF THE DIVISION
12 OF PROPERTY TAXATION OF THE DEPARTMENT OF LOCAL AFFAIRS, AS
13 HAVING REQUIRED THE OWNER-OCCUPIER TO STOP OCCUPYING THE
14 OWNER-OCCUPIER'S PRIMARY RESIDENCE.

15 (II) WITH RESPECT TO AN EXEMPTION CLAIMED PURSUANT TO
16 SUBSECTION (6)(a)(I) OR (6)(a)(I.7) OF THIS SECTION, THE OWNER-OCCUPIER
17 HAS NOT OWNED AND OCCUPIED RESIDENTIAL PROPERTY AS HIS OR HER PRIMARY
18 RESIDENCE OTHER THAN THE RESIDENTIAL REAL PROPERTY FOR WHICH AN EXEMPTION
19 IS CLAIMED SINCE THE CONDEMNATION OCCURRED OR SINCE THE
20 OWNER-OCCUPIER FIRST STOPPED OCCUPYING HIS OR HER FORMER
21 PRIMARY RESIDENCE DUE TO MEDICAL NECESSITY.

22 (7) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

23 (I) SECTION 3.5 (2) OF ARTICLE X OF THE STATE CONSTITUTION
24 AUTHORIZES THE GENERAL ASSEMBLY TO ADJUST THE AMOUNT OF THE
25 EXEMPTION BY RAISING OR LOWERING BY LAW THE MAXIMUM AMOUNT OF
26 ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY THAT IS THE PRIMARY
27 RESIDENCE OF AN OWNER-OCCUPIER WHO IS A QUALIFYING SENIOR OR A

1 QUALIFYING DISABLED VETERAN OF WHICH FIFTY PERCENT IS EXEMPT
2 FROM PROPERTY TAXATION;

3 (II) FOR THE 2003, 2004, 2005, 2009, 2010, AND 2011 PROPERTY
4 TAX YEARS, THE GENERAL ASSEMBLY SUSPENDED THE EXEMPTION FOR
5 QUALIFYING SENIORS BY REDUCING TO ZERO THE MAXIMUM AMOUNT OF
6 ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY THAT IS THE PRIMARY
7 RESIDENCE OF AN OWNER-OCCUPIER WHO IS A QUALIFYING SENIOR OF
8 WHICH FIFTY PERCENT IS EXEMPT FROM PROPERTY TAXATION;

9 (III) THE EXEMPTION IS A SIGNIFICANT BENEFIT FOR MANY
10 QUALIFYING SENIORS AND QUALIFYING DISABLED VETERANS, ESPECIALLY
11 THOSE WHO LIVE ON FIXED INCOMES, AND THEY EXPECT AND NEED THE
12 GENERAL ASSEMBLY TO PRESERVE THE EXEMPTION, WHICH REDUCES THE
13 COST OF THEIR HOME OWNERSHIP AS PROPERTY VALUES AND PROPERTY
14 TAXES CONTINUE TO INCREASE AND HELPS THEM STAY IN THEIR HOMES;
15 AND

16 (IV) IT IS THEREFORE NECESSARY AND APPROPRIATE AND IN THE
17 BEST INTEREST OF QUALIFYING SENIORS, QUALIFYING DISABLED
18 VETERANS, AND THE STATE TO ENACT A STATUTORY LIMIT ON THE
19 AUTHORITY OF THE GENERAL ASSEMBLY TO REDUCE OR SUSPEND THE
20 EXEMPTION.

21 (b) FOR ANY PROPERTY TAX YEAR COMMENCING ON OR AFTER
22 JANUARY 1, 2019, THE GENERAL ASSEMBLY SHALL NOT LOWER BY LAW
23 THE MAXIMUM AMOUNT OF ACTUAL VALUE OF RESIDENTIAL REAL
24 PROPERTY THAT IS THE PRIMARY RESIDENCE OF AN OWNER-OCCUPIER WHO
25 IS A QUALIFYING SENIOR OR A QUALIFYING DISABLED VETERAN OF WHICH
26 FIFTY PERCENT IS EXEMPT FROM PROPERTY TAXATION BELOW TWO
27 HUNDRED THOUSAND DOLLARS UNLESS THE AMOUNT OF GENERAL FUND

1 REVENUE FOR THE STATE FISCAL YEAR THAT ENDED DURING THE PRIOR
2 PROPERTY TAX YEAR IS LESS THAN THE AMOUNT OF GENERAL FUND
3 REVENUE FOR THE NEXT PRECEDING STATE FISCAL YEAR. IF THE GENERAL
4 ASSEMBLY LOWERS BY LAW THE AMOUNT OF ACTUAL VALUE OF
5 RESIDENTIAL REAL PROPERTY THAT IS THE PRIMARY RESIDENCE OF AN
6 OWNER-OCCUPIER WHO IS A QUALIFYING SENIOR OR A QUALIFYING
7 DISABLED VETERAN OF WHICH FIFTY PERCENT IS EXEMPT FROM PROPERTY
8 TAXATION FOR A PROPERTY TAX YEAR BELOW TWO HUNDRED THOUSAND
9 DOLLARS AS AUTHORIZED BY THIS SUBSECTION (7), THAT AMOUNT SHALL
10 AUTOMATICALLY INCREASE TO TWO HUNDRED THOUSAND DOLLARS FOR
11 ANY SUBSEQUENT PROPERTY TAX YEAR FOR WHICH THE AMOUNT OF
12 GENERAL FUND REVENUE FOR THE STATE FISCAL YEAR THAT ENDED
13 DURING THE PRIOR PROPERTY TAX YEAR IS EQUAL TO OR MORE THAN THE
14 AMOUNT OF GENERAL FUND REVENUE FOR THE NEXT PRECEDING STATE
15 FISCAL YEAR.

16 **SECTION 2. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2020 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.