

First Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 21-1030.03 Ed DeCecco x4216

SENATE BILL 21-293

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SENATE SPONSORSHIP

Hansen and Rankin,

HOUSE SPONSORSHIP

Esgar,

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Senate Committees  
Finance

House Committees

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A BILL FOR AN ACT

101 CONCERNING PROPERTY TAXATION, AND, IN CONNECTION THEREWITH,  
102 ESTABLISHING SUBCLASSES OF RESIDENTIAL AND  
103 NONRESIDENTIAL PROPERTY; FOR THE 2022 AND 2023 PROPERTY  
104 TAX YEARS, TEMPORARILY REDUCING THE ASSESSMENT RATE  
105 FOR PROPERTY CLASSIFIED AS AGRICULTURAL PROPERTY OR  
106 RENEWABLE ENERGY PRODUCTION PROPERTY FROM  
107 TWENTY-NINE PERCENT TO TWENTY-SIX AND FOUR-TENTHS  
108 PERCENT, FOR PROPERTY CLASSIFIED AS MULTI-FAMILY  
109 RESIDENTIAL REAL PROPERTY FROM SEVEN AND FIFTEEN  
110 ONE-HUNDREDTHS PERCENT TO SIX AND EIGHT-TENTHS  
111 PERCENT, CONTINGENT ON A RELATED INITIATIVE NOT BEING  
112 APPROVED BY VOTERS, AND FOR ALL OTHER RESIDENTIAL  
113 PROPERTY FROM SEVEN AND FIFTEEN ONE-HUNDREDTHS

*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.*

101           PERCENT TO SIX AND NINETY-FIVE ONE-HUNDREDTHS PERCENT;  
102           RESTRUCTURING THE ASSESSMENT RATE LAWS; AND EXPANDING  
103           THE PROPERTY TAX DEFERRAL PROGRAM TO ALLOW TAXPAYERS  
104           TO DEFER INCREASES IN PROPERTY TAXES IN LIMITED  
105           CIRCUMSTANCES.

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### 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>.)*

**Section 1** of the bill repeals a moratorium on changing a ratio for valuation for assessment (assessment rate), which is the percentage applied to a property's actual value to determine the taxable amount upon which a mill levy is imposed. **Section 2** classifies agricultural property, lodging property, and renewable energy production property as new subclasses of nonresidential property. The assessment rate for agricultural property and renewable energy production property is temporarily reduced from 29% to 26.4% for the next 2 property tax years. The law is restructured so that, if a proposed initiative to reduce the assessment rate for nonresidential property is approved by voters, then it would only apply to lodging property.

**Section 3** classifies multi-family residential real property as a new subclass of residential real property. The law is restructured so that, if a proposed initiative to reduce the residential assessment rate is approved by voters, then it would only apply to multi-family residential real property. If the initiative fails, then, under **section 4**, the assessment rate for multi-family residential real property is temporarily reduced from 7.15% to 6.8% for the next 2 property tax years. The assessment rate for all residential real property other than multi-family property is temporarily reduced from 7.15% to 6.95% for the next 2 property tax years.

**Sections 5 through 8** expand the property tax deferral program to allow any person to defer the payment of the portion of real property taxes that exceed the tax-growth cap, which is an amount equal to the average of the person's real property taxes paid for the preceding 2 property tax years for the same homestead, increased by 4.6%. The total taxes that a taxpayer may defer under this authorization is \$10,000, and the taxpayer is treated like a person called into military service for purposes of the equity the person must have in the homestead to qualify

for deferral and surviving-spouse eligibility.

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

2           **SECTION 1.** In Colorado Revised Statutes, **repeal** 39-1-103.8 as  
3 follows:

4           **39-1-103.8. Valuation for assessment - future increases.**  
5 ~~Beginning with the property tax year that commences on January 1, 2020,~~  
6 ~~there is a moratorium on changing the ratio of valuation for assessment~~  
7 ~~for any class of property.~~

8           **SECTION 2.** In Colorado Revised Statutes, 39-1-104, **amend** (1);  
9 and **add** (1.6) and (1.8) as follows:

10           **39-1-104. Valuation for assessment - definitions.** (1) The  
11 valuation for assessment of all taxable property in the state shall be  
12 twenty-nine percent of the actual value thereof as determined by the  
13 assessor and the administrator in the manner prescribed by law, and such  
14 percentage shall be uniformly applied, without exception, to the actual  
15 value, so determined, of the ~~various classes and subclasses of real and~~  
16 ~~personal property located within the territorial limits of the authority~~  
17 ~~levying a property tax, and all property taxes shall be levied against the~~  
18 ~~aggregate valuation for assessment resulting from the application of such~~  
19 ~~percentage. This subsection (1) shall not apply to residential real property,~~  
20 ~~producing mines, and lands or leaseholds producing oil or gas~~ ONLY  
21 APPLIES TO REAL AND PERSONAL NONRESIDENTIAL PROPERTY THAT IS  
22 CLASSIFIED AS LODGING PROPERTY.

23           (1.6) (a) HOTELS, MOTELS, BED AND BREAKFASTS, AND PERSONAL  
24 PROPERTY LOCATED AT A HOTEL, MOTEL, OR BED AND BREAKFAST ARE  
25 CLASSIFIED AS LODGING PROPERTY, WHICH IS A SUBCLASS OF

1 NONRESIDENTIAL PROPERTY. CLASSIFICATION AS A LODGING PROPERTY  
2 DOES NOT AFFECT AN ALLOCATION AS RESIDENTIAL REAL PROPERTY IF A  
3 LODGING PROPERTY IS A MIXED-USE PROPERTY.

4 (b) REAL AND PERSONAL PROPERTY VALUED UNDER SECTION  
5 39-4-102 (1)(e) OR (1.5) OR SECTION 39-5-104.7 IS CLASSIFIED AS  
6 RENEWABLE ENERGY PRODUCTION PROPERTY, WHICH IS A SUBCLASS OF  
7 NONRESIDENTIAL PROPERTY.

8 (c) REAL AND PERSONAL AGRICULTURAL PROPERTY IS A SUBCLASS  
9 OF NONRESIDENTIAL PROPERTY.

10 (1.8) (a) THE VALUATION FOR ASSESSMENT OF REAL AND  
11 PERSONAL PROPERTY THAT IS CLASSIFIED AS AGRICULTURAL PROPERTY OR  
12 RENEWABLE ENERGY PRODUCTION PROPERTY IS TWENTY-NINE PERCENT OF  
13 THE ACTUAL VALUE THEREOF; EXCEPT THAT, FOR PROPERTY TAX YEARS  
14 COMMENCING ON JANUARY 1, 2022, AND JANUARY 1, 2023, THE  
15 VALUATION FOR ASSESSMENT IS TEMPORARILY REDUCED TO TWENTY-SIX  
16 AND FOUR-TENTHS PERCENT OF THE ACTUAL VALUE THEREOF.

17 (b) (I) THE VALUATION FOR ASSESSMENT OF ALL NONRESIDENTIAL  
18 PROPERTY THAT IS NOT SPECIFIED IN SUBSECTION (1) OR (1.8)(a) OF THIS  
19 SECTION IS TWENTY-NINE PERCENT OF THE ACTUAL VALUE THEREOF.

20 (II) SUBSECTION (1.8)(b)(I) OF THIS SECTION DOES NOT APPLY TO  
21 PRODUCING MINES AND LANDS OR LEASEHOLDS PRODUCING OIL OR GAS.

22 (c) THE ACTUAL VALUE OF REAL AND PERSONAL PROPERTY  
23 SPECIFIED IN SUBSECTION (1.8)(a) OR (1.8)(b) OF THIS SECTION IS  
24 DETERMINED BY THE ASSESSOR AND THE ADMINISTRATOR IN THE MANNER  
25 PRESCRIBED BY LAW, AND A VALUATION FOR ASSESSMENT PERCENTAGE IS  
26 UNIFORMLY APPLIED, WITHOUT EXCEPTION, TO THE ACTUAL VALUE, SO  
27 DETERMINED, OF THE VARIOUS CLASSES AND SUBCLASSES OF REAL AND

1 PERSONAL PROPERTY LOCATED WITHIN THE TERRITORIAL LIMITS OF THE  
2 AUTHORITY LEVYING A PROPERTY TAX, AND ALL PROPERTY TAXES ARE  
3 LEVIED AGAINST THE AGGREGATE VALUATION FOR ASSESSMENT  
4 RESULTING FROM THE APPLICATION OF THE PERCENTAGE.

5 **SECTION 3.** In Colorado Revised Statutes, 39-1-104.2, **amend**  
6 (1)(a) and (3)(q); and **add** (3)(r) as follows:

7 **39-1-104.2. Adjustment of residential rate - legislative**  
8 **declaration - definitions.** (1) As used in this section, unless the context  
9 otherwise requires:

10 (a) ~~"Residential rate" means the ratio of valuation for assessment~~  
11 ~~for residential real property fixed in accordance with this section.~~

12 "MULTI-FAMILY RESIDENTIAL REAL PROPERTY" MEANS A DUPLEX, A  
13 TRIPLEX, AND MULTI-UNIT STRUCTURES OF FOUR OR MORE UNITS, ALL OF  
14 WHICH ARE BASED ON THE CLASS CODES ESTABLISHED IN THE MANUAL  
15 PUBLISHED BY THE ADMINISTRATOR.

16 (3) (q) The ratio of valuation for assessment for MULTI-FAMILY  
17 residential real property is 7.15 percent of actual value for property tax  
18 years commencing on or after January 1, 2019, until the next property tax  
19 year that the general assembly adjusts the ratio of valuation for  
20 assessment for residential real property.

21 (r) THE RATIO OF VALUATION FOR ASSESSMENT FOR ALL  
22 RESIDENTIAL REAL PROPERTY OTHER THAN MULTI-FAMILY RESIDENTIAL  
23 REAL PROPERTY IS 7.15 PERCENT OF ACTUAL VALUE; EXCEPT THAT, FOR  
24 PROPERTY TAX YEARS COMMENCING ON JANUARY 1, 2022, AND JANUARY  
25 1, 2023, THE RATIO OF VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL  
26 PROPERTY OTHER THAN MULTI-FAMILY RESIDENTIAL REAL PROPERTY IS  
27 TEMPORARILY REDUCED TO 6.95 PERCENT OF ACTUAL VALUE.

1           **SECTION 4.** In Colorado Revised Statutes, 39-1-104.2, **amend**  
2 (3)(q) as follows:

3           **39-1-104.2. Adjustment of residential rate - legislative**  
4 **declaration - definitions.** (3) (q) The ratio of valuation for assessment  
5 for MULTI-FAMILY residential real property is 7.15 percent of actual value  
6 for property tax years commencing on or after January 1, 2019; ~~until the~~  
7 ~~next property tax year that the general assembly adjusts the ratio of~~  
8 ~~valuation for assessment for residential real property;~~ EXCEPT THAT, FOR  
9 PROPERTY TAX YEARS COMMENCING ON JANUARY 1, 2022, AND JANUARY  
10 1, 2023, THE RATIO OF VALUATION FOR ASSESSMENT FOR MULTI-FAMILY  
11 RESIDENTIAL REAL PROPERTY IS TEMPORARILY REDUCED TO 6.8 PERCENT  
12 OF ACTUAL VALUE.

13           **SECTION 5.** In Colorado Revised Statutes, 39-3.5-101, **amend**  
14 the introductory portion; and **add** (3.5) as follows:

15           **39-3.5-101. Definitions.** As used in this ~~article~~ ARTICLE 3.5,  
16 unless the context otherwise requires:

17           (3.5) "TAX-GROWTH CAP" MEANS AN AMOUNT EQUAL TO THE  
18 AVERAGE OF A PERSON'S REAL PROPERTY TAXES PAID ON THE SAME  
19 HOMESTEAD FOR THE TWO PROPERTY TAX YEARS PRECEDING THE YEAR A  
20 DEFERRAL IS CLAIMED, INCREASED BY FOUR AND SIX-TENTHS PERCENT.

21           **SECTION 6.** In Colorado Revised Statutes, 39-3.5-102, **amend**  
22 (2) introductory portion, (2)(a), and (2.5); and **add** (1)(c) as follows:

23           **39-3.5-102. Deferral of tax on homestead - qualifications -**  
24 **filing of claim.** (1) (c) (I) SUBJECT TO THE PROVISIONS OF THIS ARTICLE  
25 3.5, BEGINNING JANUARY 1, 2023, A PERSON WHO IS NOT OTHERWISE  
26 ELIGIBLE FOR DEFERRAL UNDER THIS SECTION MAY ELECT TO DEFER THE  
27 PAYMENT OF THE PORTION OF REAL PROPERTY TAXES THAT EXCEED THE

1 PERSON'S TAX-GROWTH CAP. TO EXERCISE THIS OPTION, THE TAXPAYER  
2 MUST FILE A CLAIM FOR DEFERRAL WITH THE TREASURER OF THE COUNTY  
3 IN WHICH THE TAXPAYER'S HOMESTEAD IS LOCATED. THE TAXPAYER MUST  
4 FILE THE CLAIM AFTER JANUARY 1 AND ON OR BEFORE APRIL 1 OF EACH  
5 YEAR IN WHICH THE TAXPAYER CLAIMS THE DEFERRAL.

6 (II) IN ADDITION TO ANY OTHER LIMITATIONS SET FORTH IN THIS  
7 ARTICLE 3.5, THE TOTAL AMOUNT OF REAL PROPERTY TAXES THAT A  
8 PERSON MAY DEFER UNDER THIS SUBSECTION (1)(c) SHALL NOT EXCEED  
9 TEN THOUSAND DOLLARS. IF A TAXPAYER'S SURVIVING SPOUSE ELECTS TO  
10 CONTINUE DEFERRAL UNDER SECTION 39-3.5-112 (1.5)(a), THE SAME LIMIT  
11 APPLIES TO THE TAXPAYER AND THE SURVIVING SPOUSE.

12 (III) A PERSON WHO PREVIOUSLY DEFERRED REAL PROPERTY  
13 TAXES AS A PERSON CALLED INTO MILITARY SERVICE BUT IS NO LONGER  
14 ELIGIBLE FOR A NEW DEFERRAL ON THAT BASIS MAY DEFER ADDITIONAL  
15 REAL PROPERTY TAXES UNDER THIS SUBSECTION (1)(c).

16 (2) When a taxpayer who is sixty-five years of age or older, ~~or~~  
17 who is a person called into military service, OR WHO IS OTHERWISE  
18 ELIGIBLE UNDER SUBSECTION (1)(c) OF THIS SECTION files a valid claim  
19 for deferral under subsection (1) of this section, it ~~shall have~~ HAS the  
20 effect of:

21 (a) Deferring the payment of ~~his~~ THE TAXPAYER'S real property  
22 taxes OR IN THE CASE OF A PERSON WHO IS OTHERWISE ELIGIBLE, A  
23 PORTION OF THE TAXPAYER'S REAL PROPERTY TAXES, for the calendar year  
24 previous to the year in which the claim is filed;

25 (2.5) (a) A person called into military service may defer only the  
26 real property taxes payable in a year in which the person is a person called  
27 into military service. A person who is no longer a person called into

1 military service may file a valid claim in a subsequent year to continue the  
2 PRIOR ALLOWABLE deferral of taxes. ~~payable in a year in which the person~~  
3 ~~was a person called into military service.~~

4 (b) A PERSON WHO DEFERS A PORTION OF REAL PROPERTY TAXES  
5 UNDER SUBSECTION (1)(c) OF THIS SECTION MAY FILE A VALID CLAIM IN A  
6 SUBSEQUENT YEAR TO CONTINUE THE PRIOR ALLOWABLE DEFERRAL OF  
7 TAXES.

8 **SECTION 7.** In Colorado Revised Statutes, 39-3.5-103, **amend**  
9 (1) introductory portion, (1)(d.5)(I) introductory portion, and  
10 (1)(d.5)(I)(B) as follows:

11 **39-3.5-103. Property entitled to deferral.** (1) In order to qualify  
12 for real property tax deferral under this ~~article~~ ARTICLE 3.5, the property  
13 shall meet all of the following requirements at the time the claim is filed  
14 and so long thereafter as payment is deferred:

15 (d.5) (I) ~~On or after January 1, 2006,~~ Either of the following  
16 applies to the property:

17 (B) The owner of the property is a person called into military  
18 service OR A PERSON ELIGIBLE FOR DEFERRAL UNDER SECTION 39-3.5-102  
19 (1)(c), and the total value of all liens of mortgages and deeds of trust on  
20 the property, excluding any mortgage or deed of trust that the holder has  
21 agreed, on a form designated by the state treasurer, to subordinate to the  
22 lien of the state for deferred taxes, is less than or equal to ninety percent  
23 of the actual value of the property, as determined by the county assessor.

24 **SECTION 8.** In Colorado Revised Statutes, 39-3.5-112, **amend**  
25 (1.5)(a) introductory portion and (1.5)(a)(I) as follows:

26 **39-3.5-112. Election by spouse to continue tax deferral.**  
27 (1.5) (a) Notwithstanding the provisions of section 39-3.5-110 (1)(a),



1 when a taxpayer who claimed a tax deferral pursuant to this ~~article~~  
2 ARTICLE 3.5 dies, the loan for deferred real property taxes, including  
3 accrued interest, shall not become payable if:

4 (I) The taxpayer was a person called into military service OR WAS  
5 A PERSON ELIGIBLE FOR DEFERRAL UNDER SECTION 39-3.5-102 (1)(c);

6 **SECTION 9. Effective date.** (1) Except as otherwise provided  
7 in this section, this act takes effect upon passage.

8 (2) Section 39-1-104.2 (3)(q), Colorado Revised Statutes, as  
9 amended in section 3 of this act, takes effect only if the registered electors  
10 of the state of Colorado voting at the statewide election to be held in  
11 November 2021 approve a ballot title for a change to the Colorado  
12 Revised Statutes concerning property tax reductions, and, in which case,  
13 section 39-1-104.2 (3)(q) takes effect simultaneously with the initiative  
14 that becomes law by operation of the voter's approval of the ballot title.

15 (3) Section 4 of this act takes effect only if the registered electors  
16 of the state of Colorado voting at the statewide election to be held in  
17 November 2021 do not approve a ballot title for a change to the Colorado  
18 Revised Statutes concerning property tax reductions, and, in which case,  
19 section 4 takes effect on December 31, 2021.

20 **SECTION 10. Safety clause.** The general assembly hereby finds,  
21 determines, and declares that this act is necessary for the immediate  
22 preservation of the public peace, health, or safety.