

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 21-1030.03 Ed DeCecco x4216

SENATE BILL 21-293

SENATE SPONSORSHIP

Hansen and Rankin,

HOUSE SPONSORSHIP

Esgar,

Senate Committees

Finance
Appropriations

House Committees

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.

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.

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, at the November
10 2021 statewide election, a majority of voters approve a measure
11 concerning property tax reductions, and, in which case, section
12 39-1-104.2 (3)(q) takes effect simultaneously with the measure.

13 (3) Section 4 of this act takes effect only if, at the November 2021
14 statewide election, a majority of voters do not approve a measure
15 concerning property tax reductions or if there is no such measure on the
16 ballot for the election, and, in either case, section 4 takes effect on
17 December 31, 2021.

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