

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

March 6, 2023
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB23-1184 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 2, after line 1 insert:

2 "SECTION 1. In Colorado Revised Statutes, 39-2-117, amend
3 (1)(a)(I), (1)(b)(I) introductory portion, (1)(b)(II), (2), (3)(a)(I), (3)(a)(II),
4 (3)(b)(I), and (3)(b)(II)(A) as follows:

5 **39-2-117. Applications for exemption - review - annual reports**
6 **- procedures - rules.** (1) (a) (I) Every application filed on or after
7 January 1, 1990, claiming initial exemption of real and personal property
8 from general taxation pursuant to the provisions of sections 39-3-106 to
9 39-3-113.5, and 39-3-116, AND 39-3-127.7 shall be made on forms
10 prescribed and furnished by the administrator, ~~shall~~ MUST contain such
11 information as specified in ~~paragraph (b) of this subsection (1)~~
12 SUBSECTION (1)(b) OF THIS SECTION, and ~~shall~~ MUST be signed by the
13 owner of such property or ~~his or her~~ THE OWNER'S authorized agent under
14 the penalty of perjury in the second degree and, except as otherwise
15 provided in this ~~paragraph (a)~~ SUBSECTION (1)(a), ~~shall~~ MUST be
16 accompanied by a payment of one hundred seventy-five dollars, which
17 ~~shall~~ MUST be credited to the property tax exemption fund created in
18 subsection (8) of this section. The administrator shall examine and review
19 each application submitted, and, if it is determined that the exemption
20 therein claimed is justified and in accordance with the intent of the law,
21 the exemption ~~shall~~ MUST be granted, the same to be effective upon such
22 date in the year of application as the administrator shall determine, but in
23 no event shall the exemption apply to any year prior to the year preceding
24 the year in which application is made. The decision of the administrator
25 ~~shall~~ MUST be issued in writing and a copy thereof furnished to the
26 applicant and to the assessor, treasurer, and board of county
27 commissioners of the county in which the property is located.

1 (b) (I) Any users of real and personal property for which
2 exemption from general taxation is requested pursuant to any of the
3 provisions of sections 39-3-107 to 39-3-113.5 AND 39-3-127.7 may be
4 required to provide such information as the property tax administrator
5 determines to be necessary. If a claim is made for an exemption under
6 section 39-3-110, and the child care center is operated by a person other
7 than the owner of the property, then the other person, or the other person's
8 authorized agent, must:

9 (II) Except as otherwise provided in this ~~subparagraph (H)~~
10 SUBSECTION (1)(b)(II), any application filed pursuant to ~~paragraph (a) of~~
11 ~~this subsection (I)~~ SUBSECTION (1)(a) OF THIS SECTION claiming
12 exemption from taxation pursuant to section 39-3-106 or 39-3-106.5 shall
13 MUST contain the following information: The legal description and
14 address of the real property or the address of the personal property being
15 claimed as exempt; the name and address of the owner of such property;
16 the name and telephone number of the agent of such property; the date the
17 owner acquired such property; the date the owner commenced using the
18 property for religious purposes; a complete list of all uses of the property
19 other than by the owner thereof during the previous twelve months; the
20 total amount of gross income specified in section 39-3-106.5 (1)(b)(I) and
21 the total amount of gross rental income resulting to the owner of such
22 property during the previous twelve months from uses for purposes other
23 than the purposes specified in sections 39-3-106 to 39-3-113.5 AND
24 39-3-127.7; and the total number of hours during the previous twelve
25 months that such property was used for purposes other than the purposes
26 specified in sections 39-3-106 to 39-3-113.5 AND 39-3-127.7. For
27 purposes of this ~~subparagraph (H)~~ SUBSECTION (1)(b)(II), if the owner did
28 not own the property being claimed as exempt during the entire
29 twelve-month period prior to filing such application, the application shall
30 MUST contain the required information for that portion of the
31 twelve-month period for which such property was owned by the owner
32 making application. Such application shall MUST also include a
33 declaration that sets forth the religious mission and religious purposes of
34 the owner of the property being claimed as exempt and the uses of such
35 property that are in the furtherance of such mission and purposes. Such
36 declaration shall MUST be presumptive as to the religious purposes for
37 which such property is used. If the administrator is unable to determine
38 whether the property qualifies for exemption based solely on the
39 information specified in this ~~subparagraph (H)~~ SUBSECTION (1)(b)(II), the
40 administrator may require additional information, but only to the extent
41 that the additional information is necessary to determine the exemption
42 status of the property. The administrator may challenge any declaration
43 included in the application only upon the grounds that the religious

1 mission and purposes are not religious beliefs sincerely held by the owner
2 of such property, that the property being claimed as exempt is not actually
3 used for the purposes set forth in such application, or that the property
4 being claimed as exempt is used for private gain or corporate profit.

5 (2) No assessor shall classify any real or personal property as
6 being exempt from taxation pursuant to the provisions of sections
7 39-3-106 to 39-3-113.5, ~~or 39-3-116, OR 39-3-127.7~~ in any year unless
8 the application for exemption for the current year has been reviewed and
9 has been granted as provided for by law, nor shall any assessor classify
10 any real or personal property as being taxable after having been notified
11 in writing that such property has been determined to be exempt from
12 taxation by the property tax administrator.

13 (3) (a) (I) On and after January 1, 1990, and no later than April 15
14 of each year, every owner of real or personal property for which
15 exemption from general taxation has previously been granted shall file a
16 report with the administrator upon forms furnished by the division,
17 containing such information relative to the exempt property as specified
18 in ~~paragraph (b) of this subsection (3)~~ SUBSECTION (3)(b) OF THIS
19 SECTION, and signed under the penalty of perjury in the second degree.
20 Each such annual report ~~shall~~ MUST be accompanied by a payment of
21 seventy-five dollars, which ~~shall~~ MUST be credited to the property tax
22 exemption fund created in subsection (8) of this section. Each such
23 annual report filed later than April 15, but prior to July 1, ~~shall~~ MUST be
24 accompanied by a late filing fee of two hundred fifty dollars; except that
25 the administrator ~~shall have~~ HAS the authority to waive all or a portion of
26 the late filing fee for good cause shown as determined by the
27 administrator by rules adopted pursuant to subsection (7) of this section.
28 On and after January 1, 1990, every owner of real or personal property for
29 which exemption from general taxation has previously been granted
30 pursuant to the provisions of section 39-3-111 and that is used for any
31 purpose other than the purposes specified in sections 39-3-106 to
32 39-3-113.5 AND 39-3-127.7 for less than two hundred eight hours during
33 the calendar year or if the use of the property for such purposes results in
34 annual gross rental income to such owner of less than twenty-five
35 thousand dollars ~~shall~~ MUST not be required to file any annual report
36 pursuant to the provisions of this subsection (3). In order to claim such
37 exemption, in lieu of such annual report, the owner shall annually file
38 with the administrator a declaration stating that the property is used for
39 such purposes for less than two hundred eight hours during the calendar
40 year or THAT such use results in annual gross rental income to the owner
41 of less than twenty-five thousand dollars.

42 (II) In the event an annual report is not received by June 1 from
43 an owner of real or personal property for which an exemption was granted

1 for the previous year pursuant to the provisions of sections 39-3-107 to
2 39-3-113.5, ~~or~~ 39-3-116, OR 39-3-127.7, the administrator shall give
3 notice in writing to such property owner by June 15 that failure to comply
4 by July 1 shall operate as a forfeiture of any right to claim exemption of
5 previously exempt property from general taxation for the current year.
6 Failure to timely file such annual report on or before July 1 ~~shall operate~~
7 OPERATES as a forfeiture of any right to claim exemption of such property
8 from general taxation for the year in which such failure occurs, unless an
9 application is timely filed and an exemption granted pursuant to the
10 provisions of ~~paragraph (a) of subsection (1) of this section~~ SUBSECTION
11 (1)(a) OF THIS SECTION. The administrator shall review each report filed
12 to determine if such property continues to qualify for exemption, and, if
13 it is determined that the property does not so qualify, the owner of such
14 property ~~shall~~ MUST be notified in writing of the disqualification, and the
15 assessor, treasurer, and board of county commissioners of the county in
16 which the property is located ~~shall~~ MUST also be so notified.

17 (b) (I) Any user of property which has been exempted pursuant to
18 the provisions of sections 39-3-107 to 39-3-113.5 AND 39-3-127.7 may
19 be required to provide such information as the property tax administrator
20 determines to be necessary in order to ascertain whether the users and
21 usages of the property are in compliance with the provisions of said
22 sections.

23 (II) (A) Except as otherwise provided in ~~sub-subparagraph (B) of~~
24 ~~this subparagraph (H)~~ SUBSECTION (3)(b)(II)(B) OF THIS SECTION, any
25 annual report filed pursuant to ~~paragraph (a) of this subsection (3)~~
26 SUBSECTION (3)(a) OF THIS SECTION claiming exemption from taxation
27 pursuant to section 39-3-106 or 39-3-106.5 ~~shall~~ MUST contain the
28 following information: The legal description or address of the property
29 being claimed as exempt; the name and address of the owner of such
30 property; a complete list of all uses of such property other than by the
31 owner thereof during the previous calendar year; the amount of total gross
32 income specified in section 39-3-106.5 (1)(b)(I) and the total amount of
33 gross rental income resulting from uses of such property that are not for
34 the purposes set forth in sections 39-3-106 to 39-3-113.5 AND 39-3-127.7;
35 and the total number of hours that such property was used for purposes
36 other than the purposes specified in sections 39-3-106 to 39-3-113.5 AND
37 39-3-127.7. Such annual report ~~shall~~ MUST also include a declaration of
38 the religious mission and purposes of the owner of such property claimed
39 as being exempt and the uses of such property that are in the furtherance
40 of such mission and purposes. Such declaration ~~shall be~~ IS presumptive
41 as to the religious mission and religious purposes of the owner of such
42 property. If the administrator is unable to determine whether the property
43 continues to qualify for exemption based solely on the information

1 specified in this ~~subparagraph~~ (H) SUBSECTION (3)(b)(II), the
2 administrator may require additional information, but only to the extent
3 that the additional information is necessary to determine the exemption
4 status of the property. The administrator may challenge any declaration
5 included in such annual report only upon the grounds that the religious
6 mission and purposes are not religious beliefs sincerely held by the owner
7 of such property, that such property is not actually used for the purposes
8 set forth in the annual report, or that the property being claimed as exempt
9 is used for private gain or corporate profit."

10 Renumber succeeding sections accordingly.

11 Page 10, after line 24 insert:

12 "(6) ANY COMMUNITY LAND TRUST OR NONPROFIT AFFORDABLE
13 HOMEOWNERSHIP DEVELOPER THAT CLAIMS A PROPERTY TAX EXEMPTION
14 PURSUANT TO THIS SECTION SHALL COMPLY WITH THE PROVISIONS OF
15 SECTION 39-2-117."

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