

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

May 7, 2024
Date

Committee on Appropriations.

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

SB24-233 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend reengrossed bill, page 7, line 7, strike "ARTICLE X SECTION 20"
- 2 and substitute "SECTION 20 OF ARTICLE X".

- 3 Page 7, line 13, strike "JANUARY 1, 2025." and substitute "THE EFFECTIVE
- 4 DATE OF THIS PART 17."

- 5 Page 7, line 15, strike "AND" and substitute "OR".

- 6 Page 10, line 13, strike "ARTICLE X SECTION 20" and substitute "SECTION
- 7 20 OF ARTICLE X".

- 8 Page 10, line 15, strike "OF:" and substitute "OF THE FOLLOWING IS NOT
- 9 INCLUDED IN THE CALCULATION OF THE PROPERTY TAX LIMIT:".

- 10 Page 12, line 2, strike "year" and substitute "~~year~~ YEARS" and after
- 11 "2023," insert "AND JANUARY 1, 2024,".

- 12 Page 12, strike lines 7 through 12.

- 13 Renumber succeeding subparagraphs accordingly.

- 14 Page 15, line 24, after "FOR" insert "ASSESSMENT FOR".

- 15 Page 15, line 26, strike "6.7" and substitute "6.4".

- 16 Page 16, line 8, strike "106.716418%" and substitute "111.71875%".

- 17 Page 16, line 9, strike "6.7" and substitute "6.4".

1 Page 17, after line 6 insert:

2 "SECTION 5. In Colorado Revised Statutes, 39-1-104.2, amend
3 (1)(a), (1)(b), (3)(q)(I), (3)(q)(II), (3)(r)(I), and (3)(r)(II); amend as
4 amended by Senate Bill 24-111 (3)(q) introductory portion and (3)(r)
5 introductory portion; amend as added by Senate Bill 24-111 (1)(a.5) and
6 (3)(s); repeal (3)(r)(III); and add (1)(c), (1)(d), (3)(t), and (3)(u) as
7 follows:

8 **39-1-104.2. Residential real property - valuation for**
9 **assessment - legislative declaration - definitions.** (1) As used in this
10 section, unless the context otherwise requires:

11 (a) ~~"Multi-family residential real property" means residential real~~
12 ~~property that is a duplex, triplex, or multi-structure of four or more units,~~
13 ~~all of which are based on the class codes established in the manual~~
14 ~~published by the administrator. Multi-family residential real property is~~
15 ~~a subclass of residential real property for purposes of the ratio of~~
16 ~~valuation for assessment. "INFLATION" MEANS THE ANNUAL PERCENTAGE~~
17 ~~CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF~~
18 ~~LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR~~
19 ~~DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN~~
20 ~~CONSUMERS.~~

21 (a.5) ~~"Qualified-senior primary residence real property" means~~
22 ~~property that is classified as such under section 39-1-104.6. "LOCAL~~
23 ~~GOVERNMENTAL ENTITY" MEANS A GOVERNMENTAL ENTITY AUTHORIZED~~
24 ~~BY LAW TO IMPOSE AD VALOREM TAXES ON TAXABLE PROPERTY LOCATED~~
25 ~~WITHIN ITS TERRITORIAL LIMITS; EXCEPT THAT THE TERM EXCLUDES~~
26 ~~SCHOOL DISTRICTS.~~

27 (b) ~~"Target percentage" means the percentage of aggregate~~
28 ~~statewide valuation for assessment represented by the valuation for~~
29 ~~assessment which is attributable to residential real property in the year~~
30 ~~immediately preceding the year in which a change in the level of value~~
31 ~~occurs. "MULTI-FAMILY RESIDENTIAL REAL PROPERTY" MEANS~~
32 ~~RESIDENTIAL REAL PROPERTY THAT IS A DUPLEX, TRIPLEX, OR~~
33 ~~MULTI-STRUCTURE OF FOUR OR MORE UNITS, ALL OF WHICH ARE BASED ON~~
34 ~~THE CLASS CODES ESTABLISHED IN THE MANUAL PUBLISHED BY THE~~
35 ~~ADMINISTRATOR. "MULTI-FAMILY RESIDENTIAL REAL PROPERTY" IS A~~
36 ~~SUBCLASS OF RESIDENTIAL REAL PROPERTY FOR PURPOSES OF THE RATIO~~
37 ~~OF VALUATION FOR ASSESSMENT.~~

38 (c) "QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY"
39 MEANS PROPERTY THAT IS CLASSIFIED AS SUCH UNDER SECTION
40 39-1-104.6.

41 (d) "TARGET PERCENTAGE" MEANS THE PERCENTAGE OF

1 AGGREGATE STATEWIDE VALUATION FOR ASSESSMENT REPRESENTED BY
2 THE VALUATION FOR ASSESSMENT WHICH IS ATTRIBUTABLE TO
3 RESIDENTIAL REAL PROPERTY IN THE YEAR IMMEDIATELY PRECEDING THE
4 YEAR IN WHICH A CHANGE IN THE LEVEL OF VALUE OCCURS.

5 ~~(3) (q) Except as otherwise provided in subsection (3)(s) of this~~
6 ~~section,~~ FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY
7 1, 2019, AND BEFORE JANUARY 1, 2025, the valuation for assessment for
8 multi-family residential real property is 7.15 percent of the actual value
9 of the property; ~~for property tax years commencing on or after January 1,~~
10 ~~2019;~~ except that the valuation for assessment of this property is
11 temporarily reduced as follows:

12 (I) For the property tax ~~years~~ YEAR commencing on January 1,
13 2022, ~~and January 1, 2024,~~ the valuation for assessment for multi-family
14 residential real property is temporarily reduced to 6.8 percent of the actual
15 value of the property; and

16 (II) For the property tax ~~year~~ YEARS commencing on January 1,
17 2023, AND JANUARY 1, 2024, the valuation for assessment for
18 multi-family residential real property is temporarily reduced to 6.7
19 percent of the amount equal to the actual value of the property minus the
20 lesser of fifty-five thousand dollars or the amount that causes the
21 valuation for assessment of the property to be one thousand dollars.

22 ~~(r) Except as otherwise provided in subsection (3)(s) of this~~
23 ~~section,~~ FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY
24 1, 2022, AND BEFORE JANUARY 1, 2025, the valuation for assessment for
25 all residential real property other than multi-family residential real
26 property is 7.15 percent of the actual value of the property; except that the
27 valuation for assessment of this property is temporarily reduced as
28 follows:

29 (I) For the property tax year commencing on January 1, 2022, the
30 valuation for assessment for all residential real property other than
31 multi-family residential real property is temporarily reduced to 6.95
32 percent of the actual value of the property; AND

33 (II) For the property tax ~~year~~ YEARS commencing on January 1,
34 2023, AND JANUARY 1, 2024, the ~~ratio of~~ valuation for assessment for all
35 residential real property other than multi-family residential real property
36 is 6.7 percent of the amount equal to the actual value of the property
37 minus the lesser of fifty-five thousand dollars or the amount that causes
38 the valuation for assessment of the property to be one thousand dollars.
39 and

40 ~~(III) For the property tax year commencing on January 1, 2024,~~
41 ~~the ratio of valuation for assessment for all residential real property other~~
42 ~~than multi-family residential real property is temporarily established as~~
43 ~~the percentage calculated in accordance with section 39-1-104.4.~~

1 (s) (I) For property tax years commencing on or after January 1,
2 2025, but before January 1, 2027, if there are sufficient excess state
3 revenues, the valuation for assessment for qualified-senior primary
4 residence real property, including multi-family qualified-senior primary
5 residence real property, is: ~~7.15 percent of the amount equal to the actual
6 value of the property minus the lesser of fifty percent of the first two
7 hundred thousand dollars of that actual value or the amount that causes
8 the valuation for assessment of the property to be one thousand dollars.~~

9 (A) FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL
10 GOVERNMENTAL ENTITY, 6.95 PERCENT OF THE AMOUNT EQUAL TO THE
11 ACTUAL VALUE OF THE PROPERTY MINUS THE LESSER OF FIFTY PERCENT OF
12 THE FIRST TWO HUNDRED THOUSAND DOLLARS OF THAT ACTUAL VALUE OR
13 THE AMOUNT THAT CAUSES THE VALUATION FOR ASSESSMENT OF THE
14 PROPERTY TO BE ONE THOUSAND DOLLARS; AND

15 (B) FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT,
16 7.15 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE
17 PROPERTY MINUS EITHER FIFTY PERCENT OF THE FIRST TWO HUNDRED
18 THOUSAND DOLLARS OF THAT ACTUAL VALUE PLUS THE LESSER OF TEN
19 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY OR SEVENTY
20 THOUSAND DOLLARS AS INCREASED FOR INFLATION IN THE FIRST YEAR OF
21 EACH SUBSEQUENT REASSESSMENT CYCLE OR THE AMOUNT THAT CAUSES
22 THE VALUATION FOR ASSESSMENT OF THE PROPERTY TO BE ONE THOUSAND
23 DOLLARS.

24 (II) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
25 2025, IF IT IS ADMINISTRATIVELY INFEASIBLE TO CALCULATE TWO
26 DIFFERENT VALUATIONS FOR ASSESSMENT FOR THE SAME PROPERTY BASED
27 ON TWO DIFFERENT PERCENTAGES OF ACTUAL VALUE, AN ASSESSOR MAY
28 DETERMINE THE VALUE OF A PROPERTY UNDER SUBSECTION (3)(s)(I)(B)
29 OF THIS SECTION BY CALCULATING 102.877697842% OF AN AMOUNT
30 EQUAL TO 6.95 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE
31 OF THE MINUS EITHER FIFTY PERCENT OF THE FIRST TWO HUNDRED
32 THOUSAND DOLLARS OF THAT ACTUAL VALUE PLUS THE LESSER OF TEN
33 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY OR SEVENTY
34 THOUSAND DOLLARS AS INCREASED FOR INFLATION IN THE FIRST YEAR OF
35 EACH SUBSEQUENT REASSESSMENT CYCLE OR THE AMOUNT THAT CAUSES
36 THE VALUATION FOR ASSESSMENT OF THE PROPERTY TO BE ONE THOUSAND
37 DOLLARS.

38 (III) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT ANY
39 MODIFICATION TO THE VALUATION FOR ASSESSMENT ESTABLISHED IN THIS
40 SUBSECTION (3)(s) THAT WOULD RESULT IN A PROPERTY TAX INCREASE
41 WOULD REQUIRE PRIOR VOTER APPROVAL UNDER SECTION 20 (4)(a) OF
42 ARTICLE X OF THE STATE CONSTITUTION.

43 (t) (I) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY

1 1, 2025, THE VALUATION FOR ALL RESIDENTIAL REAL PROPERTY OTHER
2 THAN QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY IS:

3 (A) FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL
4 GOVERNMENTAL ENTITY, 6.7 PERCENT OF THE ACTUAL VALUE OF THE
5 PROPERTY; AND

6 (B) FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT,
7 7.15 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY.

8 (II) IF IT IS ADMINISTRATIVELY INFEASIBLE TO CALCULATE TWO
9 DIFFERENT VALUATIONS FOR ASSESSMENT FOR THE SAME PROPERTY BASED
10 ON THE SAME ACTUAL VALUE, BUT WITH TWO DIFFERENT PERCENTAGES OF
11 THAT ACTUAL VALUE, AN ASSESSOR MAY DETERMINE THE VALUE OF A
12 PROPERTY UNDER SUBSECTION (3)(t)(I)(B) OF THIS SECTION BY
13 CALCULATING 106.716418% OF AN AMOUNT EQUAL TO 6.7 PERCENT OF
14 THE ACTUAL VALUE OF THE PROPERTY.

15 (u) (I) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
16 JANUARY 1, 2026, THE VALUATION FOR ALL RESIDENTIAL REAL PROPERTY
17 OTHER THAN QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY IS:

18 (A) FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL
19 GOVERNMENTAL ENTITY, 6.95 PERCENT OF THE AMOUNT EQUAL TO THE
20 ACTUAL VALUE OF THE PROPERTY MINUS THE LESSER OF TEN PERCENT OF
21 THE ACTUAL VALUE OF THE PROPERTY OR SEVENTY THOUSAND DOLLARS
22 AS INCREASED FOR INFLATION IN THE FIRST YEAR OF EACH SUBSEQUENT
23 REASSESSMENT CYCLE; AND

24 (B) FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT,
25 7.15 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE
26 PROPERTY; EXCEPT THAT THE VALUATION FOR ASSESSMENT FOR THE
27 PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT MAY BE
28 TEMPORARILY REDUCED FOR A PROPERTY TAX YEAR AS SET FORTH IN
29 SECTION 39-1-104.6.

30 (II) FOR REASSESSMENT CYCLES COMMENCING ON OR AFTER
31 JANUARY 1, 2027, THE PROPERTY TAX ADMINISTRATOR SHALL PUBLISH
32 THE INFLATION ADJUSTED VALUE USED TO CALCULATE THE VALUATION
33 FOR ASSESSMENT PURSUANT TO SUBSECTION (3)(u)(I)(A) OF THIS SECTION.

34 (III) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT ANY
35 MODIFICATION TO THE VALUATION FOR ASSESSMENT ESTABLISHED IN THIS
36 SUBSECTION (3)(u) THAT WOULD RESULT IN A PROPERTY TAX INCREASE
37 WOULD REQUIRE PRIOR VOTER APPROVAL UNDER SECTION 20 (4)(a) OF
38 ARTICLE X OF THE STATE CONSTITUTION."

39 Renumber succeeding sections accordingly.

40 Page 18, line 25, strike "ACT," and substitute "ACT".

1 Page 19, after line 24 insert:

2 "SECTION 7. In Colorado Revised Statutes, add 39-1-104.6 as
3 follows:

4 **39-1-104.6. Total program balancing adjustment of residential**
5 **rate - definitions.** (1) FOR QUALIFYING PROPERTY TAX YEARS, THE
6 VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL REAL PROPERTY, FOR
7 THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT, IS EQUAL TO THE
8 LESSER OF:

9 (a) SEVEN AND FIFTEEN HUNDREDTHS PERCENT OF THE ACTUAL
10 VALUE OF THE PROPERTY; OR

11 (b) THE PERCENTAGE OF THE ACTUAL VALUE OF THE PROPERTY
12 NECESSARY FOR STATEWIDE SCHOOL DISTRICT PROPERTY TAX REVENUE
13 DIVIDED BY WEIGHTED TOTAL PROGRAM TO EQUAL ZERO AND SIX-TENTHS.

14 (2) (a) LEGISLATIVE COUNCIL STAFF SHALL NOTIFY THE STATE
15 BOARD OF EQUALIZATION OF THE FIRST YEAR AFTER 2026 IN WHICH THE
16 LOCAL SHARE OF TOTAL PROGRAM IS EQUAL TO OR GREATER THAN SIXTY
17 PERCENT OF THE TOTAL PROGRAM DETERMINED PURSUANT TO ARTICLE 54
18 OF TITLE 22.

19 (b) NO LATER THAN ONE WEEK AFTER THE ANNUAL PUBLIC SCHOOL
20 FINANCE ACT BECOMES LAW, LEGISLATIVE COUNCIL STAFF SHALL PROVIDE
21 THE STATE BOARD OF EQUALIZATION WITH THE INFORMATION NECESSARY
22 TO CALCULATE THE BALANCING PERCENTAGE FOR A QUALIFYING
23 PROPERTY TAX YEAR.

24 (c) NO LATER THAN THREE WEEKS AFTER RECEIVING THE
25 INFORMATION PROVIDED BY LEGISLATIVE COUNCIL STAFF PURSUANT TO
26 SUBSECTION (2) OF THIS SECTION, THE STATE BOARD OF EQUALIZATION
27 SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY THAT CALCULATES
28 THE BALANCING PERCENTAGE.

29 (3) IF THE BALANCING PERCENTAGE IS LOWER THAN SEVEN AND
30 FIFTEEN HUNDREDTHS PERCENT, THEN, FOR THAT PROPERTY TAX YEAR,
31 THE VALUATION FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY FOR
32 THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT IS TEMPORARILY
33 REDUCED IN ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION. THE
34 VALUATION FOR ASSESSMENT FOR THIS PROPERTY IS SEVEN AND FIFTEEN
35 HUNDREDTHS PERCENT OF THE ACTUAL VALUE OF THE PROPERTY FOR THE
36 NEXT PROPERTY TAX YEAR, BUT THE VALUATION FOR ASSESSMENT MAY BE
37 REDUCED AGAIN FOR THAT PROPERTY TAX YEAR IN ACCORDANCE WITH
38 SUBSECTION (1)(b) OF THIS SECTION.

39 (4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
40 REQUIRES:

41 (a) "BALANCING PERCENTAGE" MEANS THE PERCENTAGE OF THE
42 ACTUAL VALUE OF ALL RESIDENTIAL REAL PROPERTY DESCRIBED IN

1 SUBSECTION (1)(b) OF THIS SECTION.

2 (b) "QUALIFYING PROPERTY TAX YEAR" MEANS A PROPERTY TAX
3 YEAR COMMENCING AFTER LEGISLATIVE COUNCIL STAFF HAS PROVIDED
4 THE STATE BOARD OF EQUALIZATION WITH THE NOTICE DESCRIBED IN
5 SUBSECTION (2) OF THIS SECTION.

6 (c) "STATEWIDE SCHOOL DISTRICT PROPERTY TAX REVENUE"
7 MEANS THE TOTAL AMOUNT OF PROPERTY TAX REVENUE ESTIMATED TO BE
8 RETAINED BY ALL OF THE SCHOOL DISTRICTS IN THE STATE IN CONNECTION
9 WITH DISTRICT TOTAL PROGRAM FUNDING FOR THE CURRENT QUALIFYING
10 PROPERTY TAX YEAR.

11 (d) "WEIGHTED TOTAL PROGRAM" MEANS STATEWIDE TOTAL
12 PROGRAM AS CALCULATED PURSUANT TO SECTION 22-54-103.3.

13 **SECTION 8.** In Colorado Revised Statutes, as added by Senate
14 **Bill 24-111** 39-1-104.6, add (10)(c) as follows:

15 **39-1-104.6. Qualified-senior primary residence real property**
16 **- valuation for assessment - reimbursement to local governments for**
17 **reduced valuation - temporary mechanism for refunding excess state**
18 **revenues - legislative declaration - definitions. (10) Reimbursement**
19 **as refund of excess state revenues. (c) AS USED IN THIS SUBSECTION**
20 **(10), UNLESS THE CONTEXT OTHERWISE REQUIRES, "REVENUE LOST AS A**
21 **RESULT OF THE CLASSIFICATION OF REAL PROPERTY AS QUALIFIED-SENIOR**
22 **PRIMARY RESIDENCE REAL PROPERTY" MEANS REVENUE THAT IS LOST AS**
23 **A RESULT OF CERTAIN RESIDENTIAL PROPERTIES BEING CLASSIFIED AS**
24 **"QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY", AND HAVING**
25 **A VALUATION FOR ASSESSMENT DETERMINED PURSUANT TO SECTION**
26 **39-1-104.2 (3)(s), RATHER THAN BEING CLASSIFIED AS "ALL RESIDENTIAL**
27 **REAL PROPERTY OTHER THAN QUALIFIED-SENIOR PRIMARY RESIDENCE**
28 **REAL PROPERTY" AND HAVING A VALUATION FOR ASSESSMENT**
29 **DETERMINED PURSUANT TO SECTION 39-1-104.2 (3)(t) AND (3)(u)".**

30 Renumber succeeding sections accordingly.

31 Page 20, line 22, strike "AND".

32 Page 20, line 26, strike "SECTION." and substitute "SECTION; AND

33 "(f) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO REVIEW BOTH
34 THE IMPACT OF THE PROPERTY TAX REVENUE REDUCTIONS IN SENATE BILL
35 24-233 AND THE REIMBURSEMENT DESCRIBED IN THIS SECTION ON LOCAL
36 GOVERNMENTAL ENTITIES TO ENSURE THAT LOCAL GOVERNMENTAL
37 ENTITIES CAN MAINTAIN THE CURRENT LEVEL OF CRITICAL SERVICES THEY
38 PROVIDE."

39 Page 24, line 17, strike "\$351,661,729" and substitute "\$378,861,731".

1 Page 25, after line 18 insert:

2 "SECTION 14. **Effective date.** (1) Except as otherwise provided
3 in this section, this act takes effect upon passage.

4 (2) Section 3 of this act takes effect only if Senate Bill 24-111
5 does not become law.

6 (3) Sections 4 and 8 of this act take effect only if Senate Bill
7 24-111 becomes law, in which case sections 4 and 8 take effect on the
8 effective date of this act or Senate Bill 24-111, whichever is later.

9 (3) Section 6 of this act takes effect only if House Bill 24-1448
10 does not become law.

11 (4) Section 7 this act takes effect only if House Bill 24-1448
12 becomes law, in which case section 7 takes effect on the effective date of
13 this act or House Bill 24-1148, whichever is later."

14 Renumber succeeding section accordingly.

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