

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

INTRODUCED

LLS NO. 17-0517.01 Ed DeCecco x4216

SENATE BILL 17-078

SENATE SPONSORSHIP

Gardner,

HOUSE SPONSORSHIP

Melton and Van Winkle,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROPERTY TAXATION OF A RESIDENTIAL STORAGE**
102 **CONDOMINIUM UNIT.**

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 establishes that a residential storage condominium unit is a residential improvement. This allows the unit to be assessed as residential real property, which currently has an assessment ratio of 7.96%, instead of as nonresidential property, which has an assessment ratio of 29%.

A residential storage condominium unit is defined to mean a

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

building that is:

- ! A unit under the "Colorado Common Interest Ownership Act";
- ! Used by its owner to store items from or related to the owner's Colorado residence; and
- ! Not used for storage related to a business.

For a property to qualify as a residential storage condominium unit, the owner of the building unit must submit an affidavit of intended use. The property tax administrator is required to establish the form of the affidavit and to prepare and publish standards for assessors to determine whether a property qualifies as a residential storage condominium unit. The bill establishes penalties for a person that knowingly provides false information on the affidavit.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-102, **amend** the
3 introductory portion and (14.3) as follows:

4 **39-1-102. Definitions.** As used in articles 1 to 13 of this ~~title~~
5 TITLE 39, unless the context otherwise requires:

6 (14.3) "Residential improvements" means a building, or that
7 portion of a building, designed for use predominantly as a place of
8 residency by a person, a family, or families. The term includes buildings,
9 structures, fixtures, fences, amenities, and water rights that are an integral
10 part of the residential use. The term also includes a manufactured home
11 as defined in subsection (7.8) of this section, a mobile home as defined
12 in subsection (8) of this section, ~~and~~ a modular home as defined in
13 subsection (8.3) of this section, AND A RESIDENTIAL STORAGE
14 CONDOMINIUM UNIT AS SET FORTH IN SECTION 39-1-124.

15 **SECTION 2.** In Colorado Revised Statutes, **add** 39-1-124 as
16 follows:

17 **39-1-124. Residential storage condominium unit - residential**
18 **improvement - affidavit - definitions.** (1) AS USED IN THIS SECTION:

1 (a) "AFFIDAVIT OF INTENDED USE" MEANS THE AFFIDAVIT
2 DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION.

3 (b) "RESIDENTIAL STORAGE CONDOMINIUM UNIT" MEANS A
4 BUILDING THAT IS:

5 (I) A UNIT, AS DEFINED IN SECTION 38-33.3-103 (30);

6 (II) USED BY ITS OWNER TO STORE ITEMS FROM OR RELATED TO
7 THE OWNER'S RESIDENCE LOCATED IN THE STATE; AND

8 (III) NOT USED FOR STORAGE RELATED TO A BUSINESS.

9 (2) (a) A RESIDENTIAL STORAGE CONDOMINIUM UNIT IS A
10 RESIDENTIAL IMPROVEMENT. FOR A PROPERTY TO QUALIFY AS A
11 RESIDENTIAL STORAGE CONDOMINIUM UNIT FOR A PROPERTY TAX YEAR,
12 AN OWNER MUST SUBMIT TO THE ASSESSOR OF THE COUNTY IN WHICH THE
13 PROPERTY IS LOCATED AN AFFIDAVIT OF INTENDED USE, SIGNED BY THE
14 OWNER UNDER THE PENALTY OF PERJURY IN THE SECOND DEGREE, STATING
15 THAT THE PROPERTY MEETS THE DEFINITION OF A RESIDENTIAL STORAGE
16 CONDOMINIUM UNIT SET FORTH IN THIS SECTION. TO BE ACCEPTED BY THE
17 ASSESSOR, THE OWNER MUST SUBMIT THE AFFIDAVIT ON OR BEFORE
18 MARCH 1 OF THE PROPERTY TAX YEAR; EXCEPT THAT, FOR THE PROPERTY
19 TAX YEAR COMMENCING ON JANUARY 1, 2017, THE OWNER MUST SUBMIT
20 THE AFFIDAVIT ON OR BEFORE NOVEMBER 1, 2017. AN AFFIDAVIT FILED
21 FOR ONE PROPERTY TAX YEAR SATISFIES THE REQUIREMENT FOR A
22 SUBSEQUENT PROPERTY TAX YEAR UNLESS THE ASSESSOR RECEIVES A
23 NOTICE UNDER SUBSECTION (2)(b) OF THIS SECTION.

24 (b) AN OWNER WHO SUBMITS AN AFFIDAVIT OF INTENDED USE TO
25 AN ASSESSOR SHALL NOTIFY THE ASSESSOR IF THE PROPERTY NO LONGER
26 MEETS THE DEFINITION OF A RESIDENTIAL STORAGE CONDOMINIUM UNIT
27 OR IF THE PROPERTY IS TRANSFERRED TO A NEW OWNER.

1 (3) IN ADDITION TO ANY PENALTIES PRESCRIBED BY LAW FOR
2 PERJURY IN THE SECOND DEGREE, IF A PERSON KNOWINGLY PROVIDES
3 FALSE INFORMATION ON AN AFFIDAVIT OF INTENDED USE, THEN:

4 (a) THE PROPERTY SHALL NOT QUALIFY AS A RESIDENTIAL
5 STORAGE UNIT;

6 (b) THE PERSON IS REQUIRED TO PAY TO THE TREASURER OF ANY
7 COUNTY IN WHICH A PROPERTY IMPROPERLY QUALIFIED AS A RESIDENTIAL
8 STORAGE CONDOMINIUM UNIT DUE TO THE FALSE INFORMATION AN
9 AMOUNT EQUAL TO THE AMOUNT OF PROPERTY TAXES NOT PAID AS A
10 RESULT OF THE IMPROPER CLASSIFICATION; AND

11 (c) THE PERSON SHALL, UPON CONVICTION OF PERJURY, BE
12 REQUIRED TO PAY TO THE TREASURER OF ANY COUNTY IN WHICH A
13 PROPERTY IMPROPERLY QUALIFIED AS A RESIDENTIAL STORAGE
14 CONDOMINIUM UNIT DUE TO THE FALSE INFORMATION AN ADDITIONAL
15 AMOUNT EQUAL TO TWICE THE AMOUNT OF THE PROPERTY TAXES NOT
16 PAID AS A RESULT OF THE IMPROPER CLASSIFICATION PLUS INTEREST.
17 INTEREST IS CALCULATED AT THE ANNUAL RATE AS SET FORTH IN SECTION
18 39-21-110.5 (2) AND (3) FROM THE DATE THE INVALID AFFIDAVIT WAS
19 FILED UNTIL THE DATE THE APPLICANT MAKES THE PAYMENT REQUIRED BY
20 THIS SUBSECTION (3)(c).

21 (4) THE ADMINISTRATOR SHALL ESTABLISH THE FORM OF THE
22 AFFIDAVIT OF INTENDED USE AND PREPARE AND PUBLISH STANDARDS FOR
23 ASSESSORS TO DETERMINE WHETHER A PROPERTY QUALIFIES AS A
24 RESIDENTIAL STORAGE CONDOMINIUM UNIT.

25 **SECTION 3. Act subject to petition - effective date -**
26 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
27 the expiration of the ninety-day period after final adjournment of the

1 general assembly (August 9, 2017, if adjournment sine die is on May 10,
2 2017); except that, if a referendum petition is filed pursuant to section 1
3 (3) of article V of the state constitution against this act or an item, section,
4 or part of this act within such period, then the act, item, section, or part
5 will not take effect unless approved by the people at the general election
6 to be held in November 2018 and, in such case, will take effect on the
7 date of the official declaration of the vote thereon by the governor.

8 (2) This act applies for all property tax years that commence on
9 or after January 1, 2017.