

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

PREAMENDED

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

LLS NO. 19-0259.01 Jason Gelender x4330

HOUSE BILL 19-1011

HOUSE SPONSORSHIP

Hooton, Arndt, McKean

SENATE SPONSORSHIP

Tate, Moreno, Zenzinger

House Committees

Transportation & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CLARIFICATION OF THE SCOPE OF AN EXISTING SALES**

102 **TAX EXEMPTION FOR MANUFACTURED HOMES.**

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/>.)

Statutory Revision Committee. A state sales and use tax exemption statute (exemption statute) exempts from state sales tax, and through operation of another statute also exempts from local sales taxes, 48% of the purchase price for the initial sale of "factory-built housing" and 100% of the purchase price for any subsequent sale of a "manufactured home" (sales tax exemption). The exemption statute

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.

references another statute defining "factory-built housing". In Senate Bill 03-182, however, the general assembly replaced the existing definition of "factory-built housing" with a new definition of "factory-built residential structure", and the statute referenced in the exemption statute actually defines the latter term. The definition of "factory-built residential structure" includes only "structures designed to be installed on a permanent foundation" and therefore arguably limits the sales tax exemption, which had previously clearly applied to structures designed for occupancy in either temporary or permanent locations, to only those structures designed to be installed on permanent foundations.

The bill clarifies the scope of the sales tax exemption by allowing it for "manufactured homes", a term that a specifically referenced statute defines broadly to include homes designed to be installed on either temporary or permanent foundations.

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 declares that the purpose of this legislation, enacted in 2019, is to effect
4 a nonsubstantive change in statute to clarify the scope of an existing state
5 sales and use tax exemption for manufactured homes. The general
6 assembly further declares that the addition of such clarifying language to
7 the section does not in any way alter the scope or applicability of the
8 statutory section involved.

9 **SECTION 2.** In Colorado Revised Statutes, 39-26-721, **amend**
10 (1) and (2) as follows:

11 **39-26-721. Manufactured homes.** (1) Forty-eight percent of the
12 purchase price of ~~factory-built housing, as such housing is defined in~~
13 ~~section 24-32-3302 (10), C.R.S., shall be~~ A MANUFACTURED HOME, AS
14 DEFINED IN SECTION 42-1-102 (106)(b), IS exempt from taxation under
15 part 1 of this article **26**; except that the entire purchase price in any
16 subsequent sale of SUCH a manufactured home, ~~as such vehicle is defined~~
17 ~~in section 42-1-102 (106)(b), C.R.S., after such manufactured home~~ IT has

1 been once subject to the payment of sales tax by virtue of section
2 39-26-113, ~~shall be~~ IS exempt from taxation under part 1 of this article **26**.

3 (2) The storage, use, or consumption of a manufactured home, as
4 ~~such vehicle is~~ defined in section 42-1-102 (106)(b), ~~C.R.S.~~, after ~~such~~
5 THE manufactured home has been once subject to the payment of use tax
6 by virtue of section 39-26-208, ~~shall be~~ IS exempt from taxation under ~~the~~
7 ~~provisions of~~ part 2 of this article **26**.

8 **SECTION 3. Act subject to petition - effective date.** This act
9 takes effect September 1, 2019; except that, if a referendum petition is
10 filed pursuant to section 1 (3) of article V of the state constitution against
11 this act or an item, section, or part of this act within the ninety-day period
12 after final adjournment of the general assembly, then the act, item,
13 section, or part will not take effect unless approved by the people at the
14 general election to be held in November 2020 and, in such case, will take
15 effect on the date of the official declaration of the vote thereon by the
16 governor.