

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 23-0558.02 Pierce Lively x2059

HOUSE BILL 23-1054

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 CONCERNING REAL PROPERTY VALUATION, AND, IN CONNECTION
102 THEREWITH, EXTENDING THE PROPERTY TAX REASSESSMENT
103 CYCLE BEGINNING ON JANUARY 1, 2021, TO A FOUR-YEAR
104 CYCLE; REMOVING THE DOLLAR AMOUNT REDUCTIONS TO THE
105 ACTUAL VALUE USED FOR THE VALUATION FOR ASSESSMENT OF
106 LODGING PROPERTY, IMPROVED COMMERCIAL PROPERTY, AND
107 RESIDENTIAL PROPERTY; MAINTAINING THE SAME ASSESSMENT
108 RATES FOR ALL REAL PROPERTY BESIDES RESIDENTIAL REAL
109 PROPERTY IN THE 2023 AND 2024 PROPERTY TAX YEARS; AND
110 CAPPING THE INCREASE IN PROPERTY VALUES BETWEEN THE
111 2022 AND 2025 PROPERTY TAX YEARS.

Bill Summary

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.

(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>.)

Most real property is reassessed every odd-numbered year. The bill establishes a one-time exception by making the reassessment cycle beginning on January 1, 2021, a 4-year cycle so that the next reassessment cycle will begin in 2025 instead of 2023.

Under current law, for the 2023 property tax year, the actual value used for purposes of valuation for assessment is reduced for commercial real property by \$30,000 and for residential real property by \$15,000. The bill eliminates these reductions.

The bill also sets the assessment rates for nonresidential real property and multi-family residential real property for the 2024 property tax year, so that they are the same rates as for the 2023 property tax year.

Lastly, the bill ensures that the actual value of property used for purposes of valuation for assessment does not increase by more than 5% between 2022 and 2025, for property that does not have an unusual condition which results in an increase or decrease in actual value.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-103, **amend**
3 (15); and **add** (19) as follows:

4 **39-1-103. Actual value determined - when - legislative**
5 **declaration - definition.** (15) The general assembly hereby finds and
6 declares that assessing officers shall give appropriate consideration to the
7 cost approach, market approach, and income approach to appraisal as
8 required by section 3 of article X of the state constitution in determining
9 the actual value of taxable property. In the absence of evidence shown by
10 the assessing officer that the use of the cost approach, market approach,
11 and income approach to appraisal requires the modification of the actual
12 value of taxable property for the first year of a reassessment cycle in order
13 to result in uniform and just and equal valuation for the second OR LATER

1 year of a reassessment cycle, the assessing officer shall consider the
2 actual value of any taxable property for the first year of a reassessment
3 cycle, as may have been adjusted as a result of protests and appeals, if
4 any, prior to the assessment date of the second OR LATER year of a
5 reassessment cycle, to be the actual value of such taxable property for the
6 second OR LATER year of a reassessment cycle.

7 (19) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
8 SECTION, FOR THE 2023 PROPERTY TAX YEAR, THE ACTUAL VALUE OF A
9 PROPERTY MUST NOT BE GREATER THAN ONE HUNDRED FIVE PERCENT OF
10 THE ACTUAL VALUE, AS DETERMINED IN ACCORDANCE WITH SECTION 3 OF
11 ARTICLE X OF THE STATE CONSTITUTION, OF THE SAME PROPERTY FOR THE
12 2022 PROPERTY TAX YEAR.

13 (b) (I) THE LIMITATION ON THE GROWTH OF THE ACTUAL VALUE OF
14 A PROPERTY PURSUANT TO SUBSECTION (19)(a) OF THIS SECTION DOES NOT
15 APPLY TO A PROPERTY THAT HAS AN UNUSUAL CONDITION THAT RESULTS
16 IN AN INCREASE IN ACTUAL VALUE.

17 (II) AS USED IN THIS SUBSECTION (19), AN "UNUSUAL CONDITION"
18 MEANS AN ON-SITE IMPROVEMENT, THE ENDING OF THE ECONOMIC LIFE OF
19 AN IMPROVEMENT WITH ONLY SALVAGE VALUE REMAINING, THE ADDITION
20 TO OR REMODELING OF A STRUCTURE, A CHANGE OF USE OF LAND, THE
21 CREATION OF A CONDOMINIUM OWNERSHIP OF REAL PROPERTY AS
22 RECOGNIZED IN THE "CONDOMINIUM OWNERSHIP ACT", ARTICLE 33 OF
23 TITLE 38, A NEW REGULATION RESTRICTING OR INCREASING THE USE OF
24 THE LAND, THE INSTALLATION AND OPERATION OF SURFACE EQUIPMENT
25 RELATING TO OIL AND GAS WELLS ON AGRICULTURAL LAND, A
26 DETRIMENTAL ACT OF NATURE, AND DAMAGE DUE TO ACCIDENT,
27 VANDALISM, FIRE, OR EXPLOSION. THE CREATION OF A CONDOMINIUM

1 OWNERSHIP OF REAL PROPERTY BY THE CONVERSION OF AN EXISTING
2 STRUCTURE IS CONSIDERED AN UNUSUAL CONDITION FOR PURPOSES OF
3 THIS SUBSECTION (19), WHEN AT LEAST FIFTY-ONE PERCENT OF THE
4 CONDOMINIUM UNITS, AS DEFINED IN SECTION 38-33-103 (1), IN A
5 MULTIUNIT PROPERTY SUBJECT TO CONDOMINIUM OWNERSHIP HAVE BEEN
6 SOLD AND CONVEYED TO BONA FIDE PURCHASERS AND DEEDS HAVE BEEN
7 RECORDED FOR THOSE UNITS.

8 **SECTION 2.** In Colorado Revised Statutes, 39-1-104, **amend**
9 (1)(b), (1.8)(b) introductory portion, (1.8)(b)(I), and (10.2)(b); and **add**
10 (12)(d) as follows:

11 **39-1-104. Valuation for assessment - definitions.**
12 (1) (b) Notwithstanding subsection (1)(a) of this section, for the property
13 tax year YEARS commencing on January 1, 2023, AND JANUARY 1, 2024,
14 the valuation for assessment of nonresidential property that is classified
15 as lodging property is temporarily reduced to twenty-seven and
16 nine-tenths percent of an amount equal to the actual value. ~~minus the~~
17 ~~lesser of thirty thousand dollars or the amount that reduces the valuation~~
18 ~~for assessment to one thousand dollars.~~

19 (1.8) (b) The valuation for assessment of all nonresidential
20 property that is not specified in subsection (1) or (1.8)(a) of this section
21 is twenty-nine percent of the actual value thereof; except that, for the
22 property tax year YEARS commencing on January 1, 2023, AND JANUARY
23 1, 2024, the valuation for assessment of this property is temporarily
24 reduced to:

25 (I) For all of the property listed by the assessor under any
26 improved commercial subclass codes, twenty-seven and nine-tenths
27 percent of an amount equal to the actual value; ~~minus the lesser of thirty~~

1 ~~thousand dollars or the amount that reduces the valuation for assessment~~
2 ~~to one thousand dollars;~~ and

3 (10.2) (b) During ~~the two years~~ of each reassessment cycle, in
4 preparation for implementation in the succeeding reassessment cycle, the
5 respective assessors shall conduct revaluations of all taxable real property
6 utilizing the level of value for the period which will be used to determine
7 actual value in such succeeding reassessment cycle and the manuals and
8 associated data published for the period which will be used to determine
9 actual value in such succeeding reassessment cycle.

10 (12) (d) THE REASSESSMENT CYCLE COMMENCING ON JANUARY 1,
11 2021, CONSISTS OF FOUR FULL CALENDAR YEARS. AT THE BEGINNING OF
12 THE REASSESSMENT CYCLE COMMENCING ON JANUARY 1, 2025, THE LEVEL
13 OF VALUE TO BE USED DURING THE REASSESSMENT CYCLE IN THE
14 DETERMINATION OF ACTUAL VALUE OF REAL PROPERTY IN ANY COUNTY OF
15 THE STATE, AS REFLECTED IN THE ABSTRACT OF ASSESSMENT FOR EACH
16 YEAR IN THE REASSESSMENT CYCLE, ADVANCES BY FOUR YEARS OVER
17 WHAT WAS USED IN THE PREVIOUS REASSESSMENT CYCLE.

18 **SECTION 3.** In Colorado Revised Statutes, 39-1-104.2, **amend**
19 (3)(q) as follows:

20 **39-1-104.2. Adjustment of residential rate - legislative**
21 **declaration - definitions.** (3) (q) The ratio of valuation for assessment
22 for multi-family residential real property is 7.15 percent of actual value
23 for property tax years commencing on or after January 1, 2019; except
24 that:

25 (I) For the property tax ~~years~~ YEAR commencing on January 1,
26 2022, ~~and January 1, 2024,~~ the ratio of valuation for assessment for
27 multi-family residential real property is temporarily reduced to 6.8

1 percent of actual value;

2 (II) For the property tax year YEARS commencing on January 1,
3 2023, AND JANUARY 1, 2024, the ratio of valuation for assessment for
4 multi-family residential real property is temporarily reduced to 6.765
5 percent of actual value.

6 **SECTION 4.** In Colorado Revised Statutes, 39-1-104.3, **amend**
7 (2) as follows:

8 **39-1-104.3. Partial real property tax reductions - residential**
9 **property - definitions - repeal.** (2) For the property tax year
10 commencing on January 1, 2023, the valuation for assessment for
11 residential real property is six and seven hundred sixty-five thousandths
12 percent, as set forth in section 39-1-104.2 (3)(q)(II) and (3)(r)(II), of the
13 amount equal to the actual value, determined pursuant to section
14 39-1-103. ~~minus the lesser of fifteen thousand dollars or the amount that~~
15 ~~reduces the valuation for assessment to one thousand dollars.~~

16 **SECTION 5.** In Colorado Revised Statutes, 39-5-121, **amend**
17 (1.2) as follows:

18 **39-5-121. Notice of valuation - legislative declaration -**
19 **definition - repeal.** (1.2) A notice of valuation included with the tax bill
20 shall fulfill the requirements of subsection (1) of this section. The general
21 assembly hereby finds and declares that the notice procedure set forth in
22 this subsection (1.2) facilitates the efficient and economic operation of
23 local governments, consistent with the expressed purpose of section 20
24 of article X of the state constitution to reasonably restrain most the
25 growth of government, and still fulfills the purposes of section 20 (8)(c)
26 of said article X in ~~the~~ AN intervening year of each reassessment cycle
27 when there is no change in value for the property in such year.

1 **SECTION 6. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety.