

## CHAPTER 40

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**TAXATION**

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**SENATE BILL 98-132**

BY SENATORS Hopper, Tebedo, Alexander, Chlouber, and Johnson;  
also REPRESENTATIVES Grampsas, C. Berry, Clarke, Piffner, Spradley, and Udall.

**AN ACT**

CONCERNING VALUATION FOR PROPERTY TAX PURPOSES OF REAL PROPERTY THAT IS LOCATED WITHIN DISTRICTS IN WHICH LIMITED GAMING IS AUTHORIZED BUT IS NOT USED FOR LIMITED GAMING.

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

**SECTION 1.** 39-1-103, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**39-1-103. Actual value determined - when.** (18) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT REAL PROPERTY THAT IS LOCATED IN A DISTRICT IN WHICH LIMITED GAMING IS AUTHORIZED BUT THAT IS NOT USED FOR LIMITED GAMING MAY BE UNFAIRLY VALUED BY COMPARISON OF SAID REAL PROPERTY WITH REAL PROPERTY THAT IS USED FOR LIMITED GAMING. THE GENERAL ASSEMBLY FURTHER FINDS THAT REAL PROPERTY THAT IS LOCATED IN A GAMING DISTRICT MAY BE REASONABLY USED FOR PURPOSES OTHER THAN LIMITED GAMING, THAT SUCH ALTERNATIVE USES MAY BE BENEFICIAL IN STRENGTHENING THE ECONOMIES OF GAMING DISTRICTS, AND THAT SUCH ALTERNATIVE USES SHOULD BE ENCOURAGED. IN ADDITION, THE GENERAL ASSEMBLY FINDS THAT APPLYING THE COST AND MARKET APPROACHES TO APPRAISAL IN VALUING REAL PROPERTY THAT IS LOCATED IN A LIMITED GAMING DISTRICT BUT THAT IS NOT USED FOR LIMITED GAMING MAY RESULT IN AN UNFAIRLY HIGH VALUATION OF REAL PROPERTY THAT IS REASONABLY USED FOR A PURPOSE OTHER THAN LIMITED GAMING. THEREFORE, THE PROVISIONS OF THIS SUBSECTION (18) SHALL GOVERN THE CLASSIFICATION AND VALUATION OF REAL PROPERTY THAT IS LOCATED WITHIN A GAMING DISTRICT BUT THAT IS NOT USED FOR LIMITED GAMING.

(b) FOR PROPERTY TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 1999, IF THE ACTUAL USE AS OF THE ASSESSMENT DATE OF ANY REAL PROPERTY THAT IS LOCATED IN A LIMITED GAMING DISTRICT BUT THAT IS NOT USED FOR LIMITED GAMING IS USE AS

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

RESIDENTIAL REAL PROPERTY, THE REAL PROPERTY SHALL BE CLASSIFIED AS RESIDENTIAL REAL PROPERTY, AND THE ASSESSING OFFICER SHALL DETERMINE THE ACTUAL VALUE OF SAID REAL PROPERTY AS OF THE ASSESSMENT DATE BY APPLYING THE MARKET APPROACH TO APPRAISAL. IF, DUE TO THE LIMITED NUMBER OF REAL PROPERTIES LOCATED WITHIN A LIMITED GAMING DISTRICT THAT ARE NOT USED FOR LIMITED GAMING AND THAT ARE USED AS RESIDENTIAL REAL PROPERTY, COMPARABLE VALUATION DATA IS NOT AVAILABLE FROM WITHIN A LIMITED GAMING DISTRICT TO DETERMINE ADEQUATELY THE ACTUAL VALUE OF REAL PROPERTY LOCATED WITHIN SAID LIMITED GAMING DISTRICT THAT IS NOT USED FOR LIMITED GAMING AND THAT IS USED AS RESIDENTIAL REAL PROPERTY, NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE ASSESSING OFFICER SHALL CONSIDER SALES OF REASONABLY COMPARABLE RESIDENTIAL REAL PROPERTY LOCATED INSIDE AND OUTSIDE OF ANY LIMITED GAMING DISTRICT FOR PURPOSES OF UTILIZATION OF THE MARKET APPROACH TO APPRAISAL IN DETERMINING THE ACTUAL VALUE OF SAID REAL PROPERTY LOCATED WITHIN A LIMITED GAMING DISTRICT THAT IS NOT USED FOR LIMITED GAMING AND THAT IS USED AS RESIDENTIAL REAL PROPERTY.

(c) FOR PROPERTY TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 1999, IF THE ACTUAL USE AS OF THE ASSESSMENT DATE OF ANY REAL PROPERTY THAT IS LOCATED IN A LIMITED GAMING DISTRICT IS NOT FOR LIMITED GAMING OR AS RESIDENTIAL REAL PROPERTY, INCLUDING BUT NOT LIMITED TO VACANT LAND, THE REAL PROPERTY SHALL BE CLASSIFIED AS NONGAMING REAL PROPERTY, AND THE ASSESSING OFFICER SHALL DETERMINE THE ACTUAL VALUE OF SAID REAL PROPERTY AS OF THE ASSESSMENT DATE BY GIVING APPROPRIATE CONSIDERATION TO THE COST, MARKET, AND INCOME APPROACHES TO APPRAISAL. IF, DUE TO THE LIMITED NUMBER OF REAL PROPERTIES LOCATED WITHIN A LIMITED GAMING DISTRICT THAT ARE NOT USED FOR LIMITED GAMING OR AS RESIDENTIAL REAL PROPERTY, COMPARABLE VALUATION DATA IS NOT AVAILABLE FROM WITHIN A LIMITED GAMING DISTRICT TO DETERMINE ADEQUATELY THE ACTUAL VALUE OF REAL PROPERTY LOCATED WITHIN SAID LIMITED GAMING DISTRICT THAT IS NOT USED FOR LIMITED GAMING OR AS RESIDENTIAL REAL PROPERTY, NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE ASSESSING OFFICER SHALL:

(I) CONSIDER SALES OF REASONABLY COMPARABLE REAL PROPERTY THAT IS NOT USED AS RESIDENTIAL PROPERTY LOCATED INSIDE AND OUTSIDE OF ANY LIMITED GAMING DISTRICT FOR PURPOSES OF UTILIZATION OF THE MARKET APPROACH TO APPRAISAL IN DETERMINING THE ACTUAL VALUE OF REAL PROPERTY LOCATED WITHIN A LIMITED GAMING DISTRICT THAT IS NOT USED FOR LIMITED GAMING OR AS RESIDENTIAL REAL PROPERTY; AND

(II) CONSIDER REASONABLY COMPARABLE REAL PROPERTY THAT IS NOT USED AS RESIDENTIAL PROPERTY LOCATED INSIDE AND OUTSIDE OF ANY LIMITED GAMING DISTRICT FOR PURPOSES OF UTILIZATION OF THE INCOME APPROACH TO APPRAISAL IN DETERMINING THE ACTUAL VALUE OF REAL PROPERTY LOCATED WITHIN A LIMITED GAMING DISTRICT THAT IS NOT USED FOR LIMITED GAMING OR AS RESIDENTIAL REAL PROPERTY.

(d) FOR PURPOSES OF THIS SUBSECTION (18), REAL PROPERTY IS CONSIDERED TO BE "USED FOR LIMITED GAMING" IF THE OWNER OR LESSEE OF THE REAL PROPERTY HOLDS A RETAIL GAMING LICENSE ISSUED PURSUANT TO PART 5 OF ARTICLE 47.1 OF TITLE 12, C.R.S., AND IF THE OWNER OR LESSEE ACTUALLY USES THE REAL PROPERTY IN

OFFERING LIMITED GAMING FOR PLAY OR FOR ADMINISTRATIVE SUPPORT SERVICES RELATED TO PROVIDING LIMITED GAMING OR MAKES THE REAL PROPERTY AVAILABLE FOR OTHER USES BY PERSONS WHO ARE ENGAGED IN LIMITED GAMING FOR PLAY, INCLUDING BUT NOT LIMITED TO USING THE PROPERTY FOR PARKING, FOR A RESTAURANT, OR FOR A HOTEL OR MOTEL.

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

Approved: March 23, 1998