

Senate Finance

04/25/2022 01:30 PM

HB22-1296 Residential Real Property Classification

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Joyce Humiston For Self	<p data-bbox="565 373 1476 411">Good afternoon, Chairman and Members of the Committee</p> <p data-bbox="565 449 1476 525">My name is Joyce Humiston and I own and operate nursing home in rural Colorado, including Pagosa Springs Alamosa, Mancos, Cortez, Durango</p> <p data-bbox="565 562 1476 781">Our skilled-long term care facility located in Durango, received a notice from our county tax assessor in 2019 asking us what part of our home was used for short term stays. We were told the state tax assessor had sent notice to all counties telling them if our elderly and disabled were in our homes for 30 days or less then we would be taxed at a commercial rate, like a motel.</p> <p data-bbox="565 819 1476 1121">Our county then taxed at our facility as if 50% of it was short term stays. Our tax bill increased by \$41,000 that year. We are a small 40 bed rural facility and this increase in costs hurt not only us but what we could do for our seniors and staff. We appealed this through our county commissioners in 2020 in front of an appointed independent board and won a unanimous decision to place us back into a resident tax classification for our entire property. Prior to this, we were always classified as residential.</p> <p data-bbox="565 1159 1476 1306">Our county notified the state tax assessor of their decision, and the state tax assessor over road their decision and continued to classify us as commercial. We then appealed at the state tax appeal court at a substantial cost to us and won.</p> <p data-bbox="565 1344 1476 1722">Our message during the court proceeding was really very simple. Our job is to rehabilitate our elderly and get them back home in their environment. Sometimes this takes 7 days, 14 days and sometimes 31 plus days. We frequently take hospice patients, knowing our facility will be their last home. Most of these patients pass away in days, not 31 plus days. To tax us for that patient, stay at a commercial rate as if they had been in a motel on a vacation is not morally right. To tax us on any patient because our nursing staff and therapists did their job and got our seniors back home or they left us related to death in less than 30 days is not morally right.</p> <p data-bbox="565 1759 1476 1906">We won our appeal at the state Tax level, and the state was ordered again to put us back to residential. We are now asking you to support and pass this legislation to make all homes clearly residential, so no other long term care facility must go through the experience we did while our job should</p>

	<p>have been focused on caring for our residents, not in courts. Thank you for your support in passing HB22-1296</p> <p>Joyce Humiston          President/CEO          1004 East Main Street          Cortez, Colorado 81321          970-516-1404</p>
<p>Marsha Porter-Norton          For          Self</p>	<p>Dear Senators:</p> <p>My name is Marsha Porter-Norton. I am a La Plata County Commissioner and live in Durango. I am writing in support of HB 22-1296. The Colorado State Demographer estimates that the State's 65+ population will grow by nearly 80% from 2015 to 2030. Keeping the full range of necessary services in our rural communities is very important to me.</p> <p>Over the last several years, there has been some confusion about whether or not the length of stay in nursing homes, and stays over or under 30 days, should play a role in determining whether or not a nursing home is valued at a residential or commercial rate. Allowing the amount of taxation to continually increase for nursing homes is a guarantee that access to needed homes will not exist when needed for our residents. Recent Board of Assessment Appeals and Court of Appeals decisions have provided guidance here. They have concluded that the length of stay should not play a role in determining the property's assessment rate. Passage of this bill codifies these decisions made and the now existing practice of classifying nursing homes as residential for property tax purposes.</p> <p>Nothing in this bill will preclude a 'mixed' classification for properties that warrant it. The reason this is important is because there are many, many types of nursing home facilities across the state and some have other, commercial endeavors operating in them.</p> <p>Nursing homes operate on very small margins especially as the majority of their money coming from public insurance programs. The Medicare Payment Advisory Committee has shown margins from all reimbursement sources has decreased to less than 1% as of 2019. If they are taxed at the commercial rate, some could see their tax bills rise as much as three-fold. And, it is vital that we keep these facilities throughout Colorado.</p> <p>The bill will help to maintain the viability of nursing homes in Colorado by continuing to designate them as residential properties for purposes of property taxation.</p> <p>So, in summary, I urge a YES vote on HB 22-1296.</p>

	<p>If you have questions, please do not hesitate to contact me. Thank you.</p> <p>Marsha Porter-Norton La Plata County Commissioner</p>
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My name is Joyce Humiston and I own and operate nursing home in rural Colorado, Including Pagosa Springs Alamosa, Mancos, Cortez, Durango

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Our message during the court proceeding was really very simple. Our job is to rehabilitate our elderly and get them back home in their environment. Sometimes this takes 7 days, 14 days and sometimes 31 plus days. We frequently take hospice patients, knowing our facility will be their last home. Most of these patients pass away in days, not 31 plus days. To tax us for that patient, stay at a commercial rate as if they had been in a motel on a vacation is not morally right. To tax us on any patient because our nursing staff and therapists did their job and got our seniors back home or they left us related to death in less than 30 days is not morally right.

We won our appeal at the state Tax level, and the state was ordered again to put us back to residential. We are now asking you to support and pass this legislation to make all homes clearly residential, so no other long term care facility must go through the experience we did while our job should have been focused on caring for our residents, not in courts. Thank you for your support in passing HB22-1296

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