

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 16-0290.01 Ed DeCecco x4216

HOUSE BILL 16-1132

---

HOUSE SPONSORSHIP

Van Winkle and Melton,

SENATE SPONSORSHIP

Grantham and Jahn,

---

House Committees

State, Veterans, & Military Affairs

Senate Committees

---

A BILL FOR AN ACT

101 CONCERNING THE INCLUSION OF A RESIDENTIAL STORAGE  
102 CONDOMINIUM UNIT IN THE DEFINITION OF A RESIDENTIAL  
103 IMPROVEMENT FOR PURPOSES OF THE PROPERTY TAX.

---

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://www.leg.state.co.us/bills summaries>.)*

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%.

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.*

A residential storage condominium unit is defined to mean a building or portion thereof that is:

- ! A unit under the "Colorado Common Interest Ownership Act";
- ! More than 400 square feet, unless the unit is in the same common interest community as the residence;
- ! 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 building unit to qualify as a residential storage condominium unit, the owner of the building unit must annually submit an affidavit of intended use and ownership documentation. 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 building unit qualifies as a residential storage condominium unit. The bill establishes penalties for a person that knowingly provides false information on the affidavit.

An assessor may inspect a building unit to confirm that it qualifies as a residential storage condominium unit, and an owner is required to grant the assessor reasonable access to the building unit for the inspection.

---

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

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

4 **39-1-102. Definitions.** As used in articles 1 to 13 of this title,  
5 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

1 CONDOMINIUM UNIT AS SET FORTH IN SECTION 39-1-124.

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

4 **39-1-124. Residential storage condominium unit - residential**  
5 **improvement - affidavit - definitions.** (1) AS USED IN THIS SECTION:

6 (a) "AFFIDAVIT OF INTENDED USE" MEANS THE AFFIDAVIT  
7 DESCRIBED IN PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION.

8 (b) "RESIDENTIAL STORAGE CONDOMINIUM UNIT" MEANS A  
9 BUILDING THAT IS:

10 (I) A UNIT, AS DEFINED IN SECTION 38-33.3-103 (30), C.R.S.;

11 (II) MORE THAN FOUR HUNDRED SQUARE FEET; EXCEPT THAT THIS  
12 SQUARE FOOTAGE REQUIREMENT DOES NOT APPLY IF THE UNIT AND THE  
13 OWNER'S RESIDENCE ARE PART OF THE SAME COMMON INTEREST  
14 COMMUNITY;

15 (III) USED BY ITS OWNER TO STORE ITEMS FROM OR RELATED TO  
16 THE OWNER'S RESIDENCE LOCATED IN THE STATE; AND

17 (IV) NOT USED FOR STORAGE RELATED TO A BUSINESS.

18 (2) (a) SUBJECT TO PARAGRAPH (b) OF THIS SUBSECTION (2), A  
19 RESIDENTIAL STORAGE CONDOMINIUM UNIT IS A RESIDENTIAL  
20 IMPROVEMENT.

21 (b) (I) FOR A BUILDING UNIT TO QUALIFY AS A RESIDENTIAL  
22 STORAGE CONDOMINIUM UNIT FOR A PROPERTY TAX YEAR, AN OWNER  
23 MUST SUBMIT TO THE ASSESSOR OF THE COUNTY IN WHICH THE BUILDING  
24 UNIT IS LOCATED, ON OR BEFORE MARCH 1 OF THE PROPERTY TAX YEAR:

25 (A) AN AFFIDAVIT OF INTENDED USE SIGNED BY THE OWNER  
26 UNDER THE PENALTY OF PERJURY IN THE SECOND DEGREE STATING THAT  
27 THE BUILDING UNIT MEETS THE DEFINITION OF A RESIDENTIAL STORAGE

1 CONDOMINIUM UNIT SET FORTH IN THIS SECTION AND THAT THERE IS ONLY  
2 ONE BUILDING UNIT CLAIMED AS A RESIDENTIAL STORAGE CONDOMINIUM  
3 UNIT FOR THE OWNER'S RESIDENCE; AND

4 (B) DOCUMENTATION OF PROOF OF OWNERSHIP OF BOTH THE  
5 BUILDING UNIT AND THE OWNER'S RESIDENCE, WHICH DOCUMENTATION  
6 MUST IDENTIFY THE SAME PERSON AS THE OWNER FOR BOTH.

7 (II) NO MORE THAN ONE BUILDING UNIT PER RESIDENCE MAY  
8 QUALIFY AS A RESIDENTIAL STORAGE CONDOMINIUM UNIT. IF AN OWNER  
9 CLAIMS MORE THAN ONE BUILDING UNIT AS A RESIDENTIAL STORAGE  
10 CONDOMINIUM UNIT RELATED TO A RESIDENCE, THEN NONE OF THE  
11 BUILDING UNITS CLAIMED FOR THE RESIDENCE QUALIFY AS RESIDENTIAL  
12 STORAGE CONDOMINIUM UNITS FOR THAT PROPERTY TAX YEAR.

13 (III) THE OWNER MUST SUBMIT A SEPARATE AFFIDAVIT OF  
14 INTENDED USE FOR EACH PROPERTY TAX YEAR FOR EACH RESIDENTIAL  
15 STORAGE CONDOMINIUM UNIT.

16 (IV) AN OWNER MAY NOT SEEK A CHANGE IN CLASSIFICATION  
17 BASED ON A BUILDING UNIT BEING A RESIDENTIAL STORAGE CONDOMINIUM  
18 UNIT UNLESS THE OWNER HAS COMPLIED WITH REQUIREMENTS OF THIS  
19 PARAGRAPH (b) FOR THE PROPERTY TAX YEAR. CLASSIFICATION OF A  
20 RESIDENTIAL STORAGE CONDOMINIUM UNIT AS A RESIDENTIAL  
21 IMPROVEMENT DOES NOT AFFECT THE CLASSIFICATION FOR ANY PRIOR OR  
22 LATER PROPERTY TAX YEAR FOR WHICH THE BUILDING UNIT DOES NOT  
23 QUALIFY AS A RESIDENTIAL STORAGE CONDOMINIUM UNIT.

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

1 OWNER.

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

5 (I) THE BUILDING UNIT SHALL NOT QUALIFY AS A RESIDENTIAL  
6 STORAGE UNIT;

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

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

22 (3) THE ADMINISTRATOR SHALL:

23 (a) ESTABLISH THE FORM OF THE AFFIDAVIT OF INTENDED USE; AND

24 (b) PREPARE AND PUBLISH STANDARDS FOR ASSESSORS TO  
25 DETERMINE WHETHER A BUILDING UNIT QUALIFIES AS A RESIDENTIAL  
26 STORAGE CONDOMINIUM UNIT.

27 (4) AN ASSESSOR MAY INSPECT A BUILDING UNIT TO CONFIRM THAT

1 IT QUALIFIES AS A RESIDENTIAL STORAGE CONDOMINIUM UNIT UNDER THIS  
2 SECTION, AND AN OWNER SHALL GRANT THE ASSESSOR REASONABLE  
3 ACCESS TO THE BUILDING UNIT FOR THE INSPECTION.

4 **SECTION 3. Act subject to petition - effective date -**  
5 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
6 the expiration of the ninety-day period after final adjournment of the  
7 general assembly (August 10, 2016, if adjournment sine die is on May 11,  
8 2016); except that, if a referendum petition is filed pursuant to section 1  
9 (3) of article V of the state constitution against this act or an item, section,  
10 or part of this act within such period, then the act, item, section, or part  
11 will not take effect unless approved by the people at the general election  
12 to be held in November 2016 and, in such case, will take effect on the  
13 date of the official declaration of the vote thereon by the governor.

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