

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 17-0637.02 Ed DeCecco x4216

HOUSE BILL 17-1311

HOUSE SPONSORSHIP

Weissman and Michaelson Jenet,

SENATE SPONSORSHIP

(None),

House Committees

Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE DISCLOSURE OF FUTURE ESTIMATED PROPERTY

102 TAXES FOR THE SALE OF A NEWLY CONSTRUCTED RESIDENCE.

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>.)

For sales of a newly constructed residence, the bill requires a seller to disclose an estimate of future property taxes. The estimate is based on the following factors:

- ! The purchase price is the actual value of the real property, including the newly constructed residence;
- ! The ratio of valuation for assessment is the same as the

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.

residential real property set forth for the current property tax year; and

! The mill levies are the same as those levied by all local governments for the current property tax year that are applicable to the property; except that, if the seller has actual knowledge that the total mill levies will change in the next year, the seller shall use this new amount for the calculation.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 38-35.7-109 as
3 follows:

4 **38-35.7-109. Disclosure - estimated future property taxes for**
5 **newly constructed residence - definition.** (1) AS USED IN THIS SECTION,
6 "NEWLY CONSTRUCTED RESIDENCE" MEANS A BUILDING, OR THAT PORTION
7 OF A BUILDING, THAT:

8 (a) IS DESIGNED FOR USE PREDOMINANTLY AS A PLACE OF
9 RESIDENCY BY A PERSON, A FAMILY, OR FAMILIES; AND

10 (b) WAS BUILT SINCE THE LAST TIME THAT THE PROPERTY WAS
11 ASSESSED FOR PROPERTY TAX PURPOSES.

12 (2) BEGINNING JANUARY 1, 2018, EVERY PERSON THAT SELLS A
13 PROPERTY THAT INCLUDES A NEWLY CONSTRUCTED RESIDENCE SHALL
14 DISCLOSE AN ESTIMATE OF FUTURE PROPERTY TAXES. THE SELLER SHALL
15 CALCULATE THE ESTIMATE BASED ON THE FOLLOWING FACTORS:

16 (a) THE PURCHASE PRICE IS THE ACTUAL VALUE OF THE REAL
17 PROPERTY, INCLUDING THE NEWLY CONSTRUCTED RESIDENCE;

18 (b) THE RATIO OF VALUATION FOR ASSESSMENT IS THE SAME AS
19 THE RESIDENTIAL REAL PROPERTY SET FORTH IN SECTION 39-1-104.2 FOR
20 THE CURRENT PROPERTY TAX YEAR; AND

21 (c) THE MILL LEVIES ARE THE SAME AS THOSE LEVIED BY ALL

1 LOCAL GOVERNMENTS FOR THE CURRENT PROPERTY TAX YEAR THAT ARE
2 APPLICABLE TO THE PROPERTY; EXCEPT THAT, IF THE SELLER HAS ACTUAL
3 KNOWLEDGE THAT THE TOTAL MILL LEVIES WILL CHANGE IN THE NEXT
4 YEAR, THE SELLER SHALL USE THIS NEW AMOUNT FOR THE CALCULATION.

5 (3) ALONG WITH THE ESTIMATE REQUIRED BY SUBSECTION (2) OF
6 THIS SECTION, THE SELLER SHALL INCLUDE, IN BOLD-FACED TYPE THAT IS
7 CLEARLY LEGIBLE, THE FOLLOWING STATEMENT:

8 **"THIS ESTIMATE ONLY PROVIDES AN ILLUSTRATION OF**
9 **WHAT THE NEW PROPERTY TAXES MAY BE AFTER THE**
10 **PROPERTY IS REAPPRAISED AND, IN SOME INSTANCES,**
11 **RECLASSIFIED AS RESIDENTIAL PROPERTY. IT IS NOT A**
12 **STATEMENT OF THE ACTUAL, FUTURE TAXES THAT WILL**
13 **BE DUE."**

14 **SECTION 2. Act subject to petition - effective date.** This act
15 takes effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly (August
17 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
18 referendum petition is filed pursuant to section 1 (3) of article V of the
19 state constitution against this act or an item, section, or part of this act
20 within such period, then the act, item, section, or part will not take effect
21 unless approved by the people at the general election to be held in
22 November 2018 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.