

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 18-0967.01 Bob Lackner x4350

**HOUSE BILL 18-1283**

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**HOUSE SPONSORSHIP**

**Benavidez,**

**SENATE SPONSORSHIP**

**Neville T.,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

Finance

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**A BILL FOR AN ACT**

101 **CONCERNING THE CLASSIFICATION OF RESIDENTIAL LAND FOR**  
102 **PROPERTY TAX PURPOSES RESULTING FROM A SIGNIFICANT**  
103 **CHANGE IN THE RESIDENTIAL IMPROVEMENTS LOCATED UPON**  
104 **THE LAND.**

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**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>.)*

When residential improvements are destroyed, demolished, or relocated on or after January 1, 2018, that, were it not for their destruction, demolition, or relocation, would have qualified the land upon

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.

SENATE  
2nd Reading Unamended  
April 20, 2018

HOUSE  
3rd Reading Unamended  
April 11, 2018

HOUSE  
Amended 2nd Reading  
April 10, 2018

which the improvements were located as residential land for the following property tax year, the bill requires the residential land classification to remain in place for the year in which the improvements were destroyed, demolished, or relocated and one subsequent property tax year if the assessor determines that evidence is present that the owner intends to rebuild or locate a residential improvement on the land. For purposes of making this determination, the assessor may consider, but is not limited to considering, a building permit or other land development permit for the land, construction plans for such residential improvement, or efforts by the owner to obtain financing for a residential improvement.

The residential land classification of the land must change according to current use if:

- ! A new residential improvement or part of a new residential improvement is not constructed or placed on the land in accordance with applicable land use regulations prior to the January 1 of the property tax year immediately following the 2-year period described in the bill;
- ! The assessor determines that the classification of the land at the time of the destruction, demolition, or relocation was erroneous; or
- ! A change of use has occurred. For purposes of the bill, a change of use does not include the temporary loss of the residential use due to the destruction, demolition, or relocation of the residential improvement.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-102, **add**  
3 (14.4)(c) as follows:

4 **39-1-102. Definitions.** As used in articles 1 to 13 of this title 39,  
5 unless the context otherwise requires:

6 (14.4) (c) (I) NOTWITHSTANDING SECTION 39-1-103 (5)(c) AND  
7 EXCEPT AS PROVIDED IN SUBSECTION (14.4)(c)(II) OF THIS SECTION, WHEN  
8 RESIDENTIAL IMPROVEMENTS ARE DESTROYED, DEMOLISHED, OR  
9 RELOCATED ON OR AFTER JANUARY 1, 2018, THAT, WERE IT NOT FOR THEIR  
10 DESTRUCTION, DEMOLITION, OR RELOCATION, WOULD HAVE QUALIFIED  
11 THE LAND UPON WHICH THE IMPROVEMENTS WERE LOCATED AS

1 RESIDENTIAL LAND FOR THE FOLLOWING PROPERTY TAX YEAR, THE  
2 RESIDENTIAL LAND CLASSIFICATION SHALL REMAIN IN PLACE FOR THE  
3 YEAR OF DESTRUCTION, DEMOLITION, OR RELOCATION AND ONE  
4 SUBSEQUENT PROPERTY TAX YEAR IF THE ASSESSOR DETERMINES THERE  
5 IS EVIDENCE THAT THE OWNER INTENDS TO REBUILD OR LOCATE A  
6 RESIDENTIAL IMPROVEMENT ON THE LAND. FOR PURPOSES OF THIS  
7 DETERMINATION, THE ASSESSOR MAY CONSIDER, BUT IS NOT LIMITED TO  
8 CONSIDERING, A BUILDING PERMIT OR OTHER LAND DEVELOPMENT PERMIT  
9 FOR THE LAND, CONSTRUCTION PLANS FOR SUCH RESIDENTIAL  
10 IMPROVEMENT, OR EFFORTS BY THE OWNER TO OBTAIN FINANCING FOR A  
11 RESIDENTIAL IMPROVEMENT.

12 (II) THE RESIDENTIAL LAND CLASSIFICATION OF THE LAND  
13 DESCRIBED IN SUBSECTION (14.4)(c)(I) OF THIS SECTION SHALL CHANGE  
14 ACCORDING TO CURRENT USE IF:

15 (A) A NEW RESIDENTIAL IMPROVEMENT OR PART OF A NEW  
16 RESIDENTIAL IMPROVEMENT IS NOT CONSTRUCTED OR PLACED ON THE  
17 LAND IN ACCORDANCE WITH APPLICABLE LAND USE REGULATIONS PRIOR  
18 TO THE JANUARY 1 AFTER THE PERIOD DESCRIBED IN SUBSECTION  
19 (14.4)(c)(I) OF THIS SECTION;

20 (B) THE ASSESSOR DETERMINES THAT THE CLASSIFICATION OF THE  
21 LAND AT THE TIME OF THE DESTRUCTION, DEMOLITION, OR RELOCATION  
22 WAS ERRONEOUS; OR

23 (C) A CHANGE OF USE HAS OCCURRED. FOR PURPOSES OF THIS  
24 SUBSECTION (14.4)(c)(II)(C), A CHANGE OF USE SHALL NOT INCLUDE THE  
25 TEMPORARY LOSS OF THE RESIDENTIAL USE DUE TO THE DESTRUCTION,  
26 DEMOLITION, OR RELOCATION OF THE RESIDENTIAL IMPROVEMENT.

27 **SECTION 2.** In Colorado Revised Statutes, 39-1-103, **amend**

1 (5)(c) as follows:

2 **39-1-103. Actual value determined - when.** (c) Except as  
3 provided in section 39-1-102 (14.4)(b) OR 39-1-102 (14.4)(c) and in  
4 ~~paragraphs (e) and (f) of this subsection (5)~~ SUBSECTIONS (5)(e) AND  
5 (5)(f) OF THIS SECTION, once any property is classified for property tax  
6 purposes, it shall remain so classified until such time as its actual use  
7 changes or the assessor discovers that the classification is erroneous. The  
8 property owner shall endeavor to comply with the reasonable requests of  
9 the assessor to supply information which cannot be ascertained  
10 independently but which is necessary to determine actual use and properly  
11 classify the property when the assessor has evidence that there has been  
12 a change in the use of the property. Failure to supply such information  
13 shall not be the sole reason for reclassifying the property. Any such  
14 request for such information shall be accompanied by a notice that states  
15 that failure on the part of the property owner to supply such information  
16 will not be used as the sole reason for reclassifying the property in  
17 question. Subject to the availability of funds under the assessor's budget  
18 for such purpose, no later than May 1 of each year, the assessor shall  
19 inform each person whose property has been reclassified from  
20 agricultural land to any other classification of property of the reasons for  
21 such reclassification including, but not limited to, the basis for the  
22 determination that the actual use of the property has changed or that the  
23 classification of such property is erroneous.

24 **SECTION 3. Act subject to petition - effective date -**  
25 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
26 the expiration of the ninety-day period after final adjournment of the  
27 general assembly (August 8, 2018, if adjournment sine die is on May 9,

1 2018); except that, if a referendum petition is filed pursuant to section 1  
2 (3) of article V of the state constitution against this act or an item, section,  
3 or part of this act within such period, then the act, item, section, or part  
4 will not take effect unless approved by the people at the general election  
5 to be held in November 2018 and, in such case, will take effect on the  
6 date of the official declaration of the vote thereon by the governor.

7 (2) This act applies to residential improvements that are destroyed,  
8 demolished, or relocated on or after the applicable effective date of this  
9 act.