

## CHAPTER 270

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**TAXATION**

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**HOUSE BILL 18-1283**

BY REPRESENTATIVE(S) Benavidez, Gray, Humphrey, Pabon, Singer;  
also SENATOR(S) Neville T., Baumgardner, Kefalas, Moreno, Priola, Smallwood, Tate, Grantham.

**AN ACT**

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

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

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

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

(14.4) (c) (I) NOTWITHSTANDING SECTION 39-1-103 (5)(c) AND EXCEPT AS PROVIDED IN SUBSECTION (14.4)(c)(II) OF THIS SECTION, 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 WHICH THE IMPROVEMENTS WERE LOCATED AS RESIDENTIAL LAND FOR THE FOLLOWING PROPERTY TAX YEAR, THE RESIDENTIAL LAND CLASSIFICATION SHALL REMAIN IN PLACE FOR THE YEAR OF DESTRUCTION, DEMOLITION, OR RELOCATION AND ONE SUBSEQUENT PROPERTY TAX YEAR IF THE ASSESSOR DETERMINES THERE IS EVIDENCE THAT THE OWNER INTENDS TO REBUILD OR LOCATE A RESIDENTIAL IMPROVEMENT ON THE LAND. FOR PURPOSES OF 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.

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

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

(A) 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 AFTER THE PERIOD DESCRIBED IN SUBSECTION (14.4)(c)(I) OF THIS SECTION;

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

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

**SECTION 2.** In Colorado Revised Statutes, 39-1-103, **amend** (5)(c) as follows:

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

**SECTION 3. Act subject to petition - effective date - applicability.** (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

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

Approved: May 29, 2018