

**First Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 19-1048.01 Bob Lackner x4350

**HOUSE BILL 19-1319**

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**HOUSE SPONSORSHIP**

**Bird and McKean,**

**SENATE SPONSORSHIP**

**Winter and Hisey,**

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**House Committees**  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING INCENTIVES TO ASSIST LAND DEVELOPERS IN PROVIDING**  
102           **AFFORDABLE HOUSING STATEWIDE, AND, IN CONNECTION**  
103           **THEREWITH, SUPPLEMENTING THE CENTRALIZED INVENTORY OF**  
104           **STATE-OWNED REAL PROPERTY TO ASSIST THE PUBLIC IN**  
105           **IDENTIFYING NONDEVELOPED LAND OWNED BY THE STATE THAT**  
106           **COULD BE DEVELOPED FOR AFFORDABLE HOUSING PURPOSES**  
107           **AND MAKING MODIFICATIONS TO THE ADMINISTRATION OF AN**  
108           **EXISTING PROPERTY TAX EXEMPTION THAT APPLIES TO CERTAIN**  
109           **AFFORDABLE HOUSING DEVELOPMENTS.**

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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*

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.

*applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Not later than July 1, 2020, **section 2** of the bill requires each state agency and state institution of higher education that is currently required to report to the office of the state architect (office) all acquisitions of real property by the agency or institution and to identify each vacant facility under its control to also submit to the office a list of all nondeveloped real property owned by or under the control of the agency or institution. The bill requires each agency and institution to routinely update the real property information provided to the office. The office is required to supplement the report it makes available to the members of the capital development committee with the information provided by the agencies and institutions under the bill.

Not later than January 15, 2021, the bill requires the office to transmit to the division of housing (division) within the department of local affairs (department) a summary of the information it obtains pursuant to the bill in a manner that will allow members of the public to easily identify parcels of nondeveloped real property that are owned by or under the control of state agencies or institutions. On an annual basis thereafter, the office is required to transmit to the division any supplemental information that the state agencies and institutions provide to it. The division is required to post the information in a user-friendly format on a page on the website maintained by the department that is dedicated to the division.

Under current law, certain property is exempt from the levy and collection of the real property tax if the property is owned by:

- ! A nonprofit corporation the earnings of which do not inure to a private shareholder, the property is irrevocably dedicated to charitable, religious, or hospital purposes; or
- ! A nonprofit corporation is a general partner of a partnership that was formed for the purpose of creating or maintaining affordable housing.

The statutory provisions that allow for the property tax exemption for a partnership satisfying the requirements of the exemption do not apply if, during a specified compliance period, the partnership which owns the residential structure distributes income or has income available for distribution to its partners or if the residential structure is sold or otherwise disposed of during the compliance period. If the property tax administrator (administrator) determines that income has been distributed or has been available for distribution or the residential property has been sold or otherwise disposed of, the administrator is required to revoke the property tax exemption for the residential property and to levy and collect property tax against the residential property, which would have otherwise been levied and collected from the date on which the exemption was

initially granted plus all delinquent interest as provided for by law.

Under **section 4**, for property tax years commencing on or after January 1, 2019, if the administrator determines that income has been distributed or has been available for distribution or the residential property has been sold or otherwise disposed of, the administrator is required to either revoke the property tax exemption for the residential property as of the date income becomes available for distribution or terminate the exemption as of the date the property is transferred. Under the bill, the administrator is no longer required in such circumstances to levy and collect property taxes that otherwise would have been levied and collected.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 hereby finds, declares, and determines that:

4 (a) Colorado possesses a significant and unique combination of  
5 natural resources and economic vitality yet safe, decent, and affordable  
6 housing is an objective increasingly out of reach for many people living  
7 in low or moderate-income households across the state;

8 (b) Many senior citizens, veterans, and other hard-working  
9 Coloradans are unable to afford to live in or near the communities in  
10 which they work and far too many Coloradans pay in excess of half their  
11 monthly income on their basic needs; and

12 (c) As the availability of finding land suitable for the development  
13 of housing for low- and moderate-income households that can be obtained  
14 on an economic basis is often a significant barrier to the development of  
15 such housing, the identification of state-owned real property, with the  
16 ultimate objective of assessing such property for its sustainability and  
17 potential use for affordable housing, promises to be a critical tool  
18 available to the state and even local governments in meeting the state's  
19 housing needs for these segments of the population.

1           (2) By enacting House Bill 19-\_\_\_\_, the general assembly intends  
2 to promote the use of real property currently owned by the state as well  
3 as county and municipal governments for the construction or  
4 rehabilitation of housing that will benefit persons in low- and  
5 moderate-income households across the state on a for-sale or rental basis.

6           **SECTION 2.** In Colorado Revised Statutes, 24-30-1303.5, **add**  
7 (2.5) as follows:

8           **24-30-1303.5. Office of the state architect to prepare and**  
9 **maintain inventory of state property - vacant facilities -**  
10 **nondeveloped real property.** (2.5) (a) NOT LATER THAN JULY 1, 2020,  
11 EACH STATE AGENCY AND STATE INSTITUTION OF HIGHER EDUCATION  
12 THAT IS REQUIRED TO REPORT ALL ACQUISITIONS OF REAL PROPERTY BY  
13 THE AGENCY OR INSTITUTION AND TO IDENTIFY EACH VACANT FACILITY  
14 UNDER ITS CONTROL IN ACCORDANCE WITH SUBSECTIONS (3) AND (3.5) OF  
15 THIS SECTION SHALL ALSO SUBMIT TO THE OFFICE A LIST OF ALL  
16 NONDEVELOPED REAL PROPERTY OWNED BY OR UNDER THE CONTROL OF  
17 THE AGENCY OR INSTITUTION. NOT LATER THAN JULY 1, 2021, AND NOT  
18 LATER THAN JULY 1 OF EACH YEAR THEREAFTER, EACH AGENCY OR  
19 INSTITUTION SUBJECT TO THIS SUBSECTION (2.5) SHALL SUBMIT TO THE  
20 OFFICE ANY ADDITIONS TO THE LIST IDENTIFYING NONDEVELOPED REAL  
21 PROPERTY THE AGENCY OR INSTITUTION HAS ACQUIRED OR OTHERWISE  
22 OBTAINED IN THAT YEAR. THE OFFICE SHALL SUPPLEMENT THE REPORT IT  
23 MAKES AVAILABLE TO THE MEMBERS OF THE CAPITAL DEVELOPMENT  
24 COMMITTEE UNDER SUBSECTION (6) OF THIS SECTION WITH THE  
25 INFORMATION PROVIDED BY THE AGENCIES AND INSTITUTIONS UNDER THIS  
26 SUBSECTION (2.5). AN AGENCY OR INSTITUTION THAT ROUTINELY  
27 PROVIDES THE INFORMATION REQUIRED BY THIS SUBSECTION (2.5) TO THE

1 OFFICE IN COMPLYING WITH THE REQUIREMENTS OF THIS SECTION IS NOT  
2 REQUIRED TO PROVIDE NEW OR DIFFERENT INFORMATION TO THE OFFICE  
3 IN ORDER TO COMPLY WITH THIS SUBSECTION (2.5). NOTWITHSTANDING  
4 ANY OTHER PROVISION OF LAW, THIS SUBSECTION (2.5)(a) SHALL NOT  
5 APPLY TO THE DEPARTMENT OF NATURAL RESOURCES WITH RESPECT TO  
6 WILDLIFE AND CONSERVATION PROPERTIES OWNED OR MANAGED BY SUCH  
7 DEPARTMENT.

8 (b) NOT LATER THAN JANUARY 15, 2021, THE OFFICE SHALL  
9 TRANSMIT TO THE DIVISION OF HOUSING WITHIN THE DEPARTMENT OF  
10 LOCAL AFFAIRS CREATED IN SECTION 24-32-704 (1) A SUMMARY OF THE  
11 INFORMATION IT OBTAINS PURSUANT TO SUBSECTION (2.5)(a) OF THIS  
12 SECTION IN A MANNER THAT WILL ALLOW MEMBERS OF THE PUBLIC TO  
13 EASILY IDENTIFY PARCELS OF NONDEVELOPED REAL PROPERTY THAT ARE  
14 OWNED BY OR UNDER THE CONTROL OF STATE AGENCIES OR INSTITUTIONS.  
15 NOT LATER THAN JANUARY 15 OF EACH YEAR THEREAFTER, THE OFFICE  
16 SHALL TRANSMIT TO THE DIVISION OF HOUSING ANY SUPPLEMENTAL  
17 INFORMATION THAT THE STATE AGENCIES AND INSTITUTIONS HAVE  
18 CONTINUOUSLY PROVIDED TO IT UNDER SUBSECTION (2.5)(a) OF THIS  
19 SECTION. IN ACCORDANCE WITH SECTION 24-32-705 (4), THE DIVISION OF  
20 HOUSING SHALL POST THE INFORMATION IN A USER-FRIENDLY FORMAT ON  
21 A PAGE ON THE WEBSITE MAINTAINED BY THE DEPARTMENT OF THE LOCAL  
22 AFFAIRS THAT IS DEDICATED TO THE DIVISION OF HOUSING.

23 **SECTION 3.** In Colorado Revised Statutes, 24-32-705, **add** (4)  
24 as follows:

25 **24-32-705. Functions of division.** (4) THE DIVISION SHALL POST  
26 THE INFORMATION TRANSMITTED TO IT BY THE OFFICE OF THE STATE  
27 ARCHITECT PURSUANT TO SECTION 24-30-1303.5 (2.5)(b) IN A

1 USER-FRIENDLY FORMAT ON A PAGE ON THE WEBSITE MAINTAINED BY THE  
2 DEPARTMENT OF LOCAL AFFAIRS THAT IS DEDICATED TO THE DIVISION. AS  
3 THE DIVISION CONTINUES TO RECEIVE SUPPLEMENTAL INFORMATION FROM  
4 THE OFFICE OF THE STATE ARCHITECT IN ACCORDANCE WITH SECTION  
5 24-30-1303.5 (2.5)(b), IT SHALL CONTINUE TO UPDATE THE APPLICABLE  
6 PAGE ON THE DEPARTMENT'S WEBSITE WITH SUCH SUPPLEMENTAL  
7 INFORMATION NOT LESS THAN ONCE ANNUALLY BY DECEMBER 31 OF  
8 EACH YEAR.

9 **SECTION 4.** In Colorado Revised Statutes, 39-3-112, **amend** (3)  
10 introductory portion and (3)(c)(II)(B); and **add** (3)(c)(II)(B.5) as follows:

11 **39-3-112. Definitions - residential property - orphanage -**  
12 **low-income elderly or individuals with disabilities - homeless or**  
13 **abused - low-income households - charitable purposes - exemption**  
14 **- limitations.** (3) In order for property to be exempt from the levy and  
15 collection of property tax pursuant to ~~the provisions of~~ subsection (2) of  
16 this section, the administrator shall be required to find, pursuant to ~~the~~  
17 ~~provisions of~~ section 39-2-117, that:

18 (c) The property is owned:

19 (II) (B) ~~The provisions of this subparagraph (H)~~ FOR PROPERTY  
20 TAX YEARS COMMENCING PRIOR TO JANUARY 1, 2019, THIS SUBSECTION  
21 (3)(c)(II) shall not apply if, during such compliance period, such  
22 domestic or foreign limited partnership which owns the residential  
23 structure distributes income or has income available for distribution to its  
24 partners or if the residential structure is sold or otherwise disposed of  
25 during such compliance period. If the administrator determines that, as  
26 specified in this ~~sub-subparagraph (B)~~ SUBSECTION (3)(c)(II)(B), income  
27 has been distributed or has been available for distribution or the

1 residential property has been sold or otherwise disposed of, the  
2 administrator shall revoke the property tax exemption for the residential  
3 property and property taxes shall be levied and collected against the  
4 residential property which would have otherwise been levied and  
5 collected from the date on which the exemption was initially granted plus  
6 all delinquent interest as provided for by law.

7 (B.5) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER  
8 JANUARY 1, 2019, THIS SUBSECTION (3)(c)(II) SHALL NOT APPLY IF,  
9 DURING SUCH COMPLIANCE PERIOD, SUCH DOMESTIC OR FOREIGN LIMITED  
10 PARTNERSHIP WHICH OWNS THE RESIDENTIAL STRUCTURE DISTRIBUTES  
11 INCOME OR HAS INCOME AVAILABLE FOR DISTRIBUTION TO ITS PARTNERS  
12 OR IF THE RESIDENTIAL STRUCTURE IS SOLD OR OTHERWISE DISPOSED OF  
13 DURING SUCH COMPLIANCE PERIOD. IF THE ADMINISTRATOR DETERMINES  
14 THAT, AS SPECIFIED IN THIS SUBSECTION (3)(c)(II)(B.5), INCOME HAS BEEN  
15 DISTRIBUTED OR HAS BEEN AVAILABLE FOR DISTRIBUTION OR THE  
16 RESIDENTIAL PROPERTY HAS BEEN SOLD OR OTHERWISE DISPOSED OF, THE  
17 ADMINISTRATOR SHALL EITHER REVOKE THE PROPERTY TAX EXEMPTION  
18 FOR THE RESIDENTIAL PROPERTY AS OF THE DATE INCOME BECOMES  
19 AVAILABLE FOR DISTRIBUTION OR TERMINATE THE EXEMPTION AS OF THE  
20 DATE THE PROPERTY IS TRANSFERRED.

21 **SECTION 5. Act subject to petition - effective date -**  
22 **applicability.** (1) This act takes effect September 1, 2019; except that,  
23 if a referendum petition is filed pursuant to section 1 (3) of article V of  
24 the state constitution against this act or an item, section, or part of this act  
25 within the ninety-day period after final adjournment of the general  
26 assembly, then the act, item, section, or part will not take effect unless  
27 approved by the people at the general election to be held in November

1 2020 and, in such case, will take effect on the date of the official  
2 declaration of the vote thereon by the governor.

3 (2) Section 4 of this act applies to property tax years commencing  
4 on or after January 1, 2019.