A BILL FOR AN ACT

CONCERNING INCENTIVES TO ASSIST LAND DEVELOPERS IN PROVIDING AFFORDABLE HOUSING STATEWIDE, AND, IN CONNECTION THERewith, SUPPLEMENTING THE CENTRALIZED INVENTORY OF STATE-OWNED REAL PROPERTY TO ASSIST THE PUBLIC IN IDENTIFYING NONDEVELOPED LAND OWNED BY THE STATE THAT COULD BE DEVELOPED FOR AFFORDABLE HOUSING PURPOSES AND MAKING MODIFICATIONS TO THE ADMINISTRATION OF AN EXISTING PROPERTY TAX EXEMPTION THAT APPLIES TO CERTAIN AFFORDABLE HOUSING DEVELOPMENTS.

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:

1. 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
2. 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.

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

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

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

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

(c) As the availability of finding land suitable for the development of housing for low- and moderate-income households that can be obtained on an economic basis is often a significant barrier to the development of such housing, the identification of state-owned real property, with the ultimate objective of assessing such property for its sustainability and potential use for affordable housing, promises to be a critical tool available to the state and even local governments in meeting the state's housing needs for these segments of the population.
(2) By enacting House Bill 19-____, the general assembly intends to promote the use of real property currently owned by the state as well as county and municipal governments for the construction or rehabilitation of housing that will benefit persons in low- and moderate-income households across the state on a for-sale or rental basis.

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

24-30-1303.5. Office of the state architect to prepare and maintain inventory of state property - vacant facilities - nondeveloped real property. (2.5) (a) NOT LATER THAN JULY 1, 2020, EACH STATE AGENCY AND STATE INSTITUTION OF HIGHER EDUCATION THAT IS REQUIRED TO REPORT ALL ACQUISITIONS OF REAL PROPERTY BY THE AGENCY OR INSTITUTION AND TO IDENTIFY EACH VACANT FACILITY UNDER ITS CONTROL IN ACCORDANCE WITH SUBSECTIONS (3) AND (3.5) OF THIS SECTION SHALL ALSO SUBMIT TO THE OFFICE A LIST OF ALL NONDEVELOPED REAL PROPERTY OWNED BY OR UNDER THE CONTROL OF THE AGENCY OR INSTITUTION. NOT LATER THAN JULY 1, 2021, AND NOT LATER THAN JULY 1 OF EACH YEAR THEREAFTER, EACH AGENCY OR INSTITUTION SUBJECT TO THIS SUBSECTION (2.5) SHALL SUBMIT TO THE OFFICE ANY ADDITIONS TO THE LIST IDENTIFYING NONDEVELOPED REAL PROPERTY THE AGENCY OR INSTITUTION HAS ACQUIRED OR OTHERWISE OBTAINED IN THAT YEAR. THE OFFICE SHALL SUPPLEMENT THE REPORT IT MAKES AVAILABLE TO THE MEMBERS OF THE CAPITAL DEVELOPMENT COMMITTEE UNDER SUBSECTION (6) OF THIS SECTION WITH THE INFORMATION PROVIDED BY THE AGENCIES AND INSTITUTIONS UNDER THIS SUBSECTION (2.5). AN AGENCY OR INSTITUTION THAT ROUTINELY PROVIDES THE INFORMATION REQUIRED BY THIS SUBSECTION (2.5) TO THE
OFFICE IN COMPLYING WITH THE REQUIREMENTS OF THIS SECTION IS NOT REQUIRED TO PROVIDE NEW OR DIFFERENT INFORMATION TO THE OFFICE IN ORDER TO COMPLY WITH THIS SUBSECTION (2.5). NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THIS SUBSECTION (2.5)(a) SHALL NOT APPLY TO THE DEPARTMENT OF NATURAL RESOURCES WITH RESPECT TO WILDLIFE AND CONSERVATION PROPERTIES OWNED OR MANAGED BY SUCH DEPARTMENT.

(b) Not later than January 15, 2021, the office shall transmit to the Division of Housing within the Department of Local Affairs created in section 24-32-704 (1) a summary of the information it obtains pursuant to subsection (2.5)(a) of this section 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. Not later than January 15 of each year thereafter, the office shall transmit to the Division of Housing any supplemental information that the state agencies and institutions have continuously provided to it under subsection (2.5)(a) of this section. In accordance with section 24-32-705 (4), the Division of Housing shall post the information in a user-friendly format on a page on the website maintained by the Department of the Local Affairs that is dedicated to the Division of Housing.

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

24-32-705. Functions of division. (4) The division shall post the information transmitted to it by the office of the state architect pursuant to section 24-30-1303.5 (2.5)(b) in a
USER-FRIENDLY FORMAT ON A PAGE ON THE WEBSITE MAINTAINED BY THE
DEPARTMENT OF LOCAL AFFAIRS THAT IS DEDICATED TO THE DIVISION. AS
THE DIVISION CONTINUES TO RECEIVE SUPPLEMENTAL INFORMATION FROM
THE OFFICE OF THE STATE ARCHITECT IN ACCORDANCE WITH SECTION
24-30-1303.5 (2.5)(b), IT SHALL CONTINUE TO UPDATE THE APPLICABLE
PAGE ON THE DEPARTMENT'S WEBSITE WITH SUCH SUPPLEMENTAL
INFORMATION NOT LESS THAN ONCE ANNUALLY BY DECEMBER 31 OF
EACH YEAR.

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

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

(c) The property is owned:

(II) (B) The provisions of this subparagraph (II) FOR PROPERTY
TAX YEARS COMMENCING PRIOR TO JANUARY 1, 2019, THIS SUBSECTION
(3)(c)(II) shall not apply if, during such compliance period, such
domestic or foreign limited 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 such compliance period. If the administrator determines that, as
specified in this sub-subparagraph (B) SUBSECTION (3)(c)(II)(B), income
has been distributed or has been available for distribution or the
residential property has been sold or otherwise disposed of, the administrator shall revoke the property tax exemption for the residential property and property taxes shall be levied and collected 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.

(B.5) For property tax years commencing on or after January 1, 2019, this subsection (3)(c)(II) shall not apply if, during such compliance period, such domestic or foreign limited 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 such compliance period. If the administrator determines that, as specified in this subsection (3)(c)(II)(B.5), income has been distributed or has been available for distribution or the residential property has been sold or otherwise disposed of, the administrator shall either revoke the property tax exemption for the residential property as of the date income becomes available for distribution or the date the property is transferred.

SECTION 5. Act subject to petition - effective date - applicability. (1) This act takes effect September 1, 2019; 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 the ninety-day period after final adjournment of the general assembly, 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
2020 and, in such case, will take effect on the date of the official
declaration of the vote thereon by the governor.

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