

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 22-1041.02 Pierce Lively x2059

SENATE BILL 22-238

SENATE SPONSORSHIP

Hansen and Rankin,

HOUSE SPONSORSHIP

Weissman and Neville,

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING REDUCTIONS IN REAL PROPERTY TAXATION FOR ONLY**
102 **THE 2023 AND 2024 PROPERTY TAX YEARS, AND, IN CONNECTION**
103 **THEREWITH, REDUCING THE ASSESSMENT RATES FOR CERTAIN**
104 **CLASSES OF NONRESIDENTIAL PROPERTY AND ALL RESIDENTIAL**
105 **PROPERTY AND THE AMOUNT OF ACTUAL VALUE TO WHICH THE**
106 **RATE IS APPLIED FOR ALL RESIDENTIAL REAL PROPERTY AND**
107 **COMMERCIAL PROPERTY FOR 2023; REDUCING THE ASSESSMENT**
108 **RATES FOR ALL MULTI-FAMILY RESIDENTIAL REAL PROPERTY TO**
109 **A SET AMOUNT FOR 2024; REDUCING THE ASSESSMENT RATES**
110 **FOR ALL RESIDENTIAL REAL PROPERTY OTHER THAN**
111 **MULTI-FAMILY RESIDENTIAL REAL PROPERTY FOR 2024 BY AN**
112 **AMOUNT DETERMINED BY THE PROPERTY TAX ADMINISTRATOR**
113 **TO CUMULATIVELY WITH THE OTHER PROVISIONS OF THE BILL**

*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
Amended 2nd Reading
May 3, 2022

101 REDUCE STATEWIDE PROPERTY TAX REVENUE FOR 2023 AND
102 2024 BY A SPECIFIED AMOUNT; REDUCING THE ASSESSMENT
103 RATES FOR REAL AND PERSONAL PROPERTY THAT IS CLASSIFIED
104 AS AGRICULTURAL OR RENEWABLE ENERGY PRODUCTION
105 PROPERTY FOR 2024; AND REQUIRING THE STATE TO REIMBURSE
106 LOCAL GOVERNMENTS, EXCLUDING SCHOOL DISTRICTS, IN 2024
107 FOR 2023 REDUCTIONS IN THEIR PROPERTY TAX REVENUE
108 RESULTING FROM THE BILL.

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 the 2023 property tax year:

- **Section 1** of the bill reduces the valuation for assessment of nonresidential property, excluding agricultural and renewable energy production nonresidential property, from 29% of the actual value of the property to 27.9% of the actual value of the property;
- **Section 2** reduces the valuation for assessment of residential property, including multi-family residential property, to 6.765% of the actual value of the property; and
- **Sections 1 and 3** reduce the actual value used for purposes of the valuation for assessment of commercial real property by \$30,000 and of residential real property by \$15,000, but in either case to no less than \$1,000.

For the 2024 property tax year:

- **Section 1** continues the valuation for assessment of real and personal property that is classified as agricultural property or renewable energy production property at 26.4% of the actual value of the property;
- **Section 2** establishes the valuation for assessment for all residential real property other than multi-family residential real property as a percentage of the actual value of the property based on there being a specific modification determined by the property tax administrator; and
- **Section 2** also establishes the valuation for assessment for multi-family residential real property as 6.8% of the actual

value of the property.

Section 4 requires the adjustment of the ratio of valuation for assessment for all residential real property other than multi-family residential real property for the 2024 property tax year, so that the aggregate decrease in local government property tax revenue during the 2023 and 2024 property tax years, as a result of the bill, equals \$700 million.

Section 5 requires the state treasurer to reimburse counties for the reduction in property tax revenue resulting from the bill during the 2023 property tax year and requires the property tax administrator to report this amount to the general assembly. The state treasurer is required to fully reimburse any county that:

- Received an increase of less than 10% in assessed value of real property between the 2022 and 2023 property tax years; and
- Has a population of 300,000 or less.

The state treasurer is also required to reimburse a county 90% of the amount of the reduction if the county:

- Received an increase of 10% or more in assessed value of real property between the 2022 and 2023 property tax years; and
- Has a population of 300,000 or less.

Lastly, the state treasurer is also required to reimburse any county that does not qualify for full or 90% reimbursement 65% of the amount of the reduction. County treasurers must then distribute these reimbursements to the local governmental entities, excluding school districts, within the treasurer's county as if the revenue had been regularly paid as property tax.

For school districts, **section 6** requires the state treasurer to transfer \$200 million from the general fund to the public school fund to offset school district property tax revenue reductions.

Section 5 also requires the property tax administrator to prepare a report that identifies the aggregate reduction in local government property tax revenue during the 2023 property tax year resulting from the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-104, **amend** (1),
3 (1.8)(a), and (1.8)(b) as follows:

4 **39-1-104. Valuation for assessment - definitions.** (1) (a) The
5 valuation for assessment of all taxable property in the state shall be

1 twenty-nine percent of the actual value thereof as determined by the
2 assessor and the administrator in the manner prescribed by law, and ~~such~~
3 THAT percentage shall be uniformly applied, without exception, to the
4 actual value, so determined, of the real and personal property located
5 within the territorial limits of the authority levying a property tax, and all
6 property taxes shall be levied against the aggregate valuation for
7 assessment resulting from the application of ~~such~~ THAT percentage.

8 (b) NOTWITHSTANDING SUBSECTION (1)(a) OF THIS SECTION, FOR
9 THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2023, THE
10 VALUATION FOR ASSESSMENT OF NONRESIDENTIAL PROPERTY THAT IS
11 CLASSIFIED AS LODGING PROPERTY IS TEMPORARILY REDUCED TO
12 TWENTY-SEVEN AND NINE-TENTHS PERCENT OF AN AMOUNT EQUAL TO THE
13 ACTUAL VALUE MINUS THE LESSER OF THIRTY THOUSAND DOLLARS OR THE
14 AMOUNT THAT REDUCES THE VALUATION FOR ASSESSMENT TO ONE
15 THOUSAND DOLLARS.

16 (c) This subsection (1) only applies to nonresidential property that
17 is classified as lodging property.

18 (1.8) (a) The valuation for assessment of real and personal
19 property that is classified as agricultural property or renewable energy
20 production property is twenty-nine percent of the actual value thereof;
21 except that, for property tax years commencing on January 1, 2022, ~~and~~
22 January 1, 2023, AND JANUARY 1, 2024, the valuation for assessment of
23 this property is temporarily reduced to twenty-six and four-tenths percent
24 of the actual value thereof.

25 (b) The valuation for assessment of all nonresidential property that
26 is not specified in subsection (1) or (1.8)(a) of this section is twenty-nine
27 percent of the actual value thereof; EXCEPT THAT, FOR THE PROPERTY TAX

1 YEAR COMMENCING ON JANUARY 1, 2023, THE VALUATION FOR
2 ASSESSMENT OF THIS PROPERTY IS TEMPORARILY REDUCED TO:

3 (I) FOR ALL OF THE PROPERTY LISTED BY THE ASSESSOR UNDER
4 ANY IMPROVED COMMERCIAL SUBCLASS CODES, TWENTY-SEVEN AND
5 NINE-TENTHS PERCENT OF AN AMOUNT EQUAL TO THE ACTUAL VALUE
6 MINUS THE LESSER OF THIRTY THOUSAND DOLLARS OR THE AMOUNT THAT
7 REDUCES THE VALUATION FOR ASSESSMENT TO ONE THOUSAND DOLLARS;
8 AND

9 (II) TWENTY-SEVEN AND NINE-TENTHS PERCENT OF THE ACTUAL
10 VALUE OF ALL OTHER NONRESIDENTIAL PROPERTY THAT IS NOT SPECIFIED
11 IN SUBSECTIONS (1), (1.8)(a), AND (1.8)(b)(I) OF THIS SECTION.

12 **SECTION 2.** In Colorado Revised Statutes, 39-1-104.2, **amend**
13 (3)(q) and (3)(r) as follows:

14 **39-1-104.2. Adjustment of residential rate - legislative**
15 **declaration - definitions.** (3) (q) The ratio of valuation for assessment
16 for multi-family residential real property is 7.15 percent of actual value
17 for property tax years commencing on or after January 1, 2019; except
18 that:

19 (I) For THE property tax years commencing on January 1, 2022,
20 and ~~January 1, 2023~~ JANUARY 1, 2024, the ratio of valuation for
21 assessment for multi-family residential real property is temporarily
22 reduced to 6.8 percent of actual value;

23 (II) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
24 2023, THE RATIO OF VALUATION FOR ASSESSMENT FOR MULTI-FAMILY
25 RESIDENTIAL REAL PROPERTY IS TEMPORARILY REDUCED TO 6.765
26 PERCENT OF ACTUAL VALUE.

27 (r) The ratio of valuation for assessment for all residential real

1 property other than multi-family residential real property is 7.15 percent
2 of actual value; except that:

3 (I) For THE property tax ~~years~~ YEAR commencing on January 1,
4 2022, ~~and January 1, 2023~~, the ratio of valuation for assessment for all
5 residential real property other than multi-family residential real property
6 is temporarily reduced to 6.95 percent of actual value;

7 (II) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
8 2023, THE RATIO OF VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL
9 REAL PROPERTY OTHER THAN MULTI-FAMILY RESIDENTIAL REAL PROPERTY
10 IS 6.765 PERCENT OF ACTUAL VALUE; AND

11 (III) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
12 2024, THE RATIO OF VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL
13 REAL PROPERTY OTHER THAN MULTI-FAMILY RESIDENTIAL REAL PROPERTY
14 IS TEMPORARILY ESTABLISHED AS THE PERCENTAGE CALCULATED IN
15 ACCORDANCE WITH SECTION 39-1-104.4.

16 **SECTION 3.** In Colorado Revised Statutes, **add** 39-1-104.3 as
17 follows:

18 **39-1-104.3. Partial real property tax reductions - residential**
19 **property - definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS
20 THE CONTEXT OTHERWISE REQUIRES, "RESIDENTIAL REAL PROPERTY"
21 MEANS PROPERTY LISTED BY THE ASSESSOR UNDER ANY RESIDENTIAL REAL
22 PROPERTY CLASSIFICATION CODE.

23 (2) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
24 2023, THE VALUATION FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY
25 IS SIX AND SEVEN HUNDRED SIXTY-FIVE THOUSANDTHS PERCENT, AS SET
26 FORTH IN SECTION 39-1-104.2 (3)(q)(II) AND (3)(r)(II), OF THE AMOUNT
27 EQUAL TO THE ACTUAL VALUE, DETERMINED PURSUANT TO SECTION

1 39-1-103, MINUS THE LESSER OF FIFTEEN THOUSAND DOLLARS OR THE
2 AMOUNT THAT REDUCES THE VALUATION FOR ASSESSMENT TO ONE
3 THOUSAND DOLLARS.

4 (3) THIS ADJUSTMENT DOES NOT APPLY TO ANY OTHER CLASS OF
5 PROPERTY.

6 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

7 **SECTION 4.** In Colorado Revised Statutes, **add** 39-1-104.4 as
8 follows:

9 **39-1-104.4. Adjustment of residential rate.** (1) THE RATIO OF
10 VALUATION FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY OTHER
11 THAN MULTI-FAMILY RESIDENTIAL REAL PROPERTY FOR THE PROPERTY
12 TAX YEAR COMMENCING ON JANUARY 1, 2024, IS EQUAL TO THE
13 PERCENTAGE NECESSARY FOR THE FOLLOWING TO EQUAL A TOTAL OF
14 SEVEN HUNDRED MILLION DOLLARS:

15 (a) THE AGGREGATE REDUCTION OF LOCAL GOVERNMENT
16 PROPERTY TAX REVENUE DURING THE PROPERTY TAX YEAR COMMENCING
17 ON JANUARY 1, 2023, AS A RESULT OF THE CHANGES MADE IN SENATE BILL
18 22-238, ENACTED IN 2022, THAT REDUCED VALUATIONS FOR ASSESSMENT
19 SET FORTH PURSUANT TO SECTIONS 39-1-104 (1)(b) AND (1.8)(b),
20 39-1-104.2 (3)(q)(II) AND (3)(r)(II), AND 39-3-104.3 (2); AND

21 (b) THE AGGREGATE REDUCTION OF LOCAL GOVERNMENT
22 PROPERTY TAX REVENUE DURING THE PROPERTY TAX YEAR COMMENCING
23 ON JANUARY 1, 2024, AS A RESULT OF THE REDUCED VALUATIONS FOR
24 ASSESSMENT SET FORTH PURSUANT TO SECTIONS 39-1-104 (1.8)(a) AND
25 39-1-104.2 (3)(q)(I) AND (3)(r)(III) FOR THE PROPERTY TAX YEAR
26 COMMENCING ON JANUARY 1, 2024.

27 (2) ON OR BEFORE MARCH 21, 2024, BASED ON THE INFORMATION

1 AVAILABLE ON THAT DATE, THE PROPERTY TAX ADMINISTRATOR SHALL
2 SUBMIT A REPORT TO THE GENERAL ASSEMBLY CALCULATING THE RATIO
3 OF VALUATION FOR ASSESSMENT SPECIFIED IN SUBSECTION (1) OF THIS
4 SECTION.

5 **SECTION 5.** In Colorado Revised Statutes, **add** 39-3-210 as
6 follows:

7 **39-3-210. Reporting of property tax revenue reductions -**
8 **reimbursement of local governmental entities - definition - repeal.**

9 (1) AS USED IN THIS SECTION, "ADDITIONAL STATE REVENUES" MEANS THE
10 LESSER OF TWO HUNDRED FORTY MILLION DOLLARS OR THE TOTAL
11 AMOUNT OF THE STATE REVENUES IN EXCESS OF THE LIMITATION ON STATE
12 FISCAL YEAR SPENDING IMPOSED BY SECTION 20 (7)(a) OF ARTICLE X OF
13 THE STATE CONSTITUTION THAT THE STATE IS REQUIRED TO REFUND
14 UNDER SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION,
15 INCLUDING ANY AMOUNT SPECIFIED IN SECTION 24-77-103.8, THAT
16 EXCEEDS THE AMOUNTS PROJECTED TO BE REFUNDED AS REQUIRED BY
17 SECTIONS 39-3-209 AND 39-22-627 FOR THE STATE FISCAL YEAR
18 COMMENCING ON JULY 1, 2022.

19 (2) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
20 2023:

21 (a) EACH TREASURER SHALL CALCULATE THE TOTAL PROPERTY
22 TAX REVENUES LOST BY EACH LOCAL GOVERNMENTAL ENTITY, EXCLUDING
23 SCHOOL DISTRICTS, WITHIN THE TREASURER'S COUNTY AS A RESULT OF THE
24 CHANGES MADE IN SENATE BILL 22-238, ENACTED IN 2022, THAT
25 REDUCED VALUATIONS FOR ASSESSMENT SET FORTH PURSUANT TO
26 SECTIONS 39-1-104 (1)(b) AND (1.8)(b), 39-1-104.2 (3)(q)(II) AND
27 (3)(r)(II), AND 39-3-104.3 (2); AND

1 (b) EACH ASSESSOR SHALL CALCULATE THE DIFFERENCE IN
2 ASSESSED VALUE OF REAL PROPERTY FOR THE PROPERTY TAX YEAR
3 COMMENCING ON JANUARY 1, 2022, AND THE PROPERTY TAX YEAR
4 COMMENCING ON JANUARY 1, 2023 WITHIN THE TREASURER'S COUNTY.

5 (3) NO LATER THAN MARCH 1, 2024, EACH TREASURER SHALL
6 REPORT THE AMOUNTS SPECIFIED IN SUBSECTION (2) OF THIS SECTION, AS
7 APPLICABLE, AND THE BASIS FOR THE AMOUNTS TO THE ADMINISTRATOR,
8 AND THE ADMINISTRATOR MAY REQUIRE A TREASURER TO PROVIDE
9 ADDITIONAL INFORMATION AS NECESSARY TO EVALUATE THE ACCURACY
10 OF THE AMOUNTS REPORTED. THE ADMINISTRATOR SHALL CONFIRM THAT
11 THE REPORTED AMOUNTS ARE CORRECT OR RECTIFY THE AMOUNTS, IF
12 NECESSARY. THE ADMINISTRATOR SHALL THEN FORWARD THE CORRECT
13 AMOUNTS FOR EACH COUNTY TO THE STATE TREASURER TO ENABLE THE
14 STATE TREASURER TO ISSUE A REIMBURSEMENT WARRANT TO EACH
15 TREASURER IN ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION.

16 (4) (a) NO LATER THAN APRIL 15, 2024, THE STATE TREASURER
17 SHALL ISSUE A WARRANT, TO BE PAID UPON DEMAND FROM ADDITIONAL
18 STATE REVENUES FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1,
19 2022, AND, IF NECESSARY, FROM OTHER MONEY IN THE GENERAL FUND, TO
20 EACH TREASURER THAT IS EQUAL TO THE TOTAL OF:

21 (I) THE AMOUNT SPECIFIED BY THE ADMINISTRATOR UNDER
22 SUBSECTION (3) OF THIS SECTION, BASED ON THE AMOUNT REPORTED BY
23 EACH TREASURER UNDER SUBSECTION (2)(a) OF THIS SECTION, FOR EACH
24 COUNTY THAT BOTH:

25 (A) HAD AN INCREASE OF LESS THAN TEN PERCENT IN THE
26 ASSESSED VALUE OF REAL PROPERTY FROM THE PROPERTY TAX YEAR
27 COMMENCING ON JANUARY 1, 2022, TO THE PROPERTY TAX YEAR

1 COMMENCING ON JANUARY 1, 2023; AND

2 (B) HAS A POPULATION OF THREE HUNDRED THOUSAND OR FEWER,
3 AS DETERMINED PURSUANT TO THE MOST RECENTLY PUBLISHED
4 POPULATION ESTIMATES FROM THE STATE DEMOGRAPHER APPOINTED BY
5 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS;

6 (II) NINETY PERCENT OF THE AMOUNT SPECIFIED BY THE
7 ADMINISTRATOR UNDER SUBSECTION (3) OF THIS SECTION, BASED ON THE
8 AMOUNT REPORTED BY EACH TREASURER UNDER SUBSECTION (2)(a) OF
9 THIS SECTION, FOR EACH COUNTY THAT BOTH:

10 (A) HAD AN INCREASE OF TEN PERCENT OR MORE IN THE ASSESSED
11 VALUE OF REAL PROPERTY FROM THE PROPERTY TAX YEAR COMMENCING
12 ON JANUARY 1, 2022, TO THE PROPERTY TAX YEAR COMMENCING ON
13 JANUARY 1, 2023; AND

14 (B) HAS A POPULATION OF THREE HUNDRED THOUSAND OR FEWER,
15 AS DETERMINED PURSUANT TO THE MOST RECENTLY PUBLISHED
16 POPULATION ESTIMATES FROM THE STATE DEMOGRAPHER APPOINTED BY
17 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS; AND

18 (III) SIXTY-FIVE PERCENT OF THE AMOUNT SPECIFIED BY THE
19 ADMINISTRATOR UNDER SUBSECTION (3) OF THIS SECTION, BASED ON THE
20 AMOUNT REPORTED BY EACH TREASURER UNDER SUBSECTION (2)(a) OF
21 THIS SECTION, FOR ANY COUNTY NOT DESCRIBED IN SUBSECTIONS (4)(a)(I)
22 AND (4)(a)(II) OF THIS SECTION.

23 (b) EACH TREASURER SHALL DISTRIBUTE THE TOTAL AMOUNT
24 RECEIVED FROM THE STATE TREASURER TO THE LOCAL GOVERNMENTAL
25 ENTITIES, EXCLUDING SCHOOL DISTRICTS, WITHIN THE TREASURER'S
26 COUNTY AS IF THE REVENUES HAD BEEN REGULARLY PAID AS PROPERTY
27 TAX, BUT SO THAT THE LOCAL GOVERNMENTAL ENTITIES ONLY RECEIVE

1 THE AMOUNTS DETERMINED PURSUANT TO SUBSECTION (4)(a) OF THIS
2 SECTION.

3 (c) WHEN DISTRIBUTING THE MONEY, THE TREASURER SHALL
4 PROVIDE EACH LOCAL GOVERNMENTAL ENTITY WITH A STATEMENT OF THE
5 AMOUNT DISTRIBUTED TO THE LOCAL GOVERNMENTAL ENTITY THAT
6 REPRESENTS THE REIMBURSEMENT RECEIVED UNDER THIS SUBSECTION (4).

7 (d) THE USE OF ADDITIONAL STATE REVENUES PURSUANT TO
8 SUBSECTION (4)(a) OF THIS SECTION IS A REASONABLE METHOD OF
9 REFUNDING A PORTION OF THE EXCESS STATE REVENUES REQUIRED TO BE
10 REFUNDED IN ACCORDANCE WITH SECTION 20 (7)(d) OF ARTICLE X OF THE
11 STATE CONSTITUTION.

12 (5) ON OR BEFORE MARCH 21, 2024, BASED ON THE INFORMATION
13 AVAILABLE AS OF THAT DATE, THE PROPERTY TAX ADMINISTRATOR SHALL
14 SUBMIT A REPORT TO THE GENERAL ASSEMBLY DESCRIBING THE
15 AGGREGATE REDUCTION OF LOCAL GOVERNMENT PROPERTY TAX REVENUE
16 DURING THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2023, AS
17 A RESULT OF THE CHANGES MADE IN SENATE BILL 22-238, ENACTED IN
18 2022, THAT REDUCED VALUATIONS FOR ASSESSMENT SET FORTH
19 PURSUANT TO SECTIONS 39-1-104 (1)(b) AND (1.8)(b), 39-1-104.2
20 (3)(q)(II) AND (3)(r)(II), AND 39-3-104.3 (2).

21 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

22 **SECTION 6.** In Colorado Revised Statutes, 22-54-114, **add** (9)
23 as follows:

24 **22-54-114. State public school fund - repeal.** (9) (a) ON JULY
25 1, 2022, THE STATE TREASURER SHALL TRANSFER TWO HUNDRED MILLION
26 DOLLARS FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND
27 FOR THE PURPOSE OF OFFSETTING REDUCTIONS IN SCHOOL DISTRICT

1 PROPERTY TAX REVENUE.

2 (b) THIS SUBSECTION (9) IS REPEALED JULY 1, 2023.

3 **SECTION 7. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety.