

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

INTRODUCED

LLS NO. 23-0755.01 Jed Franklin x5484

SENATE BILL 23-107

SENATE SPONSORSHIP

Liston, Baisley, Gardner, Ginal, Lundeen, Pelton B., Pelton R., Rich, Simpson, Will

HOUSE SPONSORSHIP

(None),

State, Veterans, & Military Affairs

A BILL FOR AN ACT

101 **CONCERNING THE EXPANSION OF EXISTING PROPERTY TAX**
102 **EXEMPTIONS FOR CERTAIN OWNER-OCCUPIED PRIMARY**
103 **RESIDENCES.**

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 property tax years commencing on or after January 1, 2023, the bill specifies that a senior is deemed to be a 10-year owner-occupier of a primary residence that the senior has owned and occupied for less than 10 years and therefore qualifies for the senior property tax exemption for the residence if:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

- The senior would have qualified for the senior property tax exemption for the senior's former primary residence but a medical necessity required the senior to stop occupying the former primary residence;
- The senior has not previously received the exemption for a former primary residence on the basis of medical necessity; and
- The senior has not owned and occupied another primary residence since the senior first stopped occupying the senior's former primary residence due to medical necessity.

"Medical necessity" is defined as one or more medical conditions of a senior that a physician licensed to practice medicine in Colorado has certified on a form developed by the state property tax administrator as having required the senior to stop occupying the senior's prior primary residence.

When applying for an exemption on the basis of medical necessity, a senior must provide the form establishing proof of medical necessity.

For property tax years commencing on or after January 1, 2023, but before January 1, 2028, the bill increases the maximum amount of actual value of the owner-occupied residence of a qualifying senior or veteran with a disability that is exempt from property taxation from \$200,000 to \$300,000.

For property tax years commencing on or after January 1, 2028, the bill increases the maximum amount of actual value of the owner-occupied residence of a qualifying senior or veteran with a disability that is exempt from property taxation from \$300,000 to \$500,000.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-3-201, **amend**
 3 (1)(a) as follows:

4 **39-3-201. Legislative declaration.** (1) The general assembly
 5 hereby finds and declares that:

6 (a) Section 3.5 of article X of the state constitution, which was
 7 approved by the registered electors of the state at the 2000 general
 8 election and amended by the registered electors of the state at the 2006
 9 general election, provides property tax exemptions for qualifying seniors
 10 and qualifying disabled veterans. IN ACCORDANCE WITH THE PEOPLE FIRST

1 LANGUAGE REQUIREMENTS OF SECTION 2-2-802, SECTION 39-3-202 (3.5)
2 DEFINES THE TERM "QUALIFYING VETERAN WITH A DISABILITY" FOR
3 PURPOSES OF THIS PART 2 SO THAT THE TERM HAS THE SAME MEANING AS
4 THE CONSTITUTIONALLY DEFINED TERM "DISABLED VETERAN".

5 **SECTION 2.** In Colorado Revised Statutes, 39-3-202, **amend**
6 (1.5) and (3.5) as follows:

7 **39-3-202. Definitions.** As used in this part 2, unless the context
8 otherwise requires:

9 (1.5) "Exemption" means the property tax exemptions for
10 qualifying seniors and qualifying ~~disabled~~ veterans WITH A DISABILITY
11 allowed by section 39-3-203.

12 (3.5) "Qualifying ~~disabled~~ veteran WITH A DISABILITY" means an
13 individual who has served on active duty in the United States armed
14 forces, including a member of the Colorado National Guard who has been
15 ordered into the active military service of the United States, has been
16 separated therefrom under honorable conditions, and has established a
17 service-connected disability that has been rated by the federal department
18 of veterans affairs as a one hundred percent permanent disability through
19 disability retirement benefits pursuant to a law or regulation administered
20 by the department, the United States department of homeland security, or
21 the department of the Army, Navy, or Air Force.

22 **SECTION 3.** In Colorado Revised Statutes, 39-3-203, **amend** (1)
23 introductory portion, (1.5)(a) introductory portion, (1.5)(a.5), (6)(a)
24 introductory portion, (6)(a)(I.5), and (6)(a)(II); and **add** (6)(a)(I.7) as
25 follows:

26 **39-3-203. Property tax exemption - qualifications - definition.**
27 (1) For the property tax year commencing January 1, 2002, for property

1 tax years commencing on or after January 1, 2006, but before January 1,
2 2009, and for property tax years commencing on or after January 1, 2012,
3 BUT BEFORE JANUARY 1, 2023, fifty percent of the first two hundred
4 thousand dollars of actual value of residential real property that as of the
5 assessment date is owner-occupied and is used as the primary residence
6 of the owner-occupier shall be exempt from taxation, and for property tax
7 years commencing on or after January 1, 2003, but before January 1,
8 2006, and on or after January 1, 2009, but before January 1, 2012, fifty
9 percent of zero dollars of actual value of residential real property that as
10 of the assessment date is owner-occupied and is used as the primary
11 residence of the owner-occupier shall be exempt from taxation, FOR
12 PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2023, BUT
13 BEFORE JANUARY 1, 2028, FIFTY PERCENT OF THE FIRST THREE HUNDRED
14 THOUSAND DOLLARS OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY
15 THAT AS OF THE ASSESSMENT DATE IS OWNER-OCCUPIED AND IS USED AS
16 THE PRIMARY RESIDENCE OF THE OWNER-OCCUPIER IS EXEMPT FROM
17 TAXATION, AND FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
18 JANUARY 1, 2028, FIFTY PERCENT OF THE FIRST FIVE HUNDRED THOUSAND
19 DOLLARS OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY THAT AS OF
20 THE ASSESSMENT DATE IS OWNER-OCCUPIED AND IS USED AS THE PRIMARY
21 RESIDENCE OF THE OWNER-OCCUPIER IS EXEMPT FROM TAXATION if:

22 (1.5) (a) For property tax years commencing on or after January
23 1, 2007, BUT BEFORE JANUARY 1, 2023, fifty percent of the first two
24 hundred thousand dollars of actual value of residential real property that
25 as of the assessment date is owner-occupied and is used as the primary
26 residence of an owner-occupier who is a qualifying ~~disabled veteran~~ shall
27 ~~be~~ VETERAN WITH A DISABILITY IS exempt from taxation, FOR PROPERTY

1 TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2023, BUT BEFORE
2 JANUARY 1, 2028, FIFTY PERCENT OF THE FIRST THREE HUNDRED
3 THOUSAND DOLLARS OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY
4 THAT AS OF THE ASSESSMENT DATE IS OWNER-OCCUPIED AND IS USED AS
5 THE PRIMARY RESIDENCE OF AN OWNER-OCCUPIER WHO IS A QUALIFYING
6 VETERAN WITH A DISABILITY IS EXEMPT FROM TAXATION, AND FOR
7 PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2028, FIFTY
8 PERCENT OF THE FIRST FIVE HUNDRED THOUSAND DOLLARS OF ACTUAL
9 VALUE OF RESIDENTIAL REAL PROPERTY THAT AS OF THE ASSESSMENT
10 DATE IS OWNER-OCCUPIED AND IS USED AS THE PRIMARY RESIDENCE OF AN
11 OWNER-OCCUPIER WHO IS A QUALIFYING VETERAN WITH A DISABILITY IS
12 EXEMPT FROM TAXATION if:

13 (a.5) For property tax years commencing on or after January 1,
14 2015, BUT BEFORE JANUARY 1, 2023, fifty percent of the first two hundred
15 thousand dollars of actual value of residential real property that as of the
16 assessment date is owner-occupied and is used as the primary residence
17 of an owner-occupier who is the surviving spouse of a qualifying ~~disabled~~
18 veteran WITH A DISABILITY who previously received an exemption under
19 ~~paragraph (a) of this subsection (1.5)~~ SUBSECTION (1.5)(a) OF THIS
20 SECTION is exempt from taxation, FOR PROPERTY TAX YEARS
21 COMMENCING ON OR AFTER JANUARY 1, 2023, BUT BEFORE JANUARY 1,
22 2028, FIFTY PERCENT OF THE FIRST THREE HUNDRED THOUSAND DOLLARS
23 OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY THAT AS OF THE
24 ASSESSMENT DATE IS OWNER-OCCUPIED AND IS USED AS THE PRIMARY
25 RESIDENCE OF AN OWNER-OCCUPIER WHO IS THE SURVIVING SPOUSE OF A
26 QUALIFYING VETERAN WITH A DISABILITY WHO PREVIOUSLY RECEIVED AN
27 EXEMPTION UNDER SUBSECTION (1.5)(a) OF THIS SECTION IS EXEMPT FROM

1 TAXATION, AND FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
2 JANUARY 1, 2028, FIFTY PERCENT OF THE FIRST FIVE HUNDRED THOUSAND
3 DOLLARS OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY THAT AS OF
4 THE ASSESSMENT DATE IS OWNER-OCCUPIED AND IS USED AS THE PRIMARY
5 RESIDENCE OF AN OWNER-OCCUPIER WHO IS THE SURVIVING SPOUSE OF A
6 QUALIFYING VETERAN WITH A DISABILITY WHO PREVIOUSLY RECEIVED AN
7 EXEMPTION UNDER SUBSECTION (1.5)(a) OF THIS SECTION IS EXEMPT FROM
8 TAXATION.

9 (6) (a) Notwithstanding the ten-year occupancy requirement set
10 forth in ~~subparagraph (f) of paragraph (a) of subsection (1)~~ SUBSECTION
11 (1)(a)(I) of this section, an owner-occupier who has not actually owned
12 and occupied residential real property for which the owner-occupier has
13 claimed an exemption under ~~said~~ subsection (1) OF THIS SECTION for the
14 ten years preceding the assessment date ~~shall be~~ IS deemed to have met
15 the ten-year requirement and ~~shall be~~ IS allowed an exemption under ~~said~~
16 subsection (1) OF THIS SECTION with respect to the property if:

17 (I.5) For property tax years commencing on or after January 1,
18 2015, the owner-occupier would have qualified for the exemption with
19 respect to other residential real property that the owner-occupier owned
20 and occupied as ~~his or her~~ THE OWNER-OCCUPIER'S primary residence
21 before moving to the residential real property for which an exemption is
22 claimed but for the fact that a natural disaster destroyed the former
23 primary residence or otherwise rendered it uninhabitable; ~~and~~ OR

24 (I.7) (A) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
25 JANUARY 1, 2023, THE OWNER-OCCUPIER WOULD HAVE QUALIFIED FOR
26 THE EXEMPTION WITH RESPECT TO OTHER RESIDENTIAL REAL PROPERTY
27 THAT THE OWNER-OCCUPIER OWNED AND OCCUPIED AS THE

1 OWNER-OCCUPIER'S PRIMARY RESIDENCE BEFORE MOVING TO THE
2 RESIDENTIAL REAL PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED BUT
3 MEDICAL NECESSITY REQUIRED THE OWNER-OCCUPIER TO STOP OCCUPYING
4 THE OTHER RESIDENTIAL REAL PROPERTY AS THE OWNER-OCCUPIER'S
5 PRIMARY RESIDENCE, SO LONG AS THE OWNER-OCCUPIER HAS NOT
6 PREVIOUSLY RECEIVED THE EXEMPTION PURSUANT TO THIS SUBSECTION
7 (6)(a)(I.7)(A) FOR PROPERTY OTHER THAN THE RESIDENTIAL REAL
8 PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED AND THE
9 OWNER-OCCUPIER PRESENTS TO THE ASSESSOR, WHEN APPLYING FOR THE
10 EXEMPTION, THE FORM ESTABLISHING PROOF OF MEDICAL NECESSITY THAT
11 IS DESCRIBED IN SUBSECTION (6)(a)(I.7)(B) OF THIS SECTION.

12 (B) AS USED IN THIS SUBSECTION (6)(a), "MEDICAL NECESSITY"
13 MEANS ONE OR MORE MEDICAL CONDITIONS OF AN OWNER-OCCUPIER THAT
14 A PHYSICIAN LICENSED TO PRACTICE MEDICINE IN THE STATE PURSUANT TO
15 ARTICLE 240 OF TITLE 12 HAS CERTIFIED, ON A FORM DEVELOPED BY THE
16 ADMINISTRATOR AND MADE AVAILABLE ON THE WEBSITE OF THE DIVISION
17 OF PROPERTY TAXATION OF THE DEPARTMENT OF LOCAL AFFAIRS, AS
18 HAVING REQUIRED THE OWNER-OCCUPIER TO STOP OCCUPYING THE
19 OWNER-OCCUPIER'S PRIMARY RESIDENCE; AND

20 (II) WITH RESPECT TO AN EXEMPTION CLAIMED PURSUANT TO
21 SUBSECTION (6)(a)(I) OR (6)(a)(I.7) OF THIS SECTION, the owner-occupier
22 has not owned and occupied residential property as ~~his or her~~ THE
23 OWNER-OCCUPIER'S primary residence other than the residential real
24 property for which an exemption is claimed since the condemnation
25 occurred OR SINCE THE OWNER-OCCUPIER FIRST STOPPED OCCUPYING THE
26 OWNER-OCCUPIER'S FORMER PRIMARY RESIDENCE DUE TO MEDICAL
27 NECESSITY.

1 **SECTION 4.** In Colorado Revised Statutes, **amend** 39-3-204 as
2 follows:

3 **39-3-204. Notice of property tax exemption.** No later than May
4 1, 2013, and no later than May 1 of each year thereafter in which an
5 assessor sends a notice of valuation pursuant to section 39-5-121 (1)(a)
6 that is not included with the tax bill, each assessor shall mail to each
7 residential real property address in the assessor's county notice of the
8 exemption allowed by section 39-3-203 (1). As soon as practicable after
9 January 1, 2014, and as soon as practicable after January 1 of each year
10 thereafter, each county treasurer shall, at the treasurer's discretion, mail
11 or electronically send to each person whose name appears on the tax list
12 and warrant as an owner of residential real property notice of the
13 exemption allowed by section 39-3-203 (1). The treasurer must mail or
14 electronically send the notice in each year on or before the date on which
15 the treasurer mails the property tax statement for the previous property tax
16 year pursuant to section 39-10-103. No later than May 1, 2008, and no
17 later than each May 1 thereafter, each assessor also shall mail to each
18 residential property address in the assessor's county notice of the
19 exemption allowed by section 39-3-203 (1.5). No later than May 1, 2007,
20 the division shall mail to the residential property address of each person
21 residing in the state who the division believes is a qualifying ~~disabled~~
22 veteran WITH A DISABILITY notice of the exemption allowed by section
23 39-3-203 (1.5) for the 2007 property tax year. However, the sending of
24 notice to a person by the division does not constitute a determination by
25 the division that the person sent notice is entitled to an exemption. The
26 notice shall be in a form prescribed by the administrator, who shall
27 consult with the division before prescribing the form of the notice of the

1 exemption allowed by section 39-3-203 (1.5), and shall include a
2 statement of the eligibility criteria for the exemptions and instructions for
3 obtaining an exemption application. To reduce mailing costs, an assessor
4 may coordinate with the treasurer of the same county to include notice
5 with the tax statement for the previous property tax year mailed pursuant
6 to section 39-10-103 or may include notice with the notice of valuation
7 mailed pursuant to section 39-5-121 (1)(a).

8 **SECTION 5.** In Colorado Revised Statutes, 39-3-205, **amend**
9 (2.5) as follows:

10 **39-3-205. Exemption applications - penalty for providing false**
11 **information - confidentiality.** (2.5) For the purpose of verifying the
12 eligibility of each applicant for the exemption allowed to qualifying
13 ~~disabled~~ veterans WITH A DISABILITY under section 39-3-203 (1.5)
14 efficiently and with minimal inconvenience to each applicant, the division
15 shall determine whether an applicant for the exemption is a qualifying
16 ~~disabled~~ veteran WITH A DISABILITY. With respect to any application
17 timely filed by July 1 pursuant to ~~paragraph (b) of subsection (1)~~
18 SUBSECTION (1)(b) of this section, the division shall, if possible,
19 determine whether the applicant is a qualifying ~~disabled~~ veteran WITH A
20 DISABILITY and send notice of its determination to the applicant on or
21 before the immediately succeeding August 1. If the division determines
22 that the applicant is a qualifying ~~disabled~~ veteran WITH A DISABILITY, it
23 shall also send notice of its determination and a copy of the exemption
24 application to the assessor for the county where the property is located.
25 If the division is unable to determine whether the applicant is a qualifying
26 ~~disabled~~ veteran WITH A DISABILITY on or before said August 1, it shall
27 send preliminary notice to both the applicant and the assessor that its

1 determination is pending and shall follow up the preliminary notice by
2 sending final notice of its ultimate determination to the applicant and,
3 together with a copy of the exemption application, to the assessor as soon
4 as possible thereafter.

5 **SECTION 6.** In Colorado Revised Statutes, 39-3-206, **amend**
6 (1.5), (2)(a), and (2)(a.7) as follows:

7 **39-3-206. Notice to individuals returning incomplete or**
8 **nonqualifying exemption applications - denial of exemption -**
9 **administrative remedies.** (1.5) (a) Except as otherwise provided in
10 ~~paragraph (a.7) of subsection (2)~~ SUBSECTION (2)(a.7) of this section, the
11 division shall only accept an application for the exemption allowed to
12 qualifying ~~disabled~~ veterans WITH A DISABILITY under section 39-3-203
13 (1.5) if the applicant timely returned the exemption application in
14 accordance with section 39-3-205 (1)(b), and an assessor shall only grant
15 the exemption if the division verifies that the applicant is a ~~qualified~~
16 ~~disabled~~ QUALIFYING veteran WITH A DISABILITY and the exemption
17 application forwarded by the division to the assessor pursuant to section
18 39-3-205 (2.5) establishes that the applicant meets the other requirements
19 to be entitled to the exemption.

20 (b) If the information provided on or with an application for the
21 exemption allowed to qualifying ~~disabled~~ veterans WITH A DISABILITY
22 under section 39-3-203 (1.5) that is forwarded by the division to an
23 assessor pursuant to section 39-3-205 (2.5) indicates that the applicant is
24 not entitled to the exemption, or is insufficient to allow the assessor to
25 determine whether or not the applicant is entitled to the exemption, the
26 assessor shall deny the application and mail to the applicant a statement
27 providing the reasons for the denial and informing the applicant of the

1 applicant's right to contest the denial pursuant to subsection (2) of this
2 section. The assessor shall mail the statement no later than August 1 of
3 the property tax year for which the exemption application was filed.

4 (2) (a) An applicant whose exemption application has been denied
5 pursuant to ~~paragraph (b) of subsection (1) or paragraph (b) of subsection~~
6 ~~(1.5)~~ SUBSECTION (1)(b) OR (1.5)(b) of this section may contest the denial
7 by requesting a hearing before the county commissioners sitting as the
8 county board of equalization no later than August 15 of the property tax
9 year for which the exemption application was filed. The hearing shall be
10 held on or after August 1 and no later than September 1 of the property
11 tax year for which the exemption application was filed, and the decision
12 of the county board of equalization is not subject to further administrative
13 appeal by either the applicant or the assessor. An applicant may not
14 contest a determination by the division that the applicant is not a
15 qualifying ~~disabled~~ veteran WITH A DISABILITY at a hearing requested
16 pursuant to this ~~paragraph (a)~~ SUBSECTION (2)(a).

17 (a.7) An individual who wishes to claim the exemption for
18 qualifying ~~disabled~~ veterans WITH A DISABILITY allowed by section
19 39-3-203 (1.5), but who has not timely filed an exemption application
20 with the division, may request that the division waive the application
21 deadline and allow the individual to file a late exemption application no
22 later than the August 1 that immediately follows the original application
23 deadline. The division may accept an application if, in the division's sole
24 discretion, the applicant shows good cause for not timely filing an
25 application. If the division accepts a late application, it shall determine
26 whether the applicant is a qualifying ~~disabled~~ veteran WITH A DISABILITY
27 and shall mail notice of its determination to the applicant no later than the

1 August 25 that immediately follows the late application deadline. If the
2 division determines that a veteran is a qualifying ~~disabled~~ veteran WITH
3 A DISABILITY, it shall mail a copy of the notice of its determination to the
4 assessor for the county in which the property for which the applicant has
5 claimed the exemption is located and shall include with the notice a copy
6 of the applicant's exemption application. The assessor shall grant an
7 exemption if the notice and application forwarded by the division to the
8 assessor establish that the applicant is entitled to the exemption. A
9 decision of the division to allow or disallow the filing of a late application
10 or of an assessor to grant or deny an exemption to an applicant who has
11 filed a late application is final, and an applicant who is denied late filing
12 or an exemption may not contest the denial.

13 **SECTION 7.** In Colorado Revised Statutes, 25-2-103, **amend**
14 (4.5) as follows:

15 **25-2-103. Centralized registration system for all vital statistics**
16 **- office of the state registrar of vital statistics created - appointment**
17 **of registrar - rules.** (4.5) Notwithstanding any other provision of law
18 that limits the sharing of vital statistics, after receiving the list of names
19 and social security numbers of individuals who received property tax
20 exemptions as either qualifying seniors or ~~disabled~~ QUALIFYING veterans
21 WITH A DISABILITY for the prior year that is provided by the property tax
22 administrator pursuant to section 39-3-207, ~~C.R.S.~~, the state registrar shall
23 identify all individuals on the list who have died and transmit a list of the
24 names and social security numbers of such individuals to the
25 administrator.

26 **SECTION 8.** In Colorado Revised Statutes, 39-21-113, **amend**
27 (24) as follows:

1 **39-21-113. Reports and returns - rule - repeal.**

2 (24) Notwithstanding any other provision of this section, the executive
3 director, after receiving from the property tax administrator a list of
4 individuals who are claiming the property tax exemptions for qualifying
5 seniors and ~~disabled~~ QUALIFYING veterans WITH A DISABILITY allowed
6 under part 2 of article 3 of this ~~title~~ TITLE 39, shall provide to the property
7 tax administrator information pertaining to the listed individuals,
8 including their names, social security numbers, marital and income tax
9 filing status, and residency status, needed by the administrator to verify
10 that the exemption is allowed only to applicants who satisfy legal
11 requirements for claiming it. The administrator and the administrator's
12 agents, clerks, and employees shall keep all information received from the
13 executive director confidential, and any individual who fails to do so is
14 guilty of a misdemeanor and subject to punishment as specified in
15 subsection (6) of this section.

16 **SECTION 9. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly; except
19 that, if a referendum petition is filed pursuant to section 1 (3) of article V
20 of the state constitution against this act or an item, section, or part of this
21 act within such period, then the act, item, section, or part will not take
22 effect unless approved by the people at the general election to be held in
23 November 2024 and, in such case, will take effect on the date of the
24 official declaration of the vote thereon by the governor.