

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

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 23-0429.02 Pierce Lively x2059

**HOUSE BILL 23-1184**

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**HOUSE SPONSORSHIP**

**Lindstedt and Frizell,**

**SENATE SPONSORSHIP**

**Roberts,**

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**House Committees**

Transportation, Housing & Local Government  
Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING CERTAIN LOW-INCOME HOUSING PROPERTY THAT IS**  
102            **DEEMED TO BE USED FOR A STRICTLY CHARITABLE PURPOSE,**  
103            **AND, IN CONNECTION THEREWITH, CLARIFYING AND EXPANDING**  
104            **THE PROPERTY TAX EXEMPTION FOR PROPERTY ACQUIRED BY**  
105            **NONPROFIT HOUSING PROVIDERS FOR A STRICTLY CHARITABLE**  
106            **LOW-INCOME HOUSING PURPOSE AND CREATING A PROPERTY**  
107            **TAX EXEMPTION FOR PROPERTY HELD BY COMMUNITY LAND**  
108            **TRUSTS OR NONPROFIT AFFORDABLE HOMEOWNERSHIP**  
109            **DEVELOPERS AND USED FOR A STRICTLY CHARITABLE PURPOSE.**

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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 law.  
Dashes through the words or numbers indicate deletions from existing law.*

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

**Section 1** of the bill clarifies and expands the current property tax exemption for property acquired by nonprofit housing providers for low-income housing. The bill clarifies that property may qualify for the property tax exemption, through construction on the property, until the property is sold or transferred. The bill expands the definition of "low-income" applicants to include individuals or families who are at or below 100% of the area median income, rather than 80% of the area median income.

**Section 2** deems certain property held by community land trusts and nonprofit affordable homeownership developers to be used for a strictly charitable purpose, and to consequently be exempt from property taxation in accordance with the state constitution. To qualify for the exemption, the property must be split into a separate taxable parcel from the improvements on the property and leased to the owner of the improvements as an affordable homeownership property.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-2-117, **amend**  
3 (1)(a)(I), (1)(b)(I) introductory portion, (1)(b)(II), (2), (3)(a)(I), (3)(a)(II),  
4 (3)(b)(I), and (3)(b)(II)(A) as follows:

5 **39-2-117. Applications for exemption - review - annual reports**  
6 **- procedures - rules.** (1) (a) (I) Every application filed on or after  
7 January 1, 1990, claiming initial exemption of real and personal property  
8 from general taxation pursuant to the provisions of sections 39-3-106 to  
9 39-3-113.5, and 39-3-116, AND 39-3-127.7 shall be made on forms  
10 prescribed and furnished by the administrator, ~~shall~~ **MUST** contain such  
11 information as specified in ~~paragraph (b) of this subsection (1)~~  
12 **SUBSECTION (1)(b) OF THIS SECTION**, and ~~shall~~ **MUST** be signed by the  
13 owner of such property or ~~his or her~~ **THE OWNER'S** authorized agent under  
14 the penalty of perjury in the second degree and, except as otherwise  
15 provided in this ~~paragraph (a)~~ **SUBSECTION (1)(a)**, ~~shall~~ **MUST** be

1 accompanied by a payment of one hundred seventy-five dollars, which  
2 shall MUST be credited to the property tax exemption fund created in  
3 subsection (8) of this section. The administrator shall examine and review  
4 each application submitted, and, if it is determined that the exemption  
5 therein claimed is justified and in accordance with the intent of the law,  
6 the exemption shall MUST be granted, the same to be effective upon such  
7 date in the year of application as the administrator shall determine, but in  
8 no event shall the exemption apply to any year prior to the year preceding  
9 the year in which application is made. The decision of the administrator  
10 shall MUST be issued in writing and a copy thereof furnished to the  
11 applicant and to the assessor, treasurer, and board of county  
12 commissioners of the county in which the property is located.

13 (b) (I) Any users of real and personal property for which  
14 exemption from general taxation is requested pursuant to any of the  
15 provisions of sections 39-3-107 to 39-3-113.5 AND 39-3-127.7 may be  
16 required to provide such information as the property tax administrator  
17 determines to be necessary. If a claim is made for an exemption under  
18 section 39-3-110, and the child care center is operated by a person other  
19 than the owner of the property, then the other person, or the other person's  
20 authorized agent, must:

21 (II) Except as otherwise provided in this subparagraph (II)  
22 SUBSECTION (1)(b)(II), any application filed pursuant to paragraph (a) of  
23 ~~this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION claiming  
24 exemption from taxation pursuant to section 39-3-106 or 39-3-106.5 shall  
25 MUST contain the following information: The legal description and  
26 address of the real property or the address of the personal property being  
27 claimed as exempt; the name and address of the owner of such property;

1 the name and telephone number of the agent of such property; the date the  
2 owner acquired such property; the date the owner commenced using the  
3 property for religious purposes; a complete list of all uses of the property  
4 other than by the owner thereof during the previous twelve months; the  
5 total amount of gross income specified in section 39-3-106.5 (1)(b)(I) and  
6 the total amount of gross rental income resulting to the owner of such  
7 property during the previous twelve months from uses for purposes other  
8 than the purposes specified in sections 39-3-106 to 39-3-113.5 AND  
9 39-3-127.7; and the total number of hours during the previous twelve  
10 months that such property was used for purposes other than the purposes  
11 specified in sections 39-3-106 to 39-3-113.5 AND 39-3-127.7. For  
12 purposes of this ~~subparagraph (H)~~ SUBSECTION (1)(b)(II), if the owner did  
13 not own the property being claimed as exempt during the entire  
14 twelve-month period prior to filing such application, the application ~~shall~~  
15 MUST contain the required information for that portion of the  
16 twelve-month period for which such property was owned by the owner  
17 making application. Such application ~~shall~~ MUST also include a  
18 declaration that sets forth the religious mission and religious purposes of  
19 the owner of the property being claimed as exempt and the uses of such  
20 property that are in the furtherance of such mission and purposes. Such  
21 declaration ~~shall~~ MUST be presumptive as to the religious purposes for  
22 which such property is used. If the administrator is unable to determine  
23 whether the property qualifies for exemption based solely on the  
24 information specified in this ~~subparagraph (H)~~ SUBSECTION (1)(b)(II), the  
25 administrator may require additional information, but only to the extent  
26 that the additional information is necessary to determine the exemption  
27 status of the property. The administrator may challenge any declaration

1 included in the application only upon the grounds that the religious  
2 mission and purposes are not religious beliefs sincerely held by the owner  
3 of such property, that the property being claimed as exempt is not actually  
4 used for the purposes set forth in such application, or that the property  
5 being claimed as exempt is used for private gain or corporate profit.

6 (2) No assessor shall classify any real or personal property as  
7 being exempt from taxation pursuant to the provisions of sections  
8 39-3-106 to 39-3-113.5, ~~or~~ 39-3-116, OR 39-3-127.7 in any year unless  
9 the application for exemption for the current year has been reviewed and  
10 has been granted as provided for by law, nor shall any assessor classify  
11 any real or personal property as being taxable after having been notified  
12 in writing that such property has been determined to be exempt from  
13 taxation by the property tax administrator.

14 (3) (a) (I) On and after January 1, 1990, and no later than April 15  
15 of each year, every owner of real or personal property for which  
16 exemption from general taxation has previously been granted shall file a  
17 report with the administrator upon forms furnished by the division,  
18 containing such information relative to the exempt property as specified  
19 in ~~paragraph (b) of this subsection (3)~~ SUBSECTION (3)(b) OF THIS  
20 SECTION, and signed under the penalty of perjury in the second degree.  
21 Each such annual report ~~shall~~ MUST be accompanied by a payment of  
22 seventy-five dollars, which ~~shall~~ MUST be credited to the property tax  
23 exemption fund created in subsection (8) of this section. Each such  
24 annual report filed later than April 15, but prior to July 1, ~~shall~~ MUST be  
25 accompanied by a late filing fee of two hundred fifty dollars; except that  
26 the administrator ~~shall have~~ HAS the authority to waive all or a portion of  
27 the late filing fee for good cause shown as determined by the

1 administrator by rules adopted pursuant to subsection (7) of this section.  
2 On and after January 1, 1990, every owner of real or personal property for  
3 which exemption from general taxation has previously been granted  
4 pursuant to the provisions of section 39-3-111 and that is used for any  
5 purpose other than the purposes specified in sections 39-3-106 to  
6 39-3-113.5 AND 39-3-127.7 for less than two hundred eight hours during  
7 the calendar year or if the use of the property for such purposes results in  
8 annual gross rental income to such owner of less than twenty-five  
9 thousand dollars ~~shall~~ MUST not be required to file any annual report  
10 pursuant to the provisions of this subsection (3). In order to claim such  
11 exemption, in lieu of such annual report, the owner shall annually file  
12 with the administrator a declaration stating that the property is used for  
13 such purposes for less than two hundred eight hours during the calendar  
14 year or THAT such use results in annual gross rental income to the owner  
15 of less than twenty-five thousand dollars.

16 (II) In the event an annual report is not received by June 1 from  
17 an owner of real or personal property for which an exemption was granted  
18 for the previous year pursuant to the provisions of sections 39-3-107 to  
19 39-3-113.5, ~~or~~ 39-3-116, OR 39-3-127.7, the administrator shall give  
20 notice in writing to such property owner by June 15 that failure to comply  
21 by July 1 shall operate as a forfeiture of any right to claim exemption of  
22 previously exempt property from general taxation for the current year.  
23 Failure to timely file such annual report on or before July 1 ~~shall operate~~  
24 OPERATES as a forfeiture of any right to claim exemption of such property  
25 from general taxation for the year in which such failure occurs, unless an  
26 application is timely filed and an exemption granted pursuant to the  
27 provisions of ~~paragraph (a) of subsection (1) of this section~~ SUBSECTION

1 (1)(a) OF THIS SECTION. The administrator shall review each report filed  
2 to determine if such property continues to qualify for exemption, and, if  
3 it is determined that the property does not so qualify, the owner of such  
4 property shall MUST be notified in writing of the disqualification, and the  
5 assessor, treasurer, and board of county commissioners of the county in  
6 which the property is located shall MUST also be so notified.

7 (b) (I) Any user of property which has been exempted pursuant to  
8 the provisions of sections 39-3-107 to 39-3-113.5 AND 39-3-127.7 may  
9 be required to provide such information as the property tax administrator  
10 determines to be necessary in order to ascertain whether the users and  
11 usages of the property are in compliance with the provisions of said  
12 sections.

13 (II) (A) Except as otherwise provided in ~~sub-subparagraph (B) of~~  
14 ~~this subparagraph (H)~~ SUBSECTION (3)(b)(II)(B) OF THIS SECTION, any  
15 annual report filed pursuant to ~~paragraph (a) of this subsection (3)~~  
16 SUBSECTION (3)(a) OF THIS SECTION claiming exemption from taxation  
17 pursuant to section 39-3-106 or 39-3-106.5 shall MUST contain the  
18 following information: The legal description or address of the property  
19 being claimed as exempt; the name and address of the owner of such  
20 property; a complete list of all uses of such property other than by the  
21 owner thereof during the previous calendar year; the amount of total gross  
22 income specified in section 39-3-106.5 (1)(b)(I) and the total amount of  
23 gross rental income resulting from uses of such property that are not for  
24 the purposes set forth in sections 39-3-106 to 39-3-113.5 AND 39-3-127.7;  
25 and the total number of hours that such property was used for purposes  
26 other than the purposes specified in sections 39-3-106 to 39-3-113.5 AND  
27 39-3-127.7. Such annual report shall MUST also include a declaration of

1 the religious mission and purposes of the owner of such property claimed  
2 as being exempt and the uses of such property that are in the furtherance  
3 of such mission and purposes. Such declaration shall be IS presumptive  
4 as to the religious mission and religious purposes of the owner of such  
5 property. If the administrator is unable to determine whether the property  
6 continues to qualify for exemption based solely on the information  
7 specified in this subparagraph—(H) SUBSECTION (3)(b)(II), the  
8 administrator may require additional information, but only to the extent  
9 that the additional information is necessary to determine the exemption  
10 status of the property. The administrator may challenge any declaration  
11 included in such annual report only upon the grounds that the religious  
12 mission and purposes are not religious beliefs sincerely held by the owner  
13 of such property, that such property is not actually used for the purposes  
14 set forth in the annual report, or that the property being claimed as exempt  
15 is used for private gain or corporate profit.

16 **SECTION 2.** In Colorado Revised Statutes, 39-3-113.5, **amend**  
17 (1)(c), (1)(d)(II), (2), and (3); and **add** (1)(a.5) and (1)(b.5) as follows:

18 **39-3-113.5. Property acquired by nonprofit housing provider**  
19 **for low-income housing - use for charitable purposes - exemption -**  
20 **limitations - definitions.** (1) As used in this section, unless the context  
21 otherwise requires:

22 (a.5) "COMMUNITY LAND TRUST" MEANS A NONPROFIT  
23 ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER SECTION 501  
24 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS  
25 AMENDED, AND IS DESIGNED TO ENSURE LONG-TERM HOUSING  
26 AFFORDABILITY THROUGH A SHARED-EQUITY MODEL BY ACQUIRING AND  
27 MAINTAINING OWNERSHIP OF REAL PROPERTY, WHILE SELLING THE



1 IMPROVEMENTS TO LOW-TO-MIDDLE INCOME HOUSEHOLDS FOR USE AS A  
2 PRIMARY RESIDENCE.

3 (b.5) "LAND LEASE" MEANS A LONG-TERM LEASE USED IN  
4 AFFORDABLE HOMEOWNERSHIP PROPERTIES TO LEASE THE REAL PROPERTY  
5 THAT IS OWNED BY A COMMUNITY LAND TRUST OR NONPROFIT  
6 AFFORDABLE HOMEOWNERSHIP DEVELOPER TO THE OWNER OF THE  
7 IMPROVEMENTS ON THE REAL PROPERTY AND PRESERVE THE  
8 IMPROVEMENTS AS AN AFFORDABLE HOMEOWNERSHIP PROPERTY.

9 (c) "Low-income applicant" means:

10 (I) FOR PROPERTY TAX YEARS COMMENCING BEFORE JANUARY 1,  
11 2024, AN INDIVIDUAL OR FAMILY WHOSE TOTAL INCOME IS NO GREATER THAN EIGHTY  
12 PERCENT OF THE AREA MEDIAN INCOME AND WHO APPLIES TO A NONPROFIT HOUSING  
13 PROVIDER TO ASSIST IN THE CONSTRUCTION AND PURCHASE OF HOUSING TO BE  
14 CONSTRUCTED BY THE PROVIDER; AND

15 (II) FOR PROPERTY TAX YEARS COMMENCING OR AFTER JANUARY  
16 1, 2024, AN INDIVIDUAL OR FAMILY WHO BOTH APPLY TO A NONPROFIT  
17 HOUSING PROVIDER TO PURCHASE AN AFFORDABLE FOR-SALE UNIT AND  
18 WHOSE TOTAL INCOME IS AT OR BELOW EITHER:

19 (A) ONE HUNDRED PERCENT OF THE AREA MEDIAN INCOME OF  
20 HOUSEHOLDS OF THE SAME SIZE IN THE COUNTY IN WHICH THE HOUSING IS  
21 LOCATED; OR

22 (B) ONE HUNDRED TWENTY PERCENT OF THE AREA MEDIAN  
23 INCOME OF HOUSEHOLDS OF THE SAME SIZE IN THE COUNTY IN WHICH THE  
24 HOUSING IS LOCATED, IF THE INDIVIDUAL OR FAMILY RESIDES IN A COUNTY  
25 CLASSIFIED AS A RURAL RESORT COMMUNITY BY THE DIVISION OF HOUSING  
26 PURSUANT TO SECTION 29-4-1107 (1)(d).

27 (d) "Nonprofit housing provider" means an organization that is

1 exempt from federal income tax pursuant to section 501 (c)(3) of the  
2 federal "Internal Revenue Code of 1986", as amended, and that has a  
3 primary organizational mission of:

4 (II) Selling property OR IMPROVEMENTS to low-income applicants  
5 ~~and then working with the low-income applicants to construct or~~  
6 ~~rehabilitate housing for their~~ FOR THE LOW-INCOME APPLICANTS'  
7 residential use.

8 (2) (a) Subject to the limitations specified in subsection (3) of this  
9 section, for property tax years commencing on or after January 1, 2011,  
10 real property acquired by a nonprofit housing provider upon which the  
11 provider intends to construct or rehabilitate housing to be sold to  
12 low-income applicants or which the provider intends to sell to  
13 low-income applicants ~~for the purpose of constructing or rehabilitating~~  
14 ~~housing~~ for their residential use is deemed to be being used for strictly  
15 charitable purposes, regardless of whether or not there is actual physical  
16 use of the property, and shall be exempt from property taxation in  
17 accordance with section 5 of article X of the state constitution. ~~In the case~~  
18 ~~of~~

19 (b) (I) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER  
20 JANUARY 1, 2024, THE PROPERTY TAX EXEMPTION DESCRIBED IN THIS  
21 SECTION APPLIES FROM WHEN THE NONPROFIT HOUSING PROVIDER CLAIMS  
22 THE EXEMPTION, THROUGH CONSTRUCTION, REHABILITATION, OR  
23 IMPROVEMENT OF THE PROPERTY, UNTIL THE PROVIDER SELLS, TRANSFERS,  
24 DONATES, OR LEASES THE PROPERTY.

25 (II) IF property IS sold by a nonprofit housing provider to a  
26 low-income applicant, THE PROPERTY MAY QUALIFY FOR the property tax  
27 exemption ~~pursuant to this subsection (2) shall be allowed~~ DESCRIBED IN

1 THIS SECTION until a certificate of occupancy is issued for the housing  
2 PROPERTY; except that PROPERTY MAY NOT QUALIFY FOR the property tax  
3 exemption ~~shall not be allowed for longer~~ DESCRIBED IN THIS SECTION  
4 MORE than one year after the ~~nonprofit housing~~ provider sells the property  
5 to the low-income applicant.

6 (c) (I) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER  
7 JANUARY 1, 2011, BUT BEFORE JANUARY 1, 2024, in determining whether  
8 a nonprofit housing provider satisfies the intent requirement of ~~this~~  
9 ~~subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION with respect to  
10 particular property, the administrator may consider indicators of intent,  
11 including but not limited to:

12 (a) (A) The establishment by the nonprofit housing provider of a  
13 committee or other structure for the purpose of planning the construction  
14 or rehabilitation of housing on the property;

15 (b) (B) Steps taken by the nonprofit housing provider to obtain  
16 any required local government approvals for the construction or  
17 rehabilitation of housing on the property;

18 (c) (C) Steps taken by the nonprofit housing provider to develop  
19 and implement a financing plan for the construction or rehabilitation of  
20 housing on the property;

21 (d) (D) The hiring of architects, contractors, or other professionals  
22 by the nonprofit housing provider in preparation for the actual  
23 construction or rehabilitation of housing on the property; and

24 (e) (E) The solicitation or acceptance by the nonprofit housing  
25 provider of applications from low-income applicants for housing to be  
26 constructed or rehabilitated on the property.

27 (II) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER

1 JANUARY 1, 2024, IN DETERMINING WHETHER A NONPROFIT HOUSING  
2 PROVIDER SATISFIES THE INTENT REQUIREMENT OF SUBSECTION (2)(a) OF  
3 THIS SECTION WITH RESPECT TO PARTICULAR PROPERTY, THE  
4 ADMINISTRATOR MAY CONSIDER INDICATORS OF INTENT, INCLUDING BUT  
5 NOT LIMITED TO:

6 (A) A LAND DONATION AGREEMENT BETWEEN THE LANDOWNER  
7 AND THE NONPROFIT HOUSING PROVIDER THAT OUTLINES THE PURPOSE OF  
8 THE PROPERTY DONATION;

9 (B) A RESOLUTION BY THE NONPROFIT HOUSING PROVIDER'S  
10 BOARD THAT DESIGNATES THE PROPERTY FOR CONSTRUCTION OR  
11 REHABILITATION OF FOR-SALE AFFORDABLE HOUSING; OR

12 (C) A RESOLUTION BY THE NONPROFIT HOUSING PROVIDER'S  
13 BOARD THAT APPROVES THE PURCHASE OF THE PROPERTY FOR LAND  
14 BANKING WITH THE PURPOSE OF CONSTRUCTING OR REHABILITATING  
15 FOR-SALE AFFORDABLE HOUSING.

16 (3) (a) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER  
17 JANUARY 1, 2011, BUT BEFORE JANUARY 1, 2024, the property tax  
18 exemption ~~allowed to a nonprofit housing provider by subsection (2) of~~  
19 DESCRIBED IN this section is subject to the following limitations:

20 (a) (I) The exemption may be allowed for a maximum of five  
21 consecutive property tax years, beginning with the property tax year in  
22 which the nonprofit housing provider obtained title to the property; and

23 (b) (II) If the nonprofit housing provider is allowed an exemption  
24 for any property tax year and subsequently sells, donates, or leases the  
25 property to any person other than a low-income applicant who assisted or  
26 will assist in the construction of housing for the applicant's residential use  
27 on the property, the provider shall be liable for all property taxes that the

1 provider did not previously pay due to the exemption.

2 (b) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER  
3 JANUARY 1, 2024, THE PROPERTY TAX EXEMPTION DESCRIBED IN THIS  
4 SECTION IS SUBJECT TO THE FOLLOWING LIMITATIONS:

5 (I) FOR NONPROFIT HOUSING PROVIDERS WHO HAVE NOT  
6 PREVIOUSLY CLAIMED THE PROPERTY TAX EXEMPTION, THE EXEMPTION  
7 MAY BE ALLOWED FOR A MAXIMUM OF TEN CONSECUTIVE PROPERTY TAX  
8 YEARS, BEGINNING WITH THE PROPERTY TAX YEAR IN WHICH THE  
9 NONPROFIT HOUSING PROVIDER CLAIMED THE EXEMPTION;

10 (II) FOR NONPROFIT HOUSING PROVIDERS WHO HAVE PREVIOUSLY  
11 CLAIMED THE PROPERTY TAX EXEMPTION, THE EXEMPTION MAY BE  
12 ALLOWED FOR A MAXIMUM OF FIVE CONSECUTIVE PROPERTY TAX YEARS,  
13 IN ADDITION TO THE FIVE-YEAR PERIOD DESCRIBED IN SUBSECTION  
14 (3)(a)(I) OF THIS SECTION; AND

15 (III) THE NONPROFIT HOUSING PROVIDER IS LIABLE FOR ALL  
16 PROPERTY TAXES THAT THE PROVIDER DID NOT PREVIOUSLY PAY DUE TO  
17 THE EXEMPTION IF THE PROVIDER SELLS, DONATES, OR LEASES THE  
18 PROPERTY TO ANYONE OTHER THAN:

19 (A) A LOW-INCOME APPLICANT WHO PURCHASED THE PROPERTY;

20 OR

21 (B) A COMMUNITY LAND TRUST OR NONPROFIT HOUSING PROVIDER  
22 INTENDING TO SELL THE IMPROVEMENTS ON THE PROPERTY TO A  
23 LOW-INCOME APPLICANT AND LEASE THE UNDERLYING LAND TO THE  
24 LOW-INCOME APPLICANT THROUGH A LAND LEASE.

25 **SECTION 3.** In Colorado Revised Statutes, **add** 39-3-127.7 as  
26 follows:

27 **39-3-127.7. Community land trust property - nonprofit**

1 **affordable homeownership developer property - exemption -**  
2 **requirements - legislative declaration - definitions. (1) (a) THE**

3 GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

4 (I) THE COST OF HOMEOWNERSHIP HAS RISEN DRAMATICALLY IN  
5 COLORADO: FROM DECEMBER 2020 TO DECEMBER 2022, THE MEDIAN  
6 HOME VALUE IN COLORADO INCREASED OVER THIRTY PERCENT;

7 (II) ENTRY-LEVEL HOMEOWNERSHIP OPTIONS ARE INCREASINGLY  
8 UNAVAILABLE, AND COMMUNITY LAND TRUSTS AND NONPROFIT  
9 AFFORDABLE HOMEOWNERSHIP DEVELOPERS ARE PLAYING AN  
10 INCREASINGLY LARGE ROLE IN HELPING LOW- AND MIDDLE-INCOME  
11 COLORADANS ACCESS HOMEOWNERSHIP; AND

12 (III) COMPARED TO TOOLS USED TO INCENTIVIZE AFFORDABLE  
13 RENTAL HOUSING, SUCH AS THE LOW-INCOME HOUSING TAX CREDIT, THERE  
14 ARE FEWER TOOLS TO INCENTIVIZE THE CREATION OF AFFORDABLE  
15 FOR-SALE HOUSING.

16 (b) THEREFORE, IT IS THE INTENT OF THE GENERAL ASSEMBLY TO  
17 PROVIDE A LIMITED PROPERTY TAX EXEMPTION TO COMMUNITY LAND  
18 TRUSTS AND NONPROFIT AFFORDABLE HOMEOWNERSHIP DEVELOPERS IN  
19 CERTAIN CIRCUMSTANCES.

20 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
21 REQUIRES:

22 (a) "AFFORDABLE HOMEOWNERSHIP PROPERTY" MEANS ANY  
23 DWELLING THAT:

24 (I) IS RESTRICTED BY A DEED THAT IMPACTS OWNERSHIP OF THE  
25 PROPERTY, LIMITS THE PROPERTY'S RESALE PRICE, REQUIRES A LONG-TERM  
26 LANDLEASE WITH A COMMUNITY LAND TRUST OR NONPROFIT AFFORDABLE  
27 HOMEOWNERSHIP DEVELOPER, OR IMPOSES ANY OTHER RESTRICTION THAT

1 LIMITS THE PROPERTY SUCH THAT IT MAY ONLY BE PURCHASED BY  
2 DESIGNATED HOUSEHOLDS, A COMMUNITY LAND TRUST, OR A NONPROFIT  
3 AFFORDABLE HOMEOWNERSHIP DEVELOPER;

4 (II) IS SOLD TO A HOUSEHOLD WHO AT THE TIME OF PURCHASE IS  
5 AT OR BELOW ONE HUNDRED PERCENT OF THE AREA MEDIAN INCOME OF  
6 HOUSEHOLDS OF THAT SAME SIZE IN THE COUNTY IN WHICH THE HOUSING  
7 IS LOCATED; AND

8 (III) IS SOLD TO A PURCHASER TO BE USED AS A PRIMARY  
9 RESIDENCE.

10 (b) "COMMUNITY LAND TRUST" MEANS A NONPROFIT  
11 ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER SECTION 501  
12 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS  
13 AMENDED, AND IS DESIGNED TO ENSURE LONG-TERM HOUSING  
14 AFFORDABILITY THROUGH A SHARED-EQUITY MODEL BY ACQUIRING AND  
15 MAINTAINING OWNERSHIP OF REAL PROPERTY, WHILE SELLING THE  
16 IMPROVEMENTS TO LOW-TO-MIDDLE INCOME HOUSEHOLDS FOR USE AS A  
17 PRIMARY RESIDENCE.

18 (c) "IMPROVEMENT" MEANS A PERMANENT CHANGE TO REAL  
19 PROPERTY THAT AUGMENTS THE REAL PROPERTY'S VALUE INCLUDING BUT  
20 NOT LIMITED TO A SINGLE-FAMILY HOME, TOWNHOME, OR CONDOMINIUM.

21 (d) "LAND LEASE" MEANS A LONG-TERM LEASE USED IN  
22 AFFORDABLE HOMEOWNERSHIP PROPERTIES TO LEASE THE REAL PROPERTY  
23 THAT IS OWNED BY A COMMUNITY LAND TRUST OR NONPROFIT  
24 AFFORDABLE HOMEOWNERSHIP DEVELOPER TO THE OWNER OF THE  
25 IMPROVEMENTS ON THE REAL PROPERTY AND PRESERVE THE  
26 IMPROVEMENTS AS AN AFFORDABLE HOMEOWNERSHIP PROPERTY.

27 (e) "NONPROFIT AFFORDABLE HOMEOWNERSHIP DEVELOPER"

1 MEANS AN ORGANIZATION THAT IS EXEMPT FROM FEDERAL INCOME TAX  
2 PURSUANT TO SECTION 501 (c)(3) OF THE FEDERAL "INTERNAL REVENUE  
3 CODE OF 1986", AS AMENDED, AND THAT HAS A PRIMARY  
4 ORGANIZATIONAL MISSION OF PROVIDING FOR-SALE AFFORDABLE HOUSING  
5 UNITS TO LOW-TO-MIDDLE INCOME HOUSEHOLDS FOR USE AS A PRIMARY  
6 RESIDENCE.

7 (3) (a) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER  
8 JANUARY 1, 2024, REAL PROPERTY IS DEEMED TO BE USED FOR A STRICTLY  
9 CHARITABLE PURPOSE, AND IS EXEMPT FROM PROPERTY TAXATION IN  
10 ACCORDANCE WITH SECTION 5 OF ARTICLE X OF THE STATE CONSTITUTION,  
11 IF THE REAL PROPERTY:

12 (I) IS HELD BY EITHER A COMMUNITY LAND TRUST OR A NONPROFIT  
13 AFFORDABLE HOMEOWNERSHIP DEVELOPER;

14 (II) HAS BEEN SPLIT INTO A SEPARATE TAXABLE PARCEL FROM THE  
15 IMPROVEMENTS; AND

16 (III) IS LEASED TO THE OWNER OF THE IMPROVEMENTS AS AN  
17 AFFORDABLE HOMEOWNERSHIP PROPERTY.

18 (b) THE REAL PROPERTY DESCRIBED IN SUBSECTION (3)(a) OF THIS  
19 SECTION IS DEEMED TO BE USED FOR A STRICTLY CHARITABLE PURPOSE,  
20 AND IS EXEMPT FROM PROPERTY TAXATION IN ACCORDANCE WITH SECTION  
21 5 OF ARTICLE X OF THE STATE CONSTITUTION, UNTIL THE REAL PROPERTY  
22 IS NO LONGER USED AS AN AFFORDABLE HOMEOWNERSHIP PROPERTY.

23 (4) IF A COMMUNITY LAND TRUST OR NONPROFIT AFFORDABLE  
24 HOMEOWNERSHIP DEVELOPER CLAIMS A PROPERTY TAX EXEMPTION  
25 PURSUANT TO THIS SECTION FOR A REAL PROPERTY AND THEN  
26 SUBSEQUENTLY SELLS, DONATES, OR LEASES THAT REAL PROPERTY SO  
27 THAT THE REAL PROPERTY NO LONGER QUALIFIES AS AN AFFORDABLE



1 HOMEOWNERSHIP PROPERTY, THE COMMUNITY LAND TRUST OR NONPROFIT  
2 AFFORDABLE HOMEOWNERSHIP DEVELOPER IS LIABLE FOR ALL PROPERTY  
3 TAXES FOR THE REAL PROPERTY FOR THE PROPERTY TAX YEARS WHEN THE  
4 REAL PROPERTY DID NOT QUALIFY AS AN AFFORDABLE HOMEOWNERSHIP  
5 PROPERTY AND DURING WHICH THE COMMUNITY LAND TRUST OR  
6 NONPROFIT AFFORDABLE HOMEOWNERSHIP DEVELOPER DID NOT PAY  
7 PROPERTY TAXES FOR THE REAL PROPERTY DUE TO THE PROPERTY TAX  
8 EXEMPTION DESCRIBED IN THIS SECTION.

9 (5) IMPROVEMENTS ON REAL PROPERTY THAT QUALIFIES FOR THE  
10 PROPERTY TAX EXEMPTION DESCRIBED IN THIS SECTION ARE NOT EXEMPT  
11 FROM PROPERTY TAXATION.

12 (6) A COMMUNITY LAND TRUST OR NONPROFIT AFFORDABLE HOME  
13 OWNERSHIP DEVELOPER THAT OWNS REAL PROPERTY THAT QUALIFIES FOR  
14 THE PROPERTY TAX EXEMPTION DESCRIBED IN THIS SECTION SHALL SUBMIT  
15 THE LAND LEASE FOR EACH REAL PROPERTY THAT QUALIFIES FOR THE  
16 PROPERTY TAX EXEMPTION DESCRIBED IN THIS SECTION TO THE  
17 APPROPRIATE COUNTY ASSESSOR WITHIN TWENTY-FIVE DAYS OF THE  
18 INITIAL EXECUTION OF THE LAND LEASE.

19 (7) ANY COMMUNITY LAND TRUST OR NONPROFIT AFFORDABLE  
20 HOMEOWNERSHIP DEVELOPER THAT CLAIMS A PROPERTY TAX EXEMPTION  
21 PURSUANT TO THIS SECTION SHALL COMPLY WITH THE PROVISIONS OF  
22 SECTION 39-2-117.

23 **SECTION 4. Act subject to petition - effective date.** This act  
24 takes effect at 12:01 a.m. on the day following the expiration of the  
25 ninety-day period after final adjournment of the general assembly; except  
26 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
27 of the state constitution against this act or an item, section, or part of this

1 act within such period, then the act, item, section, or part will not take  
2 effect unless approved by the people at the general election to be held in  
3 November 2024 and, in such case, will take effect on the date of the  
4 official declaration of the vote thereon by the governor.