

First Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 23B-0009.01 Jed Franklin x5484

SENATE BILL 23B-005

SENATE SPONSORSHIP

Liston,

HOUSE SPONSORSHIP

(None),

Senate Committees

State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING THE EXPANSION OF EXISTING PROPERTY TAX
102 EXEMPTIONS FOR CERTAIN OWNER-OCCUPIED PRIMARY
103 RESIDENCES FOR THE 2023 PROPERTY TAX YEAR.

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 property tax year commencing on 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 the property tax year commencing on January 1, 2023, the bill increases the maximum amount of actual value of the owner-occupied residence of a qualifying senior, veteran with a disability, or surviving spouse of a veteran with a disability, that is exempt from property taxation from \$200,000 to \$350,000.

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 a qualifying senior
 10 and for a qualifying "disabled veteran", ~~defined~~ DEFINED, in accordance
 11 with the "people first language" requirements of section 2-2-802, in
 12 section 39-3-202 (3.5) as a "qualifying veteran with a disability" for
 13 purposes of this part 2 SO THAT THE TERM HAS THE SAME MEANING AS THE

1 CONSTITUTIONALLY DEFINED TERM "DISABLED VETERAN";

2 **SECTION 2.** In Colorado Revised Statutes, 39-3-203, **amend** (1)
3 introductory portion, (1.5)(a) introductory portion, (1.5)(a.5), (6)(a)
4 introductory portion, (6)(a)(I.5), and (6)(a)(II); and **add** (6)(a)(I.7) as
5 follows:

6 **39-3-203. Property tax exemption - qualifications - definition.**

7 (1) For the property tax year commencing January 1, 2002, for property
8 tax years commencing on or after January 1, 2006, but before January 1,
9 2009, ~~and~~ for property tax years commencing on or after January 1, 2012,
10 BUT BEFORE JANUARY 1, 2023, AND FOR PROPERTY TAX YEARS
11 COMMENCING ON OR AFTER JANUARY 1, 2024, fifty percent of the first two
12 hundred thousand dollars of actual value of residential real property that
13 as of the assessment date is owner-occupied and is used as the primary
14 residence of the owner-occupier ~~shall be~~ IS exempt from taxation; ~~and~~ for
15 property tax years commencing on or after January 1, 2003, but before
16 January 1, 2006, and on or after January 1, 2009, but before January 1,
17 2012, fifty percent of zero dollars of actual value of residential real
18 property that as of the assessment date is owner-occupied and is used as
19 the primary residence of the owner-occupier ~~shall be~~ IS exempt from
20 taxation; AND FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY
21 1, 2023, FIFTY PERCENT OF THE FIRST THREE HUNDRED FIFTY THOUSAND
22 DOLLARS OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY THAT AS OF
23 THE ASSESSMENT DATE IS OWNER-OCCUPIED AND IS USED AS THE PRIMARY
24 RESIDENCE OF THE OWNER-OCCUPIER IS EXEMPT FROM TAXATION if:

25 (1.5) (a) For property tax years commencing on or after January
26 1, 2007, BUT BEFORE JANUARY 1, 2023, AND FOR PROPERTY TAX YEARS
27 COMMENCING ON OR AFTER JANUARY 1, 2024, fifty percent of the first two

1 hundred thousand dollars of actual value of residential real property that
2 as of the assessment date is owner-occupied and is used as the primary
3 residence of an owner-occupier who is a qualifying veteran with a
4 disability ~~shall be~~ IS exempt from taxation, AND FOR THE PROPERTY TAX
5 YEAR COMMENCING ON JANUARY 1, 2023, FIFTY PERCENT OF THE FIRST
6 THREE HUNDRED FIFTY THOUSAND DOLLARS OF ACTUAL VALUE OF
7 RESIDENTIAL REAL PROPERTY THAT AS OF THE ASSESSMENT DATE IS
8 OWNER-OCCUPIED AND IS USED AS THE PRIMARY RESIDENCE OF AN
9 OWNER-OCCUPIER WHO IS A QUALIFYING VETERAN WITH A DISABILITY IS
10 EXEMPT FROM TAXATION if:

11 (a.5) For property tax years commencing on or after January 1,
12 2015, BUT BEFORE JANUARY 1, 2023, AND FOR PROPERTY TAX YEARS
13 COMMENCING ON OR AFTER JANUARY 1, 2024, fifty percent of the first two
14 hundred thousand dollars of actual value of residential real property that
15 as of the assessment date is owner-occupied and is used as the primary
16 residence of an owner-occupier who is the surviving spouse of a
17 qualifying veteran with a disability who previously received an exemption
18 under subsection (1.5)(a) of this section is exempt from taxation, AND FOR
19 THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2023, FIFTY
20 PERCENT OF THE FIRST THREE HUNDRED FIFTY THOUSAND DOLLARS OF
21 ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY THAT AS OF THE
22 ASSESSMENT DATE IS OWNER-OCCUPIED AND IS USED AS THE PRIMARY
23 RESIDENCE OF AN OWNER-OCCUPIER WHO IS THE SURVIVING SPOUSE OF A
24 QUALIFYING VETERAN WITH A DISABILITY WHO PREVIOUSLY RECEIVED AN
25 EXEMPTION UNDER SUBSECTION (1.5)(a) OF THIS SECTION IS EXEMPT FROM
26 TAXATION.

27 (6) (a) Notwithstanding the ten-year occupancy requirement set

1 forth in ~~subparagraph (I) of paragraph (a) of subsection (1)~~ SUBSECTION
2 (1)(a)(I) of this section, an owner-occupier who has not actually owned
3 and occupied residential real property for which the owner-occupier has
4 claimed an exemption under ~~said~~ subsection (1) OF THIS SECTION for the
5 ten years preceding the assessment date ~~shall be~~ IS deemed to have met
6 the ten-year requirement and ~~shall be~~ IS allowed an exemption under ~~said~~
7 subsection (1) OF THIS SECTION with respect to the property if:

8 (I.5) For property tax years commencing on or after January 1,
9 2015, the owner-occupier would have qualified for the exemption with
10 respect to other residential real property that the owner-occupier owned
11 and occupied as ~~his or her~~ THE OWNER-OCCUPIER'S primary residence
12 before moving to the residential real property for which an exemption is
13 claimed but for the fact that a natural disaster destroyed the former
14 primary residence or otherwise rendered it uninhabitable; ~~and~~ OR

15 (I.7)(A) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY
16 1, 2023, THE OWNER-OCCUPIER WOULD HAVE QUALIFIED FOR THE
17 EXEMPTION WITH RESPECT TO OTHER RESIDENTIAL REAL PROPERTY THAT
18 THE OWNER-OCCUPIER OWNED AND OCCUPIED AS THE OWNER-OCCUPIER'S
19 PRIMARY RESIDENCE BEFORE MOVING TO THE RESIDENTIAL REAL
20 PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED BUT MEDICAL NECESSITY
21 REQUIRED THE OWNER-OCCUPIER TO STOP OCCUPYING THE OTHER
22 RESIDENTIAL REAL PROPERTY AS THE OWNER-OCCUPIER'S PRIMARY
23 RESIDENCE, SO LONG AS THE OWNER-OCCUPIER HAS NOT PREVIOUSLY
24 RECEIVED THE EXEMPTION PURSUANT TO THIS SUBSECTION (6)(a)(I.7)(A)
25 FOR PROPERTY OTHER THAN THE RESIDENTIAL REAL PROPERTY FOR WHICH
26 AN EXEMPTION IS CLAIMED AND THE OWNER-OCCUPIER PRESENTS TO THE
27 ASSESSOR, WHEN APPLYING FOR THE EXEMPTION, THE FORM ESTABLISHING

1 PROOF OF MEDICAL NECESSITY THAT IS DESCRIBED IN SUBSECTION
2 (6)(a)(I.7)(B) OF THIS SECTION.

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

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

19 **SECTION 3. Safety clause.** The general assembly finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety or for appropriations for
22 the support and maintenance of the departments of the state and state
23 institutions.