

Second Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24B-0022.01 Jason Gelender x4330

HOUSE BILL 24B-1006

HOUSE SPONSORSHIP

DeGraaf,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE EXPANSION OF PROPERTY TAX EXEMPTIONS FOR
102 CERTAIN OWNER-OCCUPIED PRIMARY 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 during property tax reassessment cycles (cycles) that begin on or after January 1, 2025, the bill changes the amount of the exemptions for the owner-occupied primary residence (residence) of a qualifying senior, a veteran with a disability, or the surviving spouse of a United States armed forces service member who died in the line of duty or veteran whose death resulted from

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.

a service-related injury or disease (exemptions) from 50% of the first \$200,000 of actual value of the residence to 50% of an amount of actual value of the residence equal to 50% of 50% of the estimated state median home value (median home value) for the state; except that, if the median home value declines, the exemption amount continues to be calculated based on the median home value used to calculate the exemption amount for the property tax years included in the prior cycle.

The state constitution currently only allows a senior who has owned and occupied the senior's residence for 10 years, or the surviving spouse of such a senior, to claim the exemption. For property tax years commencing on or after January 1, 2027, if at the 2026 general election the voters of the state approve a referred constitutional amendment to allow a senior, or the surviving spouse of such a senior (surviving spouse), who has previously qualified for the exemption for 2016 or any later year for a prior residence to claim the exemption for the senior's or surviving spouse's current residence regardless of how long the senior or surviving spouse has owned and occupied that residence, the bill makes the statutory changes needed to conform to the constitutional amendment.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-3-203, **amend** (1)
3 introductory portion, (1)(a), (1.5)(a) introductory portion, (1.5)(a.5), and
4 (6)(a); and **add** (1.7) and (1.8) as follows:

5 **39-3-203. Property tax exemption - qualifications - definitions.**

6 (1) For the property tax year commencing January 1, 2002, for property
7 tax years commencing on or after January 1, 2006, but before January 1,
8 2009, and for property tax years commencing on or after January 1, 2012,
9 BUT BEFORE JANUARY 1, 2025, fifty percent of the first two hundred
10 thousand dollars of actual value of residential real property that as of the
11 assessment date is owner-occupied and is used as the primary residence
12 of the owner-occupier ~~shall be~~ IS exempt from taxation, and for property
13 tax years commencing on or after January 1, 2003, but before January 1,
14 2006, and on or after January 1, 2009, but before January 1, 2012, fifty
15 percent of zero dollars of actual value of residential real property that as

1 ~~of the assessment date is owner-occupied and is used as the primary~~
2 ~~residence of the owner-occupier shall be~~ SUCH PROPERTY IS exempt from
3 taxation, AND FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
4 JANUARY 1, 2025, AN AMOUNT OF THE ACTUAL VALUE OF SUCH PROPERTY
5 THAT IS EQUAL TO THE LESSER OF FIFTY PERCENT OF THE ACTUAL VALUE
6 OF SUCH PROPERTY OR FIFTY PERCENT OF AN AMOUNT EQUAL TO FIFTY
7 PERCENT OF THE ESTIMATED STATE MEDIAN HOME VALUE IS EXEMPT FROM
8 TAXATION if:

9 (a) (I) The owner-occupier is sixty-five years of age or older as of
10 the assessment date and has owned and occupied such residential real
11 property as ~~his or her~~ THE OWNER-OCCUPIER'S primary residence for the
12 ten years preceding the assessment date; ~~or~~

13 (II) The owner-occupier is the surviving spouse of an
14 owner-occupier who previously qualified for a property tax exemption for
15 the same residential real property under ~~subparagraph (I) of this~~
16 ~~paragraph (a); and~~ SUBSECTION (1)(a)(I) OF THIS SECTION; OR

17 (III) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
18 JANUARY 1, 2027, ONLY, THE OWNER-OCCUPIER HAD RECEIVED AN
19 EXEMPTION PURSUANT TO SUBSECTION (1)(a)(I) OR (1)(a)(II) OF THIS
20 SECTION OR THIS SUBSECTION (1)(a)(III), FOR ANY PROPERTY TAX YEAR
21 COMMENCING ON OR AFTER JANUARY 1, 2016, FOR RESIDENTIAL REAL
22 PROPERTY THAT THE OWNER-OCCUPIER THEREAFTER CEASED OCCUPYING,
23 FOR ANY PERIOD, AS THE OWNER-OCCUPIER'S PRIMARY RESIDENCE; AND

24 (1.5) (a) For property tax years commencing on or after January
25 1, 2007, BUT BEFORE JANUARY 1, 2025, fifty percent of the first two
26 hundred thousand dollars of actual value of residential real property that
27 as of the assessment date is owner-occupied and is used as the primary

1 residence of an owner-occupier who is a qualifying veteran with a
2 disability ~~shall be~~ IS exempt from taxation, AND FOR PROPERTY TAX
3 YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, AN AMOUNT OF THE
4 ACTUAL VALUE OF SUCH PROPERTY THAT IS EQUAL TO THE LESSER OF
5 FIFTY PERCENT OF AN AMOUNT EQUAL TO FIFTY PERCENT OF THE ACTUAL
6 VALUE OF SUCH PROPERTY OR FIFTY PERCENT OF THE ESTIMATED STATE
7 MEDIAN HOME VALUE IS EXEMPT FROM TAXATION if:

8 (a.5) For property tax years commencing on or after January 1,
9 2015, fifty percent of the first two hundred thousand dollars of actual
10 value of residential real property that as of the assessment date is
11 owner-occupied and is used as the primary residence of an
12 owner-occupier who is the surviving spouse of a qualifying veteran with
13 a disability who previously received an exemption under subsection
14 (1.5)(a) of this section OR WHO IS AN ELIGIBLE SPOUSE, AS DEFINED IN
15 SECTION 3.5 (1.7) OF ARTICLE X OF THE STATE CONSTITUTION, is exempt
16 from taxation, AND FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
17 JANUARY 1, 2025, AN AMOUNT OF THE ACTUAL VALUE OF SUCH PROPERTY
18 THAT IS EQUAL TO THE LESSER OF FIFTY PERCENT OF AN AMOUNT EQUAL
19 TO FIFTY PERCENT OF THE ACTUAL VALUE OF SUCH PROPERTY OR FIFTY
20 PERCENT OF THE ESTIMATED STATE MEDIAN HOME VALUE is exempt from
21 taxation.

22 (1.7) NO LATER THAN MARCH 15, 2025, AND NO LATER THAN
23 MARCH 15 OF THE FIRST YEAR OF EACH PROPERTY TAX REASSESSMENT
24 CYCLE THEREAFTER, THE STAFF OF THE LEGISLATIVE COUNCIL SHALL
25 CALCULATE AND PROVIDE TO THE ADMINISTRATOR THE ESTIMATED STATE
26 MEDIAN HOME VALUE FOR THE PROPERTY TAX YEARS THAT COMMENCE
27 DURING THE CURRENT PROPERTY TAX REASSESSMENT CYCLE.

1 (1.8) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
2 REQUIRES:

3 (a) "ESTIMATED STATE MEDIAN HOME VALUE" MEANS:

4 (I) FOR THE PROPERTY TAX YEARS THAT COMMENCE DURING THE
5 PROPERTY TAX REASSESSMENT CYCLE THAT BEGINS ON JANUARY 1, 2025,
6 THE MOST RECENT AVAILABLE ESTIMATE OF MEDIAN HOME VALUE FOR THE
7 STATE OF COLORADO IN THE UNITED STATES BUREAU OF THE CENSUS
8 AMERICAN COMMUNITY SURVEY, ADJUSTED FOR INFLATION OR DEFLATION
9 THROUGH THE FOURTH QUARTER OF 2024 AND ROUNDED TO THE NEAREST
10 ONE THOUSAND DOLLARS; AND

11 (II) FOR THE PROPERTY TAX YEARS THAT COMMENCE DURING
12 EACH SUBSEQUENT PROPERTY TAX REASSESSMENT CYCLE, THE GREATER
13 OF THE ESTIMATED STATE MEDIAN HOME VALUE FOR THE PROPERTY TAX
14 YEARS THAT COMMENCED DURING THE PRIOR PROPERTY TAX
15 REASSESSMENT CYCLE OR THE MOST RECENT AVAILABLE ESTIMATE OF
16 MEDIAN HOME VALUE FOR THE STATE OF COLORADO IN THE UNITED
17 STATES BUREAU OF THE CENSUS AMERICAN COMMUNITY SURVEY,
18 ADJUSTED FOR INFLATION OR DEFLATION THROUGH THE FOURTH QUARTER
19 OF THE CALENDER YEAR THAT IMMEDIATELY PRECEDES THE FIRST
20 PROPERTY TAX YEAR OF THE PROPERTY TAX REASSESSMENT CYCLE AND
21 ROUNDED TO THE NEAREST ONE THOUSAND DOLLARS.

22 (b) "INFLATION OR DEFLATION" MEANS THE PERCENTAGE CHANGE
23 IN THE FEDERAL HOUSING FINANCE AGENCY'S SEASONALLY ADJUSTED
24 QUARTERLY PURCHASE-ONLY HOUSE PRICE INDEX FOR THE STATE OF
25 COLORADO.

26 (c) "PROPERTY TAX REASSESSMENT CYCLE" MEANS THE
27 REASSESSMENT CYCLE DESCRIBED IN SECTION 39-1-104 (10.2).

1 (6) (a) Notwithstanding the ten-year occupancy requirement set
2 forth in ~~subparagraph (1) of paragraph (a) of subsection (1)~~ SUBSECTIONS
3 (1)(a)(I) AND (1)(a)(II) of this section, an owner-occupier who DOES NOT
4 QUALIFY FOR AN EXEMPTION PURSUANT TO SUBSECTION (1)(a)(III) OF THIS
5 SECTION AND WHO has not actually owned and occupied residential real
6 property for which the owner-occupier has claimed an exemption ~~under~~
7 ~~said subsection (1)~~ PURSUANT TO SUBSECTION (1)(a)(I) OR (1)(a)(II) OF
8 THIS SECTION for the ten years preceding the assessment date ~~shall be~~ IS
9 deemed to have met the ten-year requirement and ~~shall be~~ IS allowed an
10 exemption ~~under said subsection (1)~~ PURSUANT TO SUBSECTION (1)(a)(I)
11 OR (1)(a)(II) OF THIS SECTION with respect to the property if:

12 (I) The owner-occupier would have qualified for the exemption
13 with respect to other residential real property that the owner-occupier
14 owned and occupied as ~~his or her~~ THE OWNER-OCCUPIER'S primary
15 residence before moving to the residential real property for which an
16 exemption is claimed but for the fact that the other property was
17 condemned by a governmental entity through an eminent domain
18 proceeding; or

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

26 (II) The owner-occupier has not owned and occupied residential
27 property as ~~his or her~~ THE OWNER-OCCUPIER'S primary residence other

1 than the residential real property for which an exemption is claimed since
2 the condemnation occurred.

3 **SECTION 2. Act subject to petition - effective date.** (1) Except
4 as otherwise provided in subsections (2) and (3) of this section, this act
5 takes effect at 12:01 a.m. on the day following the expiration of the
6 ninety-day period after final adjournment of the general assembly.

7 (2) If a referendum petition is filed pursuant to section 1 (3) of
8 article V of the state constitution against this act or an item, section, or
9 part of this act within the period specified in subsection (1) of this
10 section, then the act, item, section, or part will not take effect unless
11 approved by the people at the general election to be held in November
12 2026 and, in such case, will take effect on the date of the official
13 declaration of the vote thereon by the governor.

14 (3) Section 39-3-203 (1)(a) and (6)(a), Colorado Revised Statutes,
15 as amended in section 1 of this act, takes effect only if the general
16 assembly refers a ballot title to amend the Colorado constitution to allow
17 a senior, or the surviving spouse of such a senior, who has previously
18 qualified for the property tax exemption allowed by section 3.5 (1)(a) and
19 (1)(b) of article X of the Colorado constitution for 2016 or any later year
20 for a prior residence to claim the exemption for the senior's or surviving
21 spouse's current residence regardless of how long the senior or surviving
22 spouse has owned and occupied that residence to the registered electors
23 of the state at the 2026 general election and the ballot title is approved, in
24 which case section 39-3-203 (1)(a) and (6)(a), Colorado Revised Statutes,
25 as amended in section 1 of this act, takes effect on the date of the official
26 declaration of the vote thereon by the governor.