

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
8/22/24

BILL 7

LLS NO. 25-0160.01 Rebecca Bayetti x4348

INTERIM COMMITTEE BILL

Water Resources and Agriculture Review Committee

BILL TOPIC: Ranch Property Tax Clarifications

A BILL FOR AN ACT

101 **CONCERNING CLARIFICATION OF THE DEFINITION OF "RANCH" USED**
102 **IN CONNECTION WITH THE TAXATION OF AGRICULTURAL**
103 **PROPERTY.**

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/>.)

Water Resources and Agriculture Review Committee. The bill broadens the definition of a "ranch" for purposes of property taxation to include a parcel of land used for grazing or raising livestock for the primary purpose of obtaining a monetary profit rather than a parcel of land used only for grazing livestock for the primary purpose of obtaining

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

a monetary profit. The bill also eliminates the limited definition of "livestock" included in the definition of "ranch" and replaces it with the general definition of "livestock" used for property tax purposes that includes all animals.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) In Colorado, since at least 1967, the classification of property
5 as agricultural land has helped support small-scale agriculture producers
6 through reductions in property tax obligations;

7 (b) Under current law, enacted in 1983, the classification only
8 applies to land that is used for grazing livestock or producing agricultural
9 products. Grazing livestock does not include raising animals such as pigs
10 and chickens.

11 (c) Coloradans across our state raise pigs, chickens, and other
12 animals for profit to support their agricultural businesses, supply food to
13 other small businesses, and generate significant economic activity locally
14 and statewide.

15 (2) Therefore, it is in the best interest of the state and is the
16 intention of the general assembly that the property tax savings realized by
17 producers through the classification of agricultural property extend to all
18 producers not only grazing but also raising livestock for profit, including,
19 but not limited to, chickens and pigs, as a means to save these producers
20 money, encourage more agricultural activity, and benefit the economy of
21 local communities and of the state.

22 **SECTION 2.** In Colorado Revised Statutes, 39-1-102, **amend**
23 (13.5) as follows:

1 **39-1-102. Definitions.** As used in articles 1 to 13 of this title 39,
2 unless the context otherwise requires:

3 (13.5) "Ranch" means a parcel of land ~~which~~ THAT is used for
4 grazing OR RAISING livestock for the primary purpose of obtaining a
5 monetary profit. ~~For the purposes of this subsection (13.5), "livestock"~~
6 ~~means domestic animals which are used for food for human or animal~~
7 ~~consumption, breeding, draft, or profit.~~

8 **SECTION 3. Act subject to petition - effective date -**
9 **applicability.** (1) Except as provided in subsection (2) of this section,
10 this act takes effect January 1, 2026, and applies to property tax years
11 commencing on or after January 1, 2026.

12 (2) If a referendum petition is filed pursuant to section 1 (3) of
13 article V of the state constitution against this act or an item, section, or
14 part of this act within the ninety-day period after final adjournment of the
15 general assembly, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2026 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor and apply to
19 property tax years commencing on or after that date.