

CHAPTER 122

TAXATION

HOUSE BILL 93-1116

BY REPRESENTATIVES Reeves, Lyle, and Tanner;
also SENATORS Gallagher and Casey.

AN ACT**CONCERNING THE EXEMPTION FROM PROPERTY TAXATION OF LOW-INCOME RESIDENTIAL PROPERTY.**

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

SECTION 1. 39-3-112 (1), Colorado Revised Statutes, 1982 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

39-3-112. Definitions - residential property - orphanage - low-income elderly or disabled - homeless or abused - charitable purposes - exemption - limitations. (1) As used in this section, unless the context otherwise requires:

(a.5) "ELDERLY OR DISABLED LOW-INCOME RESIDENTIAL FACILITY" MEANS A FACILITY, A PORTION OF WHICH IS OPERATED AS A RESIDENTIAL FACILITY FOR ELDERLY OR DISABLED PERSONS WHO MEET THE REQUIREMENTS OF SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION, WHICH PORTION HOUSES ONLY SUCH PERSONS, EXCLUSIVE OF NECESSARY HOUSING FACILITIES FOR RESIDENT MANAGERIAL PERSONNEL, AND THE REST OF WHICH IS OPERATED AS A HEALTH CARE FACILITY WHICH IS LICENSED BY THE STATE OF COLORADO.

SECTION 2. 39-3-112 (3) (c) (II) (C), Colorado Revised Statutes, 1982 Repl. Vol., as amended, is amended, and the said 39-3-112 (3) (c) is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS, to read:

39-3-112. Definitions - residential property - orphanage - low-income elderly or disabled - homeless or abused - charitable purposes - exemption -

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

limitations. (3) In order for property to be exempt from the levy and collection of property tax pursuant to the provisions of subsection (2) of this section, the administrator shall be required to find, pursuant to the provisions of section 39-2-117, that:

(c) The property is owned:

(II) (C) The provisions of this subparagraph (II) shall apply to applications for exemption made pursuant to section 39-2-117 which are filed on and after January 1, 1991, or which are pending on said date; OR

(III) (A) WITH RESPECT TO RESIDENTIAL STRUCTURES SPECIFIED IN SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (3), BY ANY DOMESTIC OR FOREIGN LIMITED PARTNERSHIP OF WHICH ALL OF THE GENERAL AND LIMITED PARTNERS ARE NONPROFIT CORPORATIONS WHICH SATISFY THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c).

(B) THE PROVISIONS OF THIS SUBPARAGRAPH (III) SHALL APPLY TO APPLICATIONS FOR EXEMPTION MADE PURSUANT TO SECTION 39-2-117 WHICH ARE FILED ON OR AFTER JANUARY 1, 1993, OR WHICH ARE PENDING ON SAID DATE; OR

(IV) (A) WITH RESPECT TO ELDERLY OR DISABLED LOW-INCOME RESIDENTIAL FACILITIES, DURING ANY COMPLIANCE PERIOD, AS DEFINED BY SECTION 42 (i) (1) OF THE "INTERNAL REVENUE CODE OF 1986", AS AMENDED, BY ANY DOMESTIC OR FOREIGN LIMITED PARTNERSHIP SO LONG AS EACH OF THE GENERAL PARTNERS OF SUCH LIMITED PARTNERSHIP IS A FOR-PROFIT CORPORATION, SEVENTY-FIVE PERCENT OR MORE OF THE OUTSTANDING VOTING STOCK OF WHICH IS OWNED BY, AND SEVENTY-FIVE PERCENT OR MORE OF THE MEMBERS OF THE BOARD OF DIRECTORS OF WHICH IS ELECTED BY, ONE OR MORE NONPROFIT CORPORATIONS WHICH SATISFY THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) AND SO LONG AS SUCH LIMITED PARTNERSHIP WAS FORMED FOR THE PURPOSE OF OBTAINING, AND THE STRUCTURE WHICH IS OWNED BY SUCH LIMITED PARTNERSHIP HAS BEEN ALLOCATED, LOW-INCOME HOUSING CREDITS PURSUANT TO SECTION 42 OF THE "INCOME TAX CODE OF 1986", AS AMENDED.

(B) THE PROVISIONS OF THIS SUBPARAGRAPH (IV) SHALL NOT APPLY IF, DURING ANY COMPLIANCE PERIOD: ANY OF THE GENERAL PARTNERS OF THE DOMESTIC OR FOREIGN LIMITED PARTNERSHIP WHICH OWNS THE RESIDENTIAL STRUCTURE SPECIFIED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (IV) CEASE TO MEET THE REQUIREMENTS SPECIFIED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (IV); THE DOMESTIC OR FOREIGN LIMITED PARTNERSHIP WHICH OWNS SUCH RESIDENTIAL STRUCTURE DISTRIBUTES CASH OR OTHER PROPERTY TO ITS PARTNERS; OR SUCH RESIDENTIAL STRUCTURE IS SOLD OR OTHERWISE DISPOSED OF.

(C) UPON A DETERMINATION BY THE ADMINISTRATOR THAT ANY OF THE EVENTS SPECIFIED IN SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (IV) HAVE OCCURRED, THE ADMINISTRATOR SHALL REVOKE THE PROPERTY TAX EXEMPTION FOR THE RESIDENTIAL FACILITY SPECIFIED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (IV) AND PROPERTY TAXES SHALL BE LEVIED AND COLLECTED AGAINST SUCH RESIDENTIAL FACILITY IN THE AMOUNT WHICH WOULD HAVE OTHERWISE BEEN LEVIED AND COLLECTED FROM THE DATE ON WHICH SUCH EXEMPTION WAS INITIALLY

GRANTED, AND ALL DELINQUENT INTEREST PROVIDED BY LAW SHALL APPLY TO SUCH TAXES.

(D) THE PROVISIONS OF THIS SUBPARAGRAPH (IV) SHALL APPLY TO APPLICATIONS FOR EXEMPTION MADE PURSUANT TO SECTION 39-2-117 WHICH ARE FILED ON OR AFTER JANUARY 1, 1993, OR WHICH ARE PENDING ON SUCH DATE.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 19, 1993