

CHAPTER 357

TAXATION

HOUSE BILL 10-1293

BY REPRESENTATIVE(S) Massey, Curry, Labuda, Pommer, Scanlan, Todd, Vigil, Hullinghorst, Merrifield, Middleton;
also SENATOR(S) Whitehead.

AN ACT

**CONCERNING THE CREATION OF A TASK FORCE TO STUDY PROPERTY TAX ASSESSMENT ISSUES
RELATED TO THE USE OF LAND FOR AGRICULTURAL PURPOSES.**

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

SECTION 1. Article 1 of title 39, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

39-1-122. Interim task force to study property tax assessment - classification - land used for agricultural and other purposes - 2010 interim - legislative declaration - repeal. (1) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

(a) IT IS WITHIN THE POWER OF THE GENERAL ASSEMBLY AND SECTION 3 OF ARTICLE X OF THE STATE CONSTITUTION TO CLASSIFY PROPERTY FOR PURPOSES OF TAXATION;

(b) THE TOUCHSTONE OF PROPERTY CLASSIFICATION IN COLORADO IS ACTUAL USE OF THE PROPERTY AT THE TIME OF ASSESSMENT;

(c) PROPERTY MAY BE USED FOR MORE THAN ONE PURPOSE AND, THEREFORE, RAISE COMPETING CONSIDERATIONS AS TO THE MANNER IN WHICH IT SHOULD BE CLASSIFIED;

(d) AN AGRICULTURAL CLASSIFICATION MEANS THAT THE ACTUAL VALUE OF A PROPERTY IS BASED ON ITS PRODUCTIVE CAPACITY RATHER THAN ITS MARKET VALUE AND IT IS ASSESSED FOR TAXATION AT TWENTY-NINE PERCENT OF ITS ACTUAL VALUE, AS WITH ALL OTHER NONRESIDENTIAL PROPERTY;

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

(e) A RESIDENTIAL CLASSIFICATION MEANS THAT THE ACTUAL VALUE OF A PROPERTY IS BASED ON ITS MARKET VALUE, WHICH MAY RESULT IN A HIGHER TAXABLE VALUE EVEN THOUGH IT IS ASSESSED FOR TAXATION AT LESS THAN EIGHT PERCENT OF ITS ACTUAL VALUE;

(f) PROPERTY ACTIVELY USED FOR AGRICULTURAL PURPOSES SHOULD BE PROTECTED AGAINST EXCESSIVE PROPERTY VALUATION AND TAXATION, BUT AGRICULTURAL CLASSIFICATION THAT BENEFITS PROPERTY NOT ACTIVELY USED FOR AGRICULTURAL OPERATIONS SHOULD BE REEVALUATED;

(g) THE IMPLEMENTATION OF A NEW CLASSIFICATION METHODOLOGY IN COLORADO COULD AFFECT THE DISTRIBUTION OF THE PROPERTY TAX BURDEN AND THE CALCULATION OF THE RESIDENTIAL ASSESSMENT RATE; AND

(h) IT IS IMPORTANT TO CONSIDER HOW ANY CHANGE IN COLORADO'S SYSTEM OF PROPERTY TAXATION WILL AFFECT THE DISTRIBUTION OF THE PROPERTY TAX BURDEN AMONG TAXPAYERS AND HOW IT WILL INTERACT WITH OTHER COLORADO LAWS.

(2) (a) THERE IS HEREBY CREATED THE LAND ASSESSMENT AND CLASSIFICATION TASK FORCE, REFERRED TO IN THIS SECTION AS THE "TASK FORCE", WHICH SHALL MEET DURING THE INTERIM AFTER THE SECOND REGULAR SESSION OF THE SIXTY-SEVENTH GENERAL ASSEMBLY TO STUDY ASSESSMENT AND CLASSIFICATION OF AGRICULTURAL AND RESIDENTIAL LAND, REPORT ITS FINDINGS AND RECOMMENDATIONS, AND, IF APPROPRIATE, PROPOSE STATUTORY MODIFICATIONS TO ENSURE THAT LAND IS VALUED BASED ON ITS ACTUAL USE.

(b) THE MEMBERS OF THE TASK FORCE SHALL CONSIST OF THE FOLLOWING NINE MEMBERS:

(I) THE PROPERTY TAX ADMINISTRATOR OR THE ADMINISTRATOR'S DESIGNEE;

(II) FOUR MEMBERS WHO ARE OWNERS OR LESSEES OF REAL PROPERTY THAT IS CURRENTLY ASSESSED AS AGRICULTURAL LAND AND WHO ARE ACTIVELY INVOLVED IN EITHER FARMING OR RANCHING, APPOINTED BY THE COMMISSIONER OF AGRICULTURE;

(III) TWO COUNTY COMMISSIONERS, ONE FROM EACH SIDE OF THE CONTINENTAL DIVIDE, APPOINTED BY A STATEWIDE ORGANIZATION REPRESENTING COUNTY COMMISSIONERS; AND

(IV) TWO COUNTY ASSESSORS, ONE FROM EACH SIDE OF THE CONTINENTAL DIVIDE AND FROM COUNTIES OTHER THAN THE COUNTIES REPRESENTED PURSUANT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH (b), TO BE APPOINTED BY A STATEWIDE ORGANIZATION REPRESENTING COUNTY ASSESSORS.

(c) ALL APPOINTMENTS TO THE TASK FORCE SHALL BE MADE ON OR BEFORE JUNE 15, 2010.

(3) (a) THE TASK FORCE SHALL STUDY, MAKE RECOMMENDATIONS, AND REPORT FINDINGS ON ALL MATTERS RELATING TO PROPERTY TAX ASSESSMENT AND CLASSIFICATION IN CONNECTION WITH LAND USED FOR BOTH AGRICULTURAL AND

RESIDENTIAL PURPOSES, INCLUDING, WITHOUT LIMITATION, THE CURRENT SYSTEM FOR CLASSIFICATION OF AGRICULTURAL AND RESIDENTIAL PROPERTY IN COLORADO, THE FISCAL, LAND USE, AND OTHER IMPACTS OF THE STATE'S CURRENT CLASSIFICATION SYSTEM, AND IDEAS FOR IMPROVING THE CURRENT CLASSIFICATION SYSTEM.

(b) THE TASK FORCE SHALL SUBMIT A WRITTEN REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE LOCAL GOVERNMENT AND AGRICULTURE COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES BY OCTOBER 15, 2010. UPON REQUEST OF A MEMBER OF THE TASK FORCE, SUMMARIES OF DISSENTING OPINIONS SHALL BE PREPARED AND ATTACHED TO THE FINAL REPORT OF FINDINGS AND RECOMMENDATIONS.

(4) (a) THE TASK FORCE SHALL MEET AT LEAST FOUR TIMES, WITH THE FIRST MEETING OCCURRING NO LATER THAN AUGUST 2, 2010.

(b) MEETINGS OF THE TASK FORCE SHALL BE PUBLIC MEETINGS.

(5) THE TASK FORCE SHALL SOLICIT AND ACCEPT REPORTS AND PUBLIC TESTIMONY AND MAY REQUEST OTHER SOURCES, INCLUDING BUT NOT LIMITED TO THE NATIONAL CONFERENCE OF STATE LEGISLATURES, REPRESENTATIVES FROM STATE AND LOCAL GOVERNMENT, PROPERTY OWNERS, NONPROFIT ORGANIZATIONS, AND APPROPRIATE TRADE GROUPS, TO PROVIDE TESTIMONY, WRITTEN COMMENTS, AND OTHER RELEVANT DATA TO THE TASK FORCE.

(6) MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT COMPENSATION AND SHALL NOT BE ENTITLED TO REIMBURSEMENT FOR EXPENSES.

(7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2012.

SECTION 2. 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: June 7, 2010