

Second Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24B-0020.01 Rebecca Bayetti x4348

HOUSE BILL 24B-1005

HOUSE SPONSORSHIP

Garcia,

SENATE SPONSORSHIP

Cutter,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING REDUCTIONS IN VALUATION FOR ASSESSMENT OF
102 RESIDENTIAL REAL 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>.)

For property tax years commencing on or after January 1, 2025, the bill modifies the reduction in valuation for assessment of residential real property for the purpose of a levy imposed by a local governmental entity that was enacted in Senate Bill 24-233. Senate Bill 24-233 reduces the valuation for assessment of residential real property by the lesser of 10% of the actual value of the property or \$70,000, as adjusted for inflation.

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 bill replaces that reduction with a reduction in valuation for assessment tied to the median actual value of residential real property in a county as determined by the county assessor as of the most recent assessment cycle.

Under the new valuation reduction mechanism, the valuation for assessment is reduced based on the actual value of the property minus an amount equal to:

- For property with an actual value below 70% of the county median property value, 15% of the actual value of the property; or
- For property with an actual value equal to or exceeding 70% of the county median property value, the amount equal to the difference between:
 - The amount equal to 15% of 70% of the county median property value; and
 - The amount equal to 9% of the difference between:
 - The actual value of the property; and
 - The amount equal to 70% of the county median property value.

The bill takes effect only if Senate Bill 24-233 becomes law. Senate Bill 24-233 becomes law only if neither of the following occur:

- An initiative that reduces valuations for assessment is approved by the people at the general election held on November 5, 2024; and
- An initiative that requires voter approval for retaining property tax revenue that exceeds a limit is approved by the people at the general election held on November 5, 2024.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-104.2, **add** (3.5)
3 as follows:

4 **39-1-104.2. Residential real property - valuation for**
5 **assessment - legislative declaration - definitions.** (3.5) (a) THE
6 REDUCTION IN ASSESSED VALUE FOR PURPOSES OF THE CALCULATIONS IN
7 SUBSECTIONS (3)(s), (3)(t)(I)(A), AND (3)(u)(I)(A) OF THIS SECTION IS AN
8 AMOUNT EQUAL TO:

9 (I) FOR PROPERTY WITH AN ACTUAL VALUE BELOW SEVENTY
10 PERCENT OF THE COUNTY MEDIAN PROPERTY VALUE, FIFTEEN PERCENT OF

1 THE ACTUAL VALUE OF THE PROPERTY; OR

2 (II) FOR PROPERTY WITH AN ACTUAL VALUE EQUAL TO OR
3 EXCEEDING SEVENTY PERCENT OF THE COUNTY MEDIAN PROPERTY VALUE,
4 THE AMOUNT EQUAL TO THE DIFFERENCE BETWEEN:

5 (A) THE AMOUNT EQUAL TO FIFTEEN PERCENT OF THE AMOUNT
6 EQUAL TO SEVENTY PERCENT OF THE COUNTY MEDIAN PROPERTY VALUE;
7 AND

8 (B) THE AMOUNT EQUAL TO NINE PERCENT OF THE DIFFERENCE
9 BETWEEN THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE PROPERTY
10 MINUS THE AMOUNT EQUAL TO SEVENTY PERCENT OF THE COUNTY MEDIAN
11 PROPERTY VALUE.

12 (b) AS USED IN THIS SUBSECTION (3.5), "COUNTY MEDIAN
13 PROPERTY VALUE" MEANS THE MEDIAN ACTUAL VALUE OF RESIDENTIAL
14 REAL PROPERTY IN A COUNTY AS DETERMINED BY THE COUNTY ASSESSOR
15 AS OF THE MOST RECENT ASSESSMENT CYCLE.

16 **SECTION 2.** In Colorado Revised Statutes, 39-1-104.2, as
17 effective upon the date of the governor's proclamation for the general
18 election held on November 5, 2024, only if neither of the following occur:
19 An initiative that reduces valuations for assessment is approved by the
20 people at the general election held on November 5, 2024; An initiative
21 that requires voter approval for retaining property tax revenue that
22 exceeds a limit is approved by the people at the general election held on
23 November 5, 2024, **amend** (3)(s)(I)(A), (3)(s)(I)(B), (3)(s)(II),
24 (3)(t)(I)(A), and (3)(u)(I)(A); and **repeal** (3)(u)(II) as follows:

25 **39-1-104.2. Residential real property - valuation for**
26 **assessment - legislative declaration - definitions.** (3) (s) (I) For
27 property tax years commencing on or after January 1, 2025, but before

1 January 1, 2027, if there are sufficient excess state revenues, the valuation
2 for assessment for qualified-senior primary residence real property,
3 including multi-family qualified-senior primary residence real property,
4 is:

5 (A) For the property tax year commencing on January 1, 2025, for
6 the purpose of a levy imposed by a local governmental entity, 6.4 percent
7 of the amount equal to the actual value of the property minus either fifty
8 percent of the first two hundred thousand dollars of that actual value plus
9 ~~the lesser of ten percent of the actual value of the property or seventy~~
10 ~~thousand dollars as increased for inflation in the first year of each~~
11 ~~subsequent reassessment cycle~~ THE AMOUNT CALCULATED IN SUBSECTION
12 (3.5) OF THIS SECTION or the amount that causes the valuation for
13 assessment of the property to be one thousand dollars;

14 (B) For the property tax year commencing on January 1, 2026, for
15 the purpose of a levy imposed by a local governmental entity, 6.95
16 percent of the amount equal to the actual value of the property minus
17 either fifty percent of the first two hundred thousand dollars of that actual
18 value plus ~~the lesser of ten percent of the actual value of the property or~~
19 ~~seventy thousand dollars as increased for inflation in the first year of each~~
20 ~~subsequent reassessment cycle~~ THE AMOUNT CALCULATED IN SUBSECTION
21 (3.5) OF THIS SECTION or the amount that causes the valuation for
22 assessment of the property to be one thousand dollars; and

23 (II) For the property tax year commencing on January 1, 2025, if
24 it is administratively infeasible to calculate two different valuations for
25 assessment for the same property based on two different percentages of
26 actual value, an assessor may determine the value of a property under
27 subsection (3)(s)(I)(A) of this section by calculating 111.71875 percent

1 of an amount equal to 6.4 percent of the amount equal to the actual value
2 of the property minus either fifty percent of the first two hundred
3 thousand dollars of that actual value plus ~~the lesser of ten percent of the~~
4 ~~actual value of the property or seventy thousand dollars~~ THE AMOUNT
5 CALCULATED IN SUBSECTION (3.5) OF THIS SECTION or the amount that
6 causes the valuation for assessment of the property to be one thousand
7 dollars.

8 (t) (I) For the property tax year commencing on January 1, 2025,
9 the valuation for assessment for all residential real property other than
10 qualified-senior primary residence real property is:

11 (A) For the purpose of a levy imposed by a local governmental
12 entity, 6.4 percent of the AMOUNT EQUAL TO THE actual value of the
13 property MINUS THE AMOUNT CALCULATED IN SUBSECTION (3.5) OF THIS
14 SECTION; and

15 (u) (I) For property tax years commencing on or after January 1,
16 2026, the valuation for assessment for all residential real property other
17 than qualified-senior primary residence real property is:

18 (A) For the purpose of a levy imposed by a local governmental
19 entity, 6.95 percent of the amount equal to the actual value of the property
20 minus ~~the lesser of ten percent of the actual value of the property or~~
21 ~~seventy thousand dollars as increased for inflation in the first year of each~~
22 ~~subsequent reassessment cycle~~ THE AMOUNT CALCULATED IN SUBSECTION
23 (3.5) OF THIS SECTION; and

24 (II) ~~For reassessment cycles commencing on or after January 1,~~
25 ~~2027, the property tax administrator shall publish the inflation adjusted~~
26 ~~value used to calculate the valuation for assessment pursuant to~~
27 ~~subsection (3)(u)(I)(A) of this section.~~

1 **SECTION 3. Effective date.** This act takes effect only if Senate
2 Bill 24-233 becomes law, in which case this act takes effect on the
3 effective date of Senate Bill 24-233.

4 **SECTION 4. Safety clause.** The general assembly finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, or safety or for appropriations for
7 the support and maintenance of the departments of the state and state
8 institutions.