

Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0853.01 Bob Lackner

HOUSE BILL 10-1293

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HOUSE SPONSORSHIP

Massey,

SENATE SPONSORSHIP

(None),

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House Committees

State, Veterans, & Military Affairs  
Appropriations

Senate Committees

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A BILL FOR AN ACT

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

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**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://www.leg.state.co.us/billsummaries>.)*

The bill creates a 13-member land assessment and classification task force (task force) to meet during the 2010 interim to study the assessment and classification of agricultural and residential land and propose statutory modifications to ensure that land is valued based on its

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

actual use. The bill specifies how the 13 members of the task force are elected and additional requirements governing the duties and procedures of the task force.

The bill requires the task force to study, make legislative recommendations, and report findings on all matters relating to property tax assessment and classification in connection with land used for 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 any ideas for improving the current classification system. The bill requires the task force to submit a written report of its findings and recommendations, including any recommended legislation, to the legislative council during the 2010 interim. The bill limits the number of bills to be proposed by the task force to 5.

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

2 **SECTION 1.** Article 2 of title 2, Colorado Revised Statutes, is  
3 amended BY THE ADDITION OF A PART to read:

4 PART 17

5 LAND ASSESSMENT AND

6 CLASSIFICATION TASK FORCE

7 **2-2-1701. Legislative interim task force to study property tax**  
8 **assessment - classification - land used for agricultural and other**  
9 **purposes - 2010 interim - repeal.** (1) THE GENERAL ASSEMBLY HEREBY  
10 FINDS, DETERMINES, AND DECLARES THAT:

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

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

16 (c) PROPERTY MAY BE USED FOR MORE THAN ONE PURPOSE AND,  
17 THEREFORE, RAISE COMPETING CONSIDERATIONS AS TO THE MANNER IN

1 WHICH IT SHOULD BE CLASSIFIED;

2 (d) THE EXISTENCE OF SOME AGRICULTURAL USE ON A GIVEN  
3 PROPERTY IS NOT NECESSARILY THE EQUIVALENT OF A BONA FIDE  
4 AGRICULTURAL USE IN WHICH THE MAJORITY OF THE PROPERTY IS  
5 DEDICATED FOR USE AS A FARM OR RANCH AND THE OWNER IS AN ACTIVE  
6 PARTICIPANT IN THE AGRICULTURAL OPERATION;

7 (e) AN AGRICULTURAL CLASSIFICATION MEANS THAT THE ACTUAL  
8 VALUE OF A PROPERTY IS DETERMINED BASED ON ITS PRODUCTIVE  
9 CAPACITY RATHER THAN ITS MARKET VALUE BUT IT IS ASSESSED FOR  
10 TAXATION AT TWENTY-NINE PERCENT OF ITS ACTUAL VALUE AS WITH ALL  
11 OTHER NONRESIDENTIAL PROPERTY;

12 (f) A RESIDENTIAL CLASSIFICATION MEANS THAT A PROPERTY IS  
13 VALUED BASED ON ITS MARKET VALUE BUT ASSESSED FOR TAX PURPOSES  
14 AT A RATE THAT IS AT LEAST TWO-THIRDS LESS THAN PROPERTY  
15 RECEIVING ANY NONRESIDENTIAL CLASSIFICATION BUT STILL GENERALLY  
16 HIGHER IN TAXABLE VALUE THAN AGRICULTURAL LAND;

17 (g) SOME RESIDENTIAL PROPERTIES ARE CLASSIFIED AS  
18 AGRICULTURAL AS THE RESULT OF A GRAZING OR OTHER AGRICULTURAL  
19 LEASE ON A PORTION OF THE PROPERTY THAT IS INTENDED TO SECURE THE  
20 CLASSIFICATION BUT DOES NOT ACTIVELY ENGAGE THE OWNER IN THE  
21 BONA FIDE AGRICULTURAL USE;

22 (h) PROPERTY OWNERS ACTIVELY ENGAGED IN BONA FIDE  
23 AGRICULTURAL USES SHOULD BE PROTECTED AGAINST EXCESSIVE  
24 PROPERTY VALUATION AND TAXATION, BUT THE AGRICULTURAL  
25 CLASSIFICATION LOOPHOLE THAT BENEFITS PROPERTY OWNERS WHO ARE  
26 NOT ACTIVELY ENGAGED IN BONA FIDE AGRICULTURAL OPERATIONS  
27 SHOULD BE REEVALUATED IN LIGHT OF THE DISPARITY IN THE TAX BURDEN

1 BORNE BY OTHER RESIDENTIAL PROPERTY OWNERS NOT ACTIVELY  
2 ENGAGED IN BONA FIDE AGRICULTURAL OPERATIONS;

3 (i) SOME STATES HAVE STATUTORY CLASSIFICATION SYSTEMS  
4 THAT DISTINGUISH BETWEEN PROPERTY OWNED AND USED FOR BONA FIDE  
5 AGRICULTURAL PURPOSES AND PROPERTY ON WHICH THERE IS SOME  
6 AGRICULTURAL USE BUT THE OWNER IS NOT ACTIVELY ENGAGED IN THE  
7 AGRICULTURAL OPERATION;

8 (j) THE IMPLEMENTATION OF SUCH CLASSIFICATION SYSTEMS IN  
9 COLORADO COULD AFFECT THE DISTRIBUTION OF THE PROPERTY TAX  
10 BURDEN AND THE CALCULATION OF THE RESIDENTIAL ASSESSMENT RATE,  
11 THE STATE'S OBLIGATION TO PROVIDE EDUCATION FUNDING, REVENUE AND  
12 SPENDING LIMITS AT THE STATE AND LOCAL LEVEL, AND FUTURE  
13 DEVELOPMENT AND LAND USE; AND

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

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

25 (b) THE MEMBERS OF THE TASK FORCE SHALL CONSIST OF THE  
26 FOLLOWING THIRTEEN MEMBERS:

27 (I) FOUR LEGISLATIVE MEMBERS, INCLUDING TWO MEMBERS OF

1 THE SENATE, ONE TO BE APPOINTED BY THE PRESIDENT OF THE SENATE  
2 AND ONE TO BE APPOINTED BY THE MINORITY LEADER OF THE SENATE, AND  
3 TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES, ONE TO BE APPOINTED  
4 BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ONE TO BE  
5 APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF  
6 REPRESENTATIVES.

7 (II) NINE ADDITIONAL MEMBERS TO BE APPOINTED AS FOLLOWS:

8 (A) THE PROPERTY TAX ADMINISTRATOR OR THE ADMINISTRATOR'S  
9 DESIGNEE;

10 (B) FOUR MEMBERS WHO ARE OWNERS OF REAL PROPERTY  
11 ACTIVELY INVOLVED IN EITHER FARMING OR RANCHING AS THEIR PRIMARY  
12 SOURCE OF INCOME, ONE TO BE APPOINTED BY THE PRESIDENT OF THE  
13 SENATE, ONE TO BE APPOINTED BY THE MINORITY LEADER OF THE SENATE,  
14 ONE TO BE APPOINTED BY THE SPEAKER OF THE HOUSE OF  
15 REPRESENTATIVES, AND ONE TO BE APPOINTED BY THE MINORITY LEADER  
16 OF THE HOUSE OF REPRESENTATIVES;

17 (C) TWO COUNTY COMMISSIONERS, ONE FROM EACH SIDE OF THE  
18 CONTINENTAL DIVIDE, TO BE APPOINTED BY THE GOVERNOR; AND

19 (D) TWO COUNTY ASSESSORS, ONE FROM EACH SIDE OF THE  
20 CONTINENTAL DIVIDE AND FROM COUNTIES OTHER THAN THE COUNTIES  
21 REPRESENTED PURSUANT TO SUB-SUBPARAGRAPH (C) OF THIS  
22 SUBPARAGRAPH (II), TO BE APPOINTED BY THE GOVERNOR.

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

25 (3) (a) THE TASK FORCE SHALL STUDY, MAKE LEGISLATIVE  
26 RECOMMENDATIONS, AND REPORT FINDINGS ON ALL MATTERS RELATING  
27 TO PROPERTY TAX ASSESSMENT AND CLASSIFICATION IN CONNECTION WITH

1 LAND USED FOR AGRICULTURAL AND RESIDENTIAL PURPOSES, INCLUDING,  
2 WITHOUT LIMITATION, THE CURRENT SYSTEM FOR CLASSIFICATION OF  
3 AGRICULTURAL AND RESIDENTIAL PROPERTY IN COLORADO, THE FISCAL,  
4 LAND USE, AND OTHER IMPACTS OF THE STATE'S CURRENT CLASSIFICATION  
5 SYSTEM, AND ANY IDEAS FOR IMPROVING THE CURRENT CLASSIFICATION  
6 SYSTEM.

7 (b) THE TASK FORCE SHALL SUBMIT A WRITTEN REPORT OF ITS  
8 FINDINGS AND RECOMMENDATIONS, INCLUDING ANY RECOMMENDED  
9 LEGISLATION, TO THE LEGISLATIVE COUNCIL BY OCTOBER 15, 2010. UPON  
10 THE REQUEST OF A MEMBER OF THE TASK FORCE, STAFF OF THE  
11 LEGISLATIVE COUNCIL SHALL PREPARE AND ATTACH SUMMARIES OF  
12 DISSENTING OPINIONS TO ANY FINAL FINDINGS OR RECOMMENDATIONS  
13 PRESENTED TO THE LEGISLATIVE COUNCIL.

14 (c) LEGISLATION RECOMMENDED BY THE TASK FORCE SHALL BE  
15 TREATED AS LEGISLATION RECOMMENDED BY AN INTERIM COMMITTEE FOR  
16 THE PURPOSES OF ANY INTRODUCTION DEADLINES OR BILL LIMITATIONS  
17 IMPOSED BY THE JOINT RULES OF THE SENATE AND THE HOUSE OF  
18 REPRESENTATIVES; EXCEPT THAT THE TASK FORCE SHALL BE LIMITED TO  
19 PROPOSING FIVE BILLS.

20 (4) (a) THE TASK FORCE SHALL MEET NOT MORE THAN SIX TIMES  
21 DURING THE 2010 INTERIM.

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

23 (5) THE TASK FORCE SHALL SOLICIT AND ACCEPT REPORTS AND  
24 PUBLIC TESTIMONY AND MAY REQUEST OTHER SOURCES, INCLUDING BUT  
25 NOT LIMITED TO THE NATIONAL CONFERENCE OF STATE LEGISLATURES,  
26 REPRESENTATIVES FROM STATE AND LOCAL GOVERNMENT, PROPERTY  
27 OWNERS, NONPROFIT ORGANIZATIONS, AND APPROPRIATE TRADE GROUPS,

1 TO PROVIDE TESTIMONY, WRITTEN COMMENTS, AND OTHER RELEVANT  
2 DATA TO THE TASK FORCE.

3 (6) STAFF OF THE LEGISLATIVE COUNCIL AND THE OFFICE OF  
4 LEGISLATIVE LEGAL SERVICES SHALL BE AVAILABLE TO ASSIST THE TASK  
5 FORCE IN CONDUCTING ITS DUTIES.

6 (7) (a) LEGISLATIVE MEMBERS OF THE TASK FORCE SHALL BE  
7 ENTITLED TO RECEIVE REIMBURSEMENT FOR EXPENSES AND PER DIEM  
8 PAYMENT AS PROVIDED IN SECTION 2-2-307 FOR ATTENDANCE AT  
9 MEETINGS OF THE TASK FORCE.

10 (b) EXPENDITURES INCURRED IN CONDUCTING THE STUDY  
11 REQUIRED BY THIS SECTION SHALL BE APPROVED BY THE CHAIRPERSON OF  
12 THE LEGISLATIVE COUNCIL AND PAID BY VOUCHERS AND WARRANTS  
13 DRAWN AS APPROVED BY LAW FROM MONEYS ALLOCATED TO THE  
14 LEGISLATIVE COUNCIL FROM APPROPRIATIONS MADE BY THE GENERAL  
15 ASSEMBLY.

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

17 **SECTION 2. Safety clause.** The general assembly hereby finds,  
18 determines, and declares that this act is necessary for the immediate  
19 preservation of the public peace, health, and safety.