

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 10-0853.01 Bob Lackner

HOUSE BILL 10-1293

HOUSE SPONSORSHIP

Massey,

SENATE SPONSORSHIP

Whitehead,

House Committees

State, Veterans, & Military Affairs
Appropriations

Senate Committees

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.**

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.*

HOUSE
Amended 2nd Reading
March 19, 2010

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.

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 NEW PART to read:

4 **PART 17**

5 **LAND ASSESSMENT AND**

6 **CLASSIFICATION TASK FORCE**

7 **2-2-1701. Interim task force to study property tax assessment**
8 **- classification - land used for agricultural and other purposes - 2010**
9 **interim - legislative declaration - repeal.** (1) THE GENERAL ASSEMBLY
10 HEREBY 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;

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

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

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

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

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

24 (2) (a) THERE IS HEREBY CREATED THE LAND ASSESSMENT AND
25 CLASSIFICATION TASK FORCE, REFERRED TO IN THIS PART 17 AS THE "TASK
26 FORCE", WHICH SHALL MEET DURING THE INTERIM AFTER THE SECOND
27 REGULAR SESSION OF THE SIXTY-SEVENTH GENERAL ASSEMBLY TO STUDY

1 ASSESSMENT AND CLASSIFICATION OF AGRICULTURAL AND RESIDENTIAL
2 LAND, REPORT ITS FINDINGS AND RECOMMENDATIONS, AND, IF
3 APPROPRIATE, PROPOSE STATUTORY MODIFICATIONS TO ENSURE THAT
4 LAND IS VALUED BASED ON ITS ACTUAL USE.

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

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

9 (II) FOUR MEMBERS WHO ARE OWNERS OR LESSEES OF REAL
10 PROPERTY THAT IS CURRENTLY ASSESSED AS AGRICULTURAL LAND AND
11 WHO ARE ACTIVELY INVOLVED IN EITHER FARMING OR RANCHING,
12 APPOINTED BY A STATEWIDE ORGANIZATION REPRESENTING A DIVERSITY
13 OF AGRICULTURAL ACTIVITIES;

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

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

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

24 (3) (a) THE TASK FORCE SHALL STUDY, MAKE RECOMMENDATIONS,
25 AND REPORT FINDINGS ON ALL MATTERS RELATING TO PROPERTY TAX
26 ASSESSMENT AND CLASSIFICATION IN CONNECTION WITH LAND USED FOR
27 BOTH AGRICULTURAL AND RESIDENTIAL PURPOSES, INCLUDING, WITHOUT

1 LIMITATION, THE CURRENT SYSTEM FOR CLASSIFICATION OF
2 AGRICULTURAL AND RESIDENTIAL PROPERTY IN COLORADO, THE FISCAL,
3 LANDUSE, AND OTHER IMPACTS OF THE STATE'S CURRENT CLASSIFICATION
4 SYSTEM, AND IDEAS FOR IMPROVING THE CURRENT CLASSIFICATION
5 SYSTEM.

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

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

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

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

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

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

27 **SECTION 2. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.