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An Act

SENATE BILL 24-233

BY SENATOR(S) Hansen and Kirkmeyer, Pelton B., Fenberg, Priola, Bridges, Buckner, Coleman, Cutter, Exum, Fields, Gardner, Ginal, Jaquez Lewis, Kolker, Liston, Lundeen, Michaelson Jenet, Pelton R., Rich, Rodriguez, Simpson, Sullivan, Zenzinger;
also REPRESENTATIVE(S) deGruy Kennedy and Frizell, Pugliese, Amabile, Bacon, Bird, Boesenecker, Clifford, Daugherty, Duran, Epps, Froelich, Garcia, Hamrick, Hernandez, Herod, Jodeh, Joseph, Kipp, Lindsay, Lindstedt, Lukens, Mabrey, Marshall, Martinez, Mauro, McCormick, McLachlan, Ortiz, Parenti, Ricks, Rutinel, Sirota, Snyder, Story, Titone, Valdez, Velasco, Vigil, Weissman, Willford, Young, McCluskie.

CONCERNING PROPERTY TAX, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add** part 17 to article 1 of title 29 as follows:

PART 17
PROPERTY TAX REVENUE LIMIT

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

29-1-1701. Definitions. AS USED IN THIS PART 17, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "LOCAL GOVERNMENTAL ENTITY" MEANS A GOVERNMENTAL ENTITY AUTHORIZED BY LAW TO IMPOSE AD VALOREM TAXES ON TAXABLE PROPERTY LOCATED WITHIN ITS TERRITORIAL LIMITS; EXCEPT THAT THE TERM EXCLUDES ANY:

(a) SCHOOL DISTRICT;

(b) CITY AND COUNTY, CITY, OR TOWN THAT HAS ADOPTED A HOME RULE CHARTER;

(c) LOCAL GOVERNMENT THAT IS SUBJECT TO AND HAS NOT RECEIVED VOTER APPROVAL TO EXCEED THE REVENUE LIMIT SET FORTH IN SECTION 29-1-301; AND

(d) LOCAL GOVERNMENT THAT DOES NOT HAVE VOTER APPROVAL TO COLLECT, RETAIN, AND SPEND, WITHOUT REGARD TO ANY SPENDING, REVENUE, OR OTHER LIMITATION CONTAINED WITHIN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S REVENUE FROM THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR SUBSEQUENT TO THE APPROVAL.

(2) "PROPERTY TAX LIMIT" MEANS THE ANNUAL LIMIT ESTABLISHED IN SECTION 29-1-1702 AND CALCULATED PURSUANT TO SECTION 29-1-1703 ON A LOCAL GOVERNMENTAL ENTITY'S PROPERTY TAX REVENUE.

(3) "QUALIFIED PROPERTY TAX REVENUE" MEANS A LOCAL GOVERNMENTAL ENTITY'S PROPERTY TAX REVENUE FOR A PROPERTY TAX YEAR EXCLUSIVE OF PROPERTY TAX REVENUE THAT IS FROM THE FOLLOWING SOURCES AND IS USED FOR THE FOLLOWING PURPOSES:

(a) PROPERTY TAX REVENUE FROM THE INCREASED VALUATION FOR ASSESSMENT WITHIN THE TAXING ENTITY FOR THE PRECEDING PROPERTY TAX YEAR THAT IS ATTRIBUTABLE TO NEW CONSTRUCTION AND PERSONAL PROPERTY CONNECTED THEREWITH, AS DEFINED BY THE PROPERTY TAX ADMINISTRATOR IN MANUALS PREPARED PURSUANT TO SECTION 39-2-109 (1)(e);

(b) PROPERTY TAX REVENUE FROM THE INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION OR TO THE ANNEXATION OR INCLUSION OF ADDITIONAL LAND, THE IMPROVEMENTS THEREON, AND PERSONAL PROPERTY CONNECTED THEREWITH WITHIN THE TAXING ENTITY FOR THE PRECEDING PROPERTY TAX YEAR;

(c) INCREASED PROPERTY TAX REVENUE ATTRIBUTABLE TO THE EXPIRATION OF THE USE OF THE LOCAL GOVERNMENTAL ENTITY'S INCREMENTAL TAX REVENUES DIVERTED FOR THE PURPOSES OF PART 1 OF ARTICLE 25 OF TITLE 31, PART 1 OF ARTICLE 30 OF TITLE 31, OR OTHER TAX INCREMENT FINANCING PURPOSES;

(d) PROPERTY TAX REVENUE FOR PROPERTY THAT WAS OMITTED FROM THE ASSESSMENT ROLL IN THE PRECEDING PROPERTY TAX YEAR;

(e) PROPERTY TAX REVENUE ABATED OR REFUNDED BY THE LOCAL GOVERNMENTAL ENTITY DURING THE PROPERTY TAX YEAR;

(f) PROPERTY TAX REVENUE ATTRIBUTABLE TO PREVIOUSLY LEGALLY EXEMPT FEDERAL PROPERTY THAT BECOMES TAXABLE, IF SUCH PROPERTY CAUSES AN INCREASE IN THE LEVEL OF SERVICES PROVIDED BY THE LOCAL GOVERNMENTAL ENTITY;

(g) PROPERTY TAX REVENUE FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS;

(h) AN AMOUNT TO PROVIDE FOR THE PAYMENT OF BONDS THAT ARE OUTSTANDING AS OF THE EFFECTIVE DATE OF THIS PART 17 AND THE INTEREST THEREON, OR FOR THE PAYMENT OF ANY OTHER CONTRACTUAL OBLIGATION THAT HAS BEEN APPROVED BY A MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING THEREON OUTSTANDING AS OF THE EFFECTIVE DATE OF THIS PART 17; AND BONDS OR OTHER CONTRACTUAL OBLIGATIONS ISSUED IN ACCORDANCE WITH THE EXISTING VOTED AUTHORIZATION OF A LOCAL GOVERNMENTAL ENTITY APPROVED BY A MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING THEREON IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AS OF THE EFFECTIVE DATE OF THIS PART 17; OR

(i) PROPERTY TAX REVENUE ATTRIBUTABLE TO A LOCAL

GOVERNMENTAL ENTITY INCREASING THE TOTAL NUMBER OF MILLS IT LEVIES UPON RECEIVING THE APPROVAL OF THE MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS FOR SUCH AN INCREASE IN AN ELECTION OCCURRING ON OR AFTER THE EFFECTIVE DATE OF THIS PART 17.

29-1-1702. Property tax limit imposition - temporary property tax credit - refund. (1) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, A LOCAL GOVERNMENTAL ENTITY'S QUALIFIED PROPERTY TAX REVENUE FOR A PROPERTY TAX YEAR MUST NOT INCREASE BY MORE THAN THE PROPERTY TAX LIMIT.

(2)(a) TO PREVENT THE LOCAL GOVERNMENTAL ENTITY'S QUALIFIED PROPERTY TAX REVENUE FROM EXCEEDING THE PROPERTY TAX LIMIT, A LOCAL GOVERNMENTAL ENTITY'S GOVERNING BODY SHALL EITHER:

(I) ENACT A TEMPORARY PROPERTY TAX CREDIT THAT IS UP TO THE NUMBER OF MILLS NECESSARY TO PREVENT THE LOCAL GOVERNMENTAL ENTITY'S QUALIFIED PROPERTY TAX REVENUE FROM EXCEEDING THE PROPERTY TAX LIMIT; OR

(II) TEMPORARILY REDUCE THE MILL LEVY IMPOSED BY THE LOCAL GOVERNMENT ENTITY.

(b) NEITHER A TEMPORARY PROPERTY TAX CREDIT ENACTED BY A LOCAL GOVERNMENTAL ENTITY PURSUANT TO SUBSECTION (2)(a)(I) OF THIS SECTION NOR A TEMPORARY REDUCTION BY A LOCAL GOVERNMENTAL ENTITY PURSUANT TO SUBSECTION (2)(a)(II) OF THIS SECTION OF THE MILL LEVY IMPOSED BY THE LOCAL GOVERNMENTAL ENTITY CHANGES THE UNDERLYING MILL LEVY IMPOSED BY A LOCAL GOVERNMENTAL ENTITY. THEREFORE, REDUCING OR ELIMINATING A TEMPORARY PROPERTY TAX CREDIT OR A TEMPORARY MILL LEVY REDUCTION DOES NOT REQUIRE PRIOR VOTER APPROVAL UNDER SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION.

(3) IF A LOCAL GOVERNMENTAL ENTITY'S QUALIFIED PROPERTY TAX REVENUE EXCEEDS THE PROPERTY TAX LIMIT FOR A PROPERTY TAX YEAR AND THE LOCAL GOVERNMENTAL ENTITY DOES NOT COMPLY WITH SUBSECTION (2) OF THIS SECTION, THEN THE LOCAL GOVERNMENTAL ENTITY SHALL REFUND ANY QUALIFIED PROPERTY TAX REVENUE IN EXCESS OF THE PROPERTY TAX LIMIT FOR THE PROPERTY TAX YEAR.

29-1-1703. Property tax limit calculation - definition. (1) A LOCAL GOVERNMENTAL ENTITY'S PROPERTY TAX LIMIT FOR A PROPERTY TAX YEAR IS EQUAL TO THE LOCAL GOVERNMENTAL ENTITY'S BASE YEAR QUALIFIED PROPERTY TAX REVENUE INCREASED FOR EACH YEAR SINCE THE BASE YEAR, INCLUDING THE RELEVANT PROPERTY TAX YEAR, BY FIVE AND ONE-HALF PERCENT.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "BASE YEAR" MEANS:

(a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(b) OF THIS SECTION:

(I) FOR A LOCAL GOVERNMENTAL ENTITY THAT HAD QUALIFIED PROPERTY TAX REVENUE FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2023, THE LOCAL GOVERNMENTAL ENTITY'S QUALIFIED PROPERTY TAX REVENUE FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2023, PLUS ANY MONEY THAT THE LOCAL GOVERNMENTAL ENTITY RECEIVED PURSUANT TO SECTION 39-3-210; OR

(II) FOR A LOCAL GOVERNMENTAL ENTITY THAT DID NOT HAVE QUALIFIED PROPERTY TAX REVENUE FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2023, THE LOCAL GOVERNMENTAL ENTITY'S QUALIFIED PROPERTY TAX REVENUE FOR THE FIRST YEAR THAT THE LOCAL GOVERNMENTAL ENTITY HAD PROPERTY TAX REVENUE; OR

(b) FOR A LOCAL GOVERNMENTAL ENTITY THAT TEMPORARILY WAIVES THE PROPERTY LIMIT PURSUANT TO SECTION 29-1-1704, THE LOCAL GOVERNMENTAL ENTITY'S QUALIFIED PROPERTY TAX REVENUE FOR THE MOST RECENT PROPERTY TAX YEAR FOR WHICH THE LOCAL GOVERNMENTAL ENTITY TEMPORARILY WAIVED THE PROPERTY LIMIT PURSUANT TO SECTION 29-1-1704.

29-1-1704. Voter approval of property limit waiver. A LOCAL GOVERNMENTAL ENTITY'S GOVERNING BODY MAY SUBMIT TO THE LOCAL GOVERNMENTAL ENTITY'S ELECTORS THE QUESTION OF WHETHER THE LOCAL GOVERNMENTAL ENTITY MAY WAIVE THE PROPERTY TAX LIMIT ESTABLISHED IN SECTION 29-1-1702 IN CONNECTION WITH A SINGLE PROPERTY TAX YEAR, A SPECIFIED NUMBER OF PROPERTY TAX YEARS, OR ALL FUTURE PROPERTY TAX YEARS. IF THE MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S

VOTERS VOTING THEREON APPROVE SUCH A REQUEST, THE LOCAL GOVERNMENTAL ENTITY IS NOT SUBJECT TO THE PROPERTY TAX LIMIT ESTABLISHED IN SECTION 29-1-1702 FOR THE PERIOD OF PROPERTY TAX YEARS FOR WHICH VOTERS APPROVED WAIVING THE PROPERTY TAX LIMIT.

29-1-1705. Prior obligations not impaired - voter-approval of mill increases. (1) NOTHING IN THIS PART 17 IMPAIRS:

(a) THE OBLIGATIONS OF ANY BONDS OR OTHER FORMS OF INDEBTEDNESS THAT ARE OUTSTANDING AS OF THE EFFECTIVE DATE OF THIS PART 17, OR THE REFUNDING THEREOF, ISSUED BY A LOCAL GOVERNMENTAL ENTITY OR OTHERWISE INVALIDATES ANY SUCH BOND OR THE OBLIGATIONS OR REFUNDING THEREOF; OR

(b) THE EXISTING VOTED AUTHORIZATION OF A LOCAL GOVERNMENTAL ENTITY APPROVED BY A MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING THEREON IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AS OF THE EFFECTIVE DATE OF THIS PART 17. AS ESTABLISHED IN SECTION 29-1-1701 (3)(h), THE IMPOSITION OF A LEVY TO PROVIDE FOR THE PAYMENT OF THE FOLLOWING IS NOT INCLUDED IN THE CALCULATION OF THE PROPERTY TAX LIMIT:

(I) BONDS THAT ARE OUTSTANDING AS OF THE EFFECTIVE DATE OF THIS PART 17 AND THE INTEREST THEREON, OR FOR THE PAYMENT OF ANY OTHER CONTRACTUAL OBLIGATION OUTSTANDING AS OF THE EFFECTIVE DATE OF THIS PART 17 THAT HAS BEEN APPROVED BY A MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING THEREON; AND

(II) BONDS OR OTHER CONTRACTUAL OBLIGATIONS ISSUED IN ACCORDANCE WITH THE EXISTING VOTED AUTHORIZATION OF A LOCAL GOVERNMENTAL ENTITY APPROVED BY A MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING THEREON IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AS OF THE EFFECTIVE DATE OF THIS PART 17 ARE NOT INCLUDED IN THE CALCULATION OF THE PROPERTY TAX LIMIT.

(2) NOTHING IN THIS PART 17 PREVENTS A LOCAL GOVERNMENTAL ENTITY FROM SUBMITTING TO THE LOCAL GOVERNMENTAL ENTITY'S ELECTORS THE QUESTION OF WHETHER TO INCREASE THE TOTAL NUMBER OF MILLS LEVIED BY THE LOCAL GOVERNMENTAL ENTITY AND, UPON A

MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING TO APPROVE SUCH A REQUEST, INCREASING THE TOTAL NUMBER OF MILLS LEVIED BY THE LOCAL GOVERNMENTAL ENTITY ACCORDINGLY. AS ESTABLISHED IN SECTION 29-1-1701 (3)(i), PROPERTY TAX REVENUE ATTRIBUTABLE TO A LOCAL GOVERNMENTAL ENTITY INCREASING THE TOTAL NUMBER OF MILLS IT LEVIES UPON RECEIVING THE APPROVAL OF THE MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS FOR SUCH AN INCREASE IN AN ELECTION OCCURRING ON OR AFTER THE EFFECTIVE DATE OF THIS PART 17 IS NOT INCLUDED IN THE CALCULATION OF THE PROPERTY TAX LIMIT. A LOCAL GOVERNMENTAL ENTITY MAY ALSO SUBMIT TO THE LOCAL GOVERNMENT ENTITY'S ELECTORS THE QUESTION OF WHETHER TO INCREASE THE TOTAL NUMBER OF MILLS LEVIED BY THE LOCAL GOVERNMENTAL ENTITY IN SUCH A WAY THAT THE MILLS INCREASE TO MATCH THE LOCAL GOVERNMENTAL ENTITY'S PROPERTY TAX LIMIT ESTABLISHED PURSUANT TO SECTION 29-1-1702 AND, UPON A MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING TO APPROVE SUCH A REQUEST, INCREASING THE TOTAL NUMBER OF MILLS LEVIED BY THE LOCAL GOVERNMENTAL ENTITY ACCORDINGLY.

SECTION 2. In Colorado Revised Statutes, 39-1-104, **amend** (1.8)(b) introductory portion and (1.8)(c); and **add** (1.8)(b.5) as follows:

39-1-104. Valuation for assessment - definitions. (1.8) (b) The valuation for assessment of all nonresidential property that is not specified in subsection (1), ~~or~~ (1.8)(a), OR (1.8)(b.5) of this section is twenty-nine percent of the actual value thereof; except that, for the property tax year YEARS commencing on January 1, 2023, AND JANUARY 1, 2024, the valuation for assessment of this property is temporarily reduced to:

(b.5) THE VALUATION FOR ASSESSMENT FOR ALL PROPERTY LISTED BY THE ASSESSOR UNDER ANY IMPROVED COMMERCIAL SUBCLASS CODES AND ALL REAL OR PERSONAL PROPERTY THAT IS CLASSIFIED AS AGRICULTURAL PROPERTY IS:

(I) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2025, TEMPORARILY REDUCED TO TWENTY-SEVEN PERCENT OF THE ACTUAL VALUE OF THE PROPERTY; AND

(II) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2026, REDUCED TO TWENTY-FIVE PERCENT OF THE ACTUAL VALUE OF THE

PROPERTY.

(c) The actual value of real and personal property specified in subsection (1.8)(a), ~~or~~ (1.8)(b), OR (1.8)(b.5) of this section is determined by the assessor and the administrator in the manner prescribed by law, and a valuation for assessment percentage is uniformly applied, without exception, to the actual value, so determined, of the various classes and subclasses of real and personal property located within the territorial limits of the authority levying a property tax, and all property taxes are levied against the aggregate valuation for assessment resulting from the application of the percentage.

SECTION 3. In Colorado Revised Statutes, 39-1-104.2, **amend** (1)(a), (1)(b), (3)(q), and (3)(r); and **add** (1)(c), (1)(d), (3)(s), and (3)(t) as follows:

39-1-104.2. Residential real property - valuation for assessment - legislative declaration - definitions. (1) As used in this section, unless the context otherwise requires:

(a) ~~"Multi-family residential real property" means residential real property that is a duplex, triplex, or multi-structure of four or more units, all of which are based on the class codes established in the manual published by the administrator. Multi-family residential real property is a subclass of residential real property for purposes of the ratio of valuation for assessment.~~ "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN CONSUMERS.

(b) ~~"Target percentage" means the percentage of aggregate statewide valuation for assessment represented by the valuation for assessment which is attributable to residential real property in the year immediately preceding the year in which a change in the level of value occurs.~~ "LOCAL GOVERNMENTAL ENTITY" MEANS A GOVERNMENTAL ENTITY AUTHORIZED BY LAW TO IMPOSE AD VALOREM TAXES ON TAXABLE PROPERTY LOCATED WITHIN ITS TERRITORIAL LIMITS; EXCEPT THAT THE TERM EXCLUDES SCHOOL DISTRICTS.

(c) "MULTI-FAMILY RESIDENTIAL REAL PROPERTY" MEANS

RESIDENTIAL REAL PROPERTY THAT IS A DUPLEX, TRIPLEX, OR MULTI-STRUCTURE OF FOUR OR MORE UNITS, ALL OF WHICH ARE BASED ON THE CLASS CODES ESTABLISHED IN THE MANUAL PUBLISHED BY THE ADMINISTRATOR. "MULTI-FAMILY RESIDENTIAL REAL PROPERTY" IS A SUBCLASS OF RESIDENTIAL REAL PROPERTY FOR PURPOSES OF THE RATIO OF VALUATION FOR ASSESSMENT.

(d) "TARGET PERCENTAGE" MEANS THE PERCENTAGE OF AGGREGATE STATEWIDE VALUATION FOR ASSESSMENT REPRESENTED BY THE VALUATION FOR ASSESSMENT WHICH IS ATTRIBUTABLE TO RESIDENTIAL REAL PROPERTY IN THE YEAR IMMEDIATELY PRECEDING THE YEAR IN WHICH A CHANGE IN THE LEVEL OF VALUE OCCURS.

(3) (q) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, AND BEFORE JANUARY 1, 2025, the valuation for assessment for multi-family residential real property is 7.15 percent of the actual value of the property; ~~for property tax years commencing on or after January 1, 2019;~~ except that the valuation for assessment of this property is temporarily reduced as follows:

(I) For the property tax ~~years~~ YEAR commencing on January 1, 2022, ~~and January 1, 2024;~~ the valuation for assessment for multi-family residential real property is temporarily reduced to 6.8 percent of the actual value of the property; and

(II) For the property tax ~~year~~ YEARS commencing on January 1, 2023, AND JANUARY 1, 2024, the valuation for assessment for multi-family residential real property is temporarily reduced to 6.7 percent of the amount equal to the actual value of the property minus the lesser of fifty-five thousand dollars or the amount that causes the valuation for assessment of the property to be one thousand dollars.

(r) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1, 2025, the valuation for assessment for all residential real property other than multi-family residential real property is 7.15 percent of the actual value of the property; except that the valuation for assessment of this property is temporarily reduced as follows:

(I) For the property tax year commencing on January 1, 2022, the valuation for assessment for all residential real property other than

multi-family residential real property is temporarily reduced to 6.95 percent of the actual value of the property; AND

(II) For the property tax year YEARS commencing on January 1, 2023, AND JANUARY 1, 2024, the ~~ratio of~~ valuation for assessment for all residential real property other than multi-family residential real property is 6.7 percent of the amount equal to the actual value of the property minus the lesser of fifty-five thousand dollars or the amount that causes the valuation for assessment of the property to be one thousand dollars. ~~and~~

~~(III) For the property tax year commencing on January 1, 2024, the ratio of valuation for assessment for all residential real property other than multi-family residential real property is temporarily established as the percentage calculated in accordance with section 39-1-104.4.~~

(s) (I) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2025, THE VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL REAL PROPERTY IS:

(A) FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL GOVERNMENTAL ENTITY, 6.4 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY; AND

(B) FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT, 7.15 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY.

(II) IF IT IS ADMINISTRATIVELY INFEASIBLE TO CALCULATE TWO DIFFERENT VALUATIONS FOR ASSESSMENT FOR THE SAME PROPERTY BASED ON THE SAME ACTUAL VALUE, BUT WITH TWO DIFFERENT PERCENTAGES OF THAT ACTUAL VALUATION FOR ASSESSMENT, AN ASSESSOR MAY DETERMINE THE VALUE OF A PROPERTY UNDER SUBSECTION (3)(s)(I)(B) OF THIS SECTION BY CALCULATING 111.71875 PERCENT OF AN AMOUNT EQUAL TO 6.4 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY.

(t) (I) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2026, THE VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL REAL PROPERTY IS:

(A) FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL GOVERNMENTAL ENTITY, 6.95 PERCENT OF THE AMOUNT EQUAL TO THE

ACTUAL VALUE OF THE PROPERTY MINUS THE LESSER OF TEN PERCENT OF THE ACTUAL VALUE OF THE PROPERTY OR SEVENTY THOUSAND DOLLARS AS INCREASED FOR INFLATION IN THE FIRST YEAR OF EACH SUBSEQUENT REASSESSMENT CYCLE; AND

(B) FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT, 7.15 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE PROPERTY; EXCEPT THAT THE VALUATION FOR ASSESSMENT FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT MAY BE TEMPORARILY REDUCED FOR A PROPERTY TAX YEAR AS SET FORTH IN SECTION 39-1-104.7.

(II) FOR REASSESSMENT CYCLES COMMENCING ON OR AFTER JANUARY 1, 2027, THE PROPERTY TAX ADMINISTRATOR SHALL PUBLISH THE INFLATION ADJUSTED VALUE USED TO CALCULATE THE VALUATION FOR ASSESSMENT PURSUANT TO SUBSECTION (3)(t)(I)(A) OF THIS SECTION.

(III) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT ANY MODIFICATION TO THE VALUATION FOR ASSESSMENT ESTABLISHED IN THIS SUBSECTION (3)(t) THAT WOULD RESULT IN A PROPERTY TAX INCREASE WOULD REQUIRE PRIOR VOTER APPROVAL UNDER SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION.

SECTION 4. In Colorado Revised Statutes, 39-1-104.2, **amend** (1)(a), (1)(b), (3)(q)(I), (3)(q)(II), (3)(r)(I), and (3)(r)(II); **amend as amended by Senate Bill 24-111** (3)(q) introductory portion and (3)(r) introductory portion; **amend as added by Senate Bill 24-111** (1)(a.5) and (3)(s); **repeal** (3)(r)(III); and **add** (1)(c), (1)(d), (3)(t), and (3)(u) as follows:

39-1-104.2. Residential real property - valuation for assessment - legislative declaration - definitions. (1) As used in this section, unless the context otherwise requires:

(a) ~~"Multi-family residential real property" means residential real property that is a duplex, triplex, or multi-structure of four or more units, all of which are based on the class codes established in the manual published by the administrator. Multi-family residential real property is a subclass of residential real property for purposes of the ratio of valuation for assessment.~~ "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR

DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN CONSUMERS.

(a.5) ~~"Qualified-senior primary residence real property" means property that is classified as such under section 39-1-104.6.~~ "LOCAL GOVERNMENTAL ENTITY" MEANS A GOVERNMENTAL ENTITY AUTHORIZED BY LAW TO IMPOSE AD VALOREM TAXES ON TAXABLE PROPERTY LOCATED WITHIN ITS TERRITORIAL LIMITS; EXCEPT THAT THE TERM EXCLUDES SCHOOL DISTRICTS.

(b) ~~"Target percentage" means the percentage of aggregate statewide valuation for assessment represented by the valuation for assessment which is attributable to residential real property in the year immediately preceding the year in which a change in the level of value occurs.~~ "MULTI-FAMILY RESIDENTIAL REAL PROPERTY" MEANS RESIDENTIAL REAL PROPERTY THAT IS A DUPLEX, TRIPLEX, OR MULTI-STRUCTURE OF FOUR OR MORE UNITS, ALL OF WHICH ARE BASED ON THE CLASS CODES ESTABLISHED IN THE MANUAL PUBLISHED BY THE ADMINISTRATOR. "MULTI-FAMILY RESIDENTIAL REAL PROPERTY" IS A SUBCLASS OF RESIDENTIAL REAL PROPERTY FOR PURPOSES OF THE RATIO OF VALUATION FOR ASSESSMENT.

(c) "QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY" MEANS PROPERTY THAT IS CLASSIFIED AS SUCH UNDER SECTION 39-1-104.6.

(d) "TARGET PERCENTAGE" MEANS THE PERCENTAGE OF AGGREGATE STATEWIDE VALUATION FOR ASSESSMENT REPRESENTED BY THE VALUATION FOR ASSESSMENT WHICH IS ATTRIBUTABLE TO RESIDENTIAL REAL PROPERTY IN THE YEAR IMMEDIATELY PRECEDING THE YEAR IN WHICH A CHANGE IN THE LEVEL OF VALUE OCCURS.

(3) (q) ~~Except as otherwise provided in subsection (3)(s) of this section,~~ FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, AND BEFORE JANUARY 1, 2025, the valuation for assessment for multi-family residential real property is 7.15 percent of the actual value of the property; ~~for property tax years commencing on or after January 1, 2019;~~ except that the valuation for assessment of this property is temporarily reduced as follows:

(I) For the property tax years YEAR commencing on January 1, 2022, ~~and January 1, 2024,~~ the valuation for assessment for multi-family residential real property is temporarily reduced to 6.8 percent of the actual

value of the property; and

(II) For the property tax year YEARS commencing on January 1, 2023, AND JANUARY 1, 2024, the valuation for assessment for multi-family residential real property is temporarily reduced to 6.7 percent of the amount equal to the actual value of the property minus the lesser of fifty-five thousand dollars or the amount that causes the valuation for assessment of the property to be one thousand dollars.

~~(r) Except as otherwise provided in subsection (3)(s) of this section, FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2022, AND BEFORE JANUARY 1, 2025, the valuation for assessment for all residential real property other than multi-family residential real property is 7.15 percent of the actual value of the property; except that the valuation for assessment of this property is temporarily reduced as follows:~~

(I) For the property tax year commencing on January 1, 2022, the valuation for assessment for all residential real property other than multi-family residential real property is temporarily reduced to 6.95 percent of the actual value of the property; AND

(II) For the property tax year YEARS commencing on January 1, 2023, AND JANUARY 1, 2024, the ~~ratio of~~ valuation for assessment for all residential real property other than multi-family residential real property is 6.7 percent of the amount equal to the actual value of the property minus the lesser of fifty-five thousand dollars or the amount that causes the valuation for assessment of the property to be one thousand dollars. ~~and~~

~~(III) For the property tax year commencing on January 1, 2024, the ratio of valuation for assessment for all residential real property other than multi-family residential real property is temporarily established as the percentage calculated in accordance with section 39-1-104.4.~~

(s) (I) For property tax years commencing on or after January 1, 2025, but before January 1, 2027, if there are sufficient excess state revenues, the valuation for assessment for qualified-senior primary residence real property, including multi-family qualified-senior primary residence real property, is: ~~7.15 percent of the amount equal to the actual value of the property minus the lesser of fifty percent of the first two hundred thousand dollars of that actual value or the amount that causes the~~

~~valuation for assessment of the property to be one thousand dollars.~~

(A) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2025, FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL GOVERNMENTAL ENTITY, 6.4 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE PROPERTY MINUS EITHER FIFTY PERCENT OF THE FIRST TWO HUNDRED THOUSAND DOLLARS OF THAT ACTUAL VALUE PLUS THE LESSER OF TEN PERCENT OF THE ACTUAL VALUE OF THE PROPERTY OR SEVENTY THOUSAND DOLLARS AS INCREASED FOR INFLATION IN THE FIRST YEAR OF EACH SUBSEQUENT REASSESSMENT CYCLE OR THE AMOUNT THAT CAUSES THE VALUATION FOR ASSESSMENT OF THE PROPERTY TO BE ONE THOUSAND DOLLARS;

(B) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2026, FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL GOVERNMENTAL ENTITY, 6.95 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE PROPERTY MINUS EITHER FIFTY PERCENT OF THE FIRST TWO HUNDRED THOUSAND DOLLARS OF THAT ACTUAL VALUE PLUS THE LESSER OF TEN PERCENT OF THE ACTUAL VALUE OF THE PROPERTY OR SEVENTY THOUSAND DOLLARS AS INCREASED FOR INFLATION IN THE FIRST YEAR OF EACH SUBSEQUENT REASSESSMENT CYCLE OR THE AMOUNT THAT CAUSES THE VALUATION FOR ASSESSMENT OF THE PROPERTY TO BE ONE THOUSAND DOLLARS; AND

(C) FOR THE PROPERTY TAX YEARS COMMENCING ON JANUARY 1, 2025, AND JANUARY 1, 2026, FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT, 7.15 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE PROPERTY MINUS THE LESSER OF FIFTY PERCENT OF THE FIRST TWO HUNDRED THOUSAND DOLLARS OF THAT ACTUAL VALUE OR THE AMOUNT THAT CAUSES THE VALUATION FOR ASSESSMENT OF THE PROPERTY TO BE ONE THOUSAND DOLLARS.

(II) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2025, IF IT IS ADMINISTRATIVELY INFEASIBLE TO CALCULATE TWO DIFFERENT VALUATIONS FOR ASSESSMENT FOR THE SAME PROPERTY BASED ON TWO DIFFERENT PERCENTAGES OF ACTUAL VALUE, AN ASSESSOR MAY DETERMINE THE VALUE OF A PROPERTY UNDER SUBSECTION (3)(s)(I)(A) OF THIS SECTION BY CALCULATING 111.71875 PERCENT OF AN AMOUNT EQUAL TO 6.4 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE PROPERTY MINUS EITHER FIFTY PERCENT OF THE FIRST TWO HUNDRED THOUSAND

DOLLARS OF THAT ACTUAL VALUE PLUS THE LESSER OF TEN PERCENT OF THE ACTUAL VALUE OF THE PROPERTY OR SEVENTY THOUSAND DOLLARS OR THE AMOUNT THAT CAUSES THE VALUATION FOR ASSESSMENT OF THE PROPERTY TO BE ONE THOUSAND DOLLARS.

(III) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT ANY MODIFICATION TO THE VALUATION FOR ASSESSMENT ESTABLISHED IN THIS SUBSECTION (3)(s) THAT WOULD RESULT IN A PROPERTY TAX INCREASE WOULD REQUIRE PRIOR VOTER APPROVAL UNDER SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION.

(t) (I) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2025, THE VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL REAL PROPERTY OTHER THAN QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY IS:

(A) FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL GOVERNMENTAL ENTITY, 6.4 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY; AND

(B) FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT, 7.15 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY.

(II) IF IT IS ADMINISTRATIVELY INFEASIBLE TO CALCULATE TWO DIFFERENT VALUATIONS FOR ASSESSMENT FOR THE SAME PROPERTY BASED ON THE SAME ACTUAL VALUE, BUT WITH TWO DIFFERENT PERCENTAGES OF THAT ACTUAL VALUE, AN ASSESSOR MAY DETERMINE THE VALUE OF A PROPERTY UNDER SUBSECTION (3)(t)(I)(B) OF THIS SECTION BY CALCULATING 111.71875 PERCENT OF AN AMOUNT EQUAL TO 6.4 PERCENT OF THE ACTUAL VALUE OF THE PROPERTY.

(u) (I) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2026, THE VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL REAL PROPERTY OTHER THAN QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY IS:

(A) FOR THE PURPOSE OF A LEVY IMPOSED BY A LOCAL GOVERNMENTAL ENTITY, 6.95 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE PROPERTY MINUS THE LESSER OF TEN PERCENT OF THE ACTUAL VALUE OF THE PROPERTY OR SEVENTY THOUSAND DOLLARS AS

INCREASED FOR INFLATION IN THE FIRST YEAR OF EACH SUBSEQUENT REASSESSMENT CYCLE; AND

(B) FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT, 7.15 PERCENT OF THE AMOUNT EQUAL TO THE ACTUAL VALUE OF THE PROPERTY; EXCEPT THAT THE VALUATION FOR ASSESSMENT FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT MAY BE TEMPORARILY REDUCED FOR A PROPERTY TAX YEAR AS SET FORTH IN SECTION 39-1-104.7.

(II) FOR REASSESSMENT CYCLES COMMENCING ON OR AFTER JANUARY 1, 2027, THE PROPERTY TAX ADMINISTRATOR SHALL PUBLISH THE INFLATION ADJUSTED VALUE USED TO CALCULATE THE VALUATION FOR ASSESSMENT PURSUANT TO SUBSECTION (3)(u)(I)(A) OF THIS SECTION.

(III) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT ANY MODIFICATION TO THE VALUATION FOR ASSESSMENT ESTABLISHED IN THIS SUBSECTION (3)(u) THAT WOULD RESULT IN A PROPERTY TAX INCREASE WOULD REQUIRE PRIOR VOTER APPROVAL UNDER SECTION 20 (4)(a) OF ARTICLE X OF THE STATE CONSTITUTION.

SECTION 5. In Colorado Revised Statutes, **repeal** 39-1-104.4 as follows:

39-1-104.4. Adjustment of residential rate. ~~(1) The valuation for assessment for residential real property other than multi-family residential real property for the property tax year commencing on January 1, 2024, is equal to the percentage necessary for the following to equal a total of seven hundred million dollars:~~

~~(a) The aggregate reduction of local government property tax revenue during the property tax year commencing on January 1, 2023, as a result of the changes made in Senate Bill 22-238, enacted in 2022, exclusive of any changes made in Senate Bill 23B-001, enacted in 2023, that reduced valuations for assessment set forth pursuant to sections 39-1-104 (1)(b) and (1.8)(b), 39-1-104.2 (3)(q)(II) and (3)(r)(II), and 39-3-104.3 (2); and~~

~~(b) The aggregate reduction of local government property tax revenue during the property tax year commencing on January 1, 2024, as a result of the reduced valuations for assessment set forth pursuant to sections 39-1-104 (1.8)(a) and 39-1-104.2 (3)(q)(I) and (3)(r)(III) for the property~~

~~tax year commencing on January 1, 2024.~~

~~(2) On or before March 21, 2024, based on the information available on that date, the property tax administrator shall submit a report to the general assembly calculating the ratio of valuation for assessment specified in subsection (1) of this section.~~

SECTION 6. In Colorado Revised Statutes, **add** 39-1-104.7 as follows:

39-1-104.7. Total program balancing adjustment of residential rate - definitions. (1) FOR QUALIFYING PROPERTY TAX YEARS, THE VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL REAL PROPERTY, FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT, IS EQUAL TO THE LESSER OF:

(a) SEVEN AND FIFTEEN HUNDREDTHS PERCENT OF THE ACTUAL VALUE OF THE PROPERTY; OR

(b) THE PERCENTAGE OF THE ACTUAL VALUE OF THE PROPERTY NECESSARY FOR THE LOCAL SHARE OF STATEWIDE TOTAL PROGRAM TO EQUAL SIXTY PERCENT OF THE TOTAL PROGRAM DETERMINED PURSUANT TO ARTICLE 54 OF TITLE 22 FOR THE SCHOOL DISTRICT BUDGET YEAR DURING WHICH THE QUALIFYING PROPERTY TAX YEAR BEGINS, BASED ON THE BEST AVAILABLE INFORMATION WHEN THE STATE BOARD OF EQUALIZATION DETERMINES THE PERCENTAGE OF ACTUAL VALUE.

(2) (a) LEGISLATIVE COUNCIL STAFF SHALL NOTIFY THE STATE BOARD OF EQUALIZATION OF THE FIRST YEAR AFTER 2026 IN WHICH THE LOCAL SHARE OF TOTAL PROGRAM IS EQUAL TO OR GREATER THAN SIXTY PERCENT OF THE TOTAL PROGRAM DETERMINED PURSUANT TO ARTICLE 54 OF TITLE 22.

(b) NO LATER THAN THREE BUSINESS DAYS AFTER THE ANNUAL PUBLIC SCHOOL FINANCE ACT BECOMES LAW, LEGISLATIVE COUNCIL STAFF SHALL PROVIDE THE STATE BOARD OF EQUALIZATION WITH THE INFORMATION NECESSARY TO CALCULATE THE BALANCING PERCENTAGE FOR A QUALIFYING PROPERTY TAX YEAR.

(c) NO LATER THAN THREE WEEKS AFTER RECEIVING THE

INFORMATION PROVIDED BY LEGISLATIVE COUNCIL STAFF PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE STATE BOARD OF EQUALIZATION SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY THAT CALCULATES THE BALANCING PERCENTAGE.

(3) IF THE BALANCING PERCENTAGE IS LOWER THAN SEVEN AND FIFTEEN HUNDREDTHS PERCENT, THEN, FOR THAT PROPERTY TAX YEAR, THE VALUATION FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT IS TEMPORARILY REDUCED IN ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION. THE VALUATION FOR ASSESSMENT FOR THIS PROPERTY IS SEVEN AND FIFTEEN HUNDREDTHS PERCENT OF THE ACTUAL VALUE OF THE PROPERTY FOR THE NEXT PROPERTY TAX YEAR, BUT THE VALUATION FOR ASSESSMENT MAY BE REDUCED AGAIN FOR THAT PROPERTY TAX YEAR IN ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION.

(4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "BALANCING PERCENTAGE" MEANS THE PERCENTAGE OF THE ACTUAL VALUE OF ALL RESIDENTIAL REAL PROPERTY DESCRIBED IN SUBSECTION (1)(b) OF THIS SECTION.

(b) "QUALIFYING PROPERTY TAX YEAR" MEANS A PROPERTY TAX YEAR COMMENCING AFTER LEGISLATIVE COUNCIL STAFF HAS PROVIDED THE STATE BOARD OF EQUALIZATION WITH THE NOTICE DESCRIBED IN SUBSECTION (2) OF THIS SECTION.

SECTION 7. In Colorado Revised Statutes, **add** 39-1-104.7 as follows:

39-1-104.7. Total program balancing adjustment of residential rate - definitions. (1) FOR QUALIFYING PROPERTY TAX YEARS, THE VALUATION FOR ASSESSMENT FOR ALL RESIDENTIAL REAL PROPERTY, FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT, IS EQUAL TO THE LESSER OF:

(a) SEVEN AND FIFTEEN HUNDREDTHS PERCENT OF THE ACTUAL VALUE OF THE PROPERTY; OR

(b) THE PERCENTAGE OF THE ACTUAL VALUE OF THE PROPERTY NECESSARY FOR STATEWIDE SCHOOL DISTRICT PROPERTY TAX REVENUE DIVIDED BY WEIGHTED TOTAL PROGRAM TO EQUAL ZERO AND SIX-TENTHS.

(2) (a) LEGISLATIVE COUNCIL STAFF SHALL NOTIFY THE STATE BOARD OF EQUALIZATION OF THE FIRST YEAR AFTER 2026 IN WHICH THE LOCAL SHARE OF TOTAL PROGRAM IS EQUAL TO OR GREATER THAN SIXTY PERCENT OF THE TOTAL PROGRAM DETERMINED PURSUANT TO ARTICLE 54 OF TITLE 22.

(b) NO LATER THAN ONE WEEK AFTER THE ANNUAL PUBLIC SCHOOL FINANCE ACT BECOMES LAW, LEGISLATIVE COUNCIL STAFF SHALL PROVIDE THE STATE BOARD OF EQUALIZATION WITH THE INFORMATION NECESSARY TO CALCULATE THE BALANCING PERCENTAGE FOR A QUALIFYING PROPERTY TAX YEAR.

(c) NO LATER THAN THREE WEEKS AFTER RECEIVING THE INFORMATION PROVIDED BY LEGISLATIVE COUNCIL STAFF PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE STATE BOARD OF EQUALIZATION SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY THAT CALCULATES THE BALANCING PERCENTAGE.

(3) IF THE BALANCING PERCENTAGE IS LOWER THAN SEVEN AND FIFTEEN HUNDREDTHS PERCENT, THEN, FOR THAT PROPERTY TAX YEAR, THE VALUATION FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY FOR THE PURPOSE OF A LEVY IMPOSED BY A SCHOOL DISTRICT IS TEMPORARILY REDUCED IN ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION. THE VALUATION FOR ASSESSMENT FOR THIS PROPERTY IS SEVEN AND FIFTEEN HUNDREDTHS PERCENT OF THE ACTUAL VALUE OF THE PROPERTY FOR THE NEXT PROPERTY TAX YEAR, BUT THE VALUATION FOR ASSESSMENT MAY BE REDUCED AGAIN FOR THAT PROPERTY TAX YEAR IN ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION.

(4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "BALANCING PERCENTAGE" MEANS THE PERCENTAGE OF THE ACTUAL VALUE OF ALL RESIDENTIAL REAL PROPERTY DESCRIBED IN SUBSECTION (1)(b) OF THIS SECTION.

(b) "QUALIFYING PROPERTY TAX YEAR" MEANS A PROPERTY TAX YEAR COMMENCING AFTER LEGISLATIVE COUNCIL STAFF HAS PROVIDED THE STATE BOARD OF EQUALIZATION WITH THE NOTICE DESCRIBED IN SUBSECTION (2) OF THIS SECTION.

(c) "STATEWIDE SCHOOL DISTRICT PROPERTY TAX REVENUE" MEANS THE TOTAL AMOUNT OF PROPERTY TAX REVENUE ESTIMATED TO BE RETAINED BY ALL OF THE SCHOOL DISTRICTS IN THE STATE IN CONNECTION WITH DISTRICT TOTAL PROGRAM FUNDING FOR THE CURRENT QUALIFYING PROPERTY TAX YEAR.

(d) "WEIGHTED TOTAL PROGRAM" MEANS STATEWIDE TOTAL PROGRAM AS CALCULATED PURSUANT TO SECTIONS 22-54-103.3 AND 22-54-103.5, AS APPLICABLE.

SECTION 8. In Colorado Revised Statutes, **as added by Senate Bill 24-111** 39-1-104.6, **add** (10)(c) as follows:

39-1-104.6. Qualified-senior primary residence real property - valuation for assessment - reimbursement to local governments for reduced valuation - temporary mechanism for refunding excess state revenues - legislative declaration - definitions. (10) Reimbursement as refund of excess state revenues. (c) AS USED IN THIS SUBSECTION (10), UNLESS THE CONTEXT OTHERWISE REQUIRES, "REVENUE LOST AS A RESULT OF THE CLASSIFICATION OF REAL PROPERTY AS QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY" MEANS REVENUE THAT IS LOST AS A RESULT OF CERTAIN RESIDENTIAL PROPERTIES BEING CLASSIFIED AS "QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY", AND HAVING A VALUATION FOR ASSESSMENT DETERMINED PURSUANT TO SECTION 39-1-104.2 (3)(s), RATHER THAN BEING CLASSIFIED AS "ALL RESIDENTIAL REAL PROPERTY OTHER THAN QUALIFIED-SENIOR PRIMARY RESIDENCE REAL PROPERTY" AND HAVING A VALUATION FOR ASSESSMENT DETERMINED PURSUANT TO SECTION 39-1-104.2 (3)(t) AND (3)(u).

SECTION 9. In Colorado Revised Statutes, **add** 39-3-211 as follows:

39-3-211. Reporting of assessed value reductions - reimbursement of local governmental entities - local governmental entity backfill cash fund - creation - legislative declaration - definitions

- repeal. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) MOST SCHOOL DISTRICTS RELY ON A COMBINATION OF STATE AND LOCAL SOURCES OF REVENUE TO PAY FOR TOTAL PROGRAM FUNDING;

(b) STATE REVENUE MAKES UP THE DIFFERENCE BETWEEN THE FULL AMOUNT OF A SCHOOL DISTRICT'S TOTAL PROGRAM FUNDING AND THE AMOUNT OF A SCHOOL DISTRICT'S TOTAL PROGRAM FUNDING THAT THE SCHOOL DISTRICT PAYS FOR WITH ITS PROPERTY TAX REVENUE;

(c) THE AMOUNT OF STATE REVENUE NECESSARY TO MAKE UP THE DIFFERENCE BETWEEN THE FULL AMOUNT OF A SCHOOL DISTRICT'S TOTAL PROGRAM FUNDING AND THE AMOUNT OF A SCHOOL DISTRICT'S TOTAL PROGRAM FUNDING THAT THE SCHOOL DISTRICT PAYS FOR WITH ITS PROPERTY TAX REVENUE IS ANNUALLY DETERMINED BY THE GENERAL ASSEMBLY IN THE ANNUAL PUBLIC SCHOOL FINANCE ACT.

(d) THEREFORE, IT IS THE GENERAL ASSEMBLY'S EXPECTATION AND INTENT THAT, ALTHOUGH SCHOOL DISTRICT PROPERTY TAX REVENUE IS REDUCED BY SENATE BILL 24-233, THE GENERAL ASSEMBLY WILL INCREASE THE AMOUNT OF STATE REVENUE THAT IT ANNUALLY DISTRIBUTES TO SCHOOL DISTRICTS IN ORDER TO MAINTAIN OR INCREASE SCHOOL DISTRICT TOTAL PROGRAM FUNDING;

(e) THE GENERAL ASSEMBLY WILL REIMBURSE LOCAL GOVERNMENTAL ENTITIES THAT RELY ON PROPERTY TAX REVENUE OTHER THAN SCHOOL DISTRICTS, AT LEAST IN PART, THROUGH THE REIMBURSEMENT DESCRIBED IN THIS SECTION; AND

(f) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO REVIEW BOTH THE IMPACT OF THE PROPERTY TAX REVENUE REDUCTIONS IN SENATE BILL 24-233 AND THE REIMBURSEMENT DESCRIBED IN THIS SECTION ON LOCAL GOVERNMENTAL ENTITIES TO ENSURE THAT LOCAL GOVERNMENTAL ENTITIES CAN MAINTAIN THE CURRENT LEVEL OF CRITICAL SERVICES THEY PROVIDE.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COUNTY" INCLUDES A CITY AND COUNTY.

(b) "FUND" MEANS THE LOCAL GOVERNMENTAL ENTITY BACKFILL CASH FUND CREATED IN SUBSECTION (7)(a) OF THIS SECTION.

(c) "LOCAL GOVERNMENTAL ENTITY" MEANS A GOVERNMENTAL ENTITY AUTHORIZED BY LAW TO IMPOSE AD VALOREM TAXES ON TAXABLE PROPERTY LOCATED WITHIN ITS TERRITORIAL LIMITS; EXCEPT THAT THE TERM EXCLUDES SCHOOL DISTRICTS.

(3) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2024, EACH ASSESSOR SHALL:

(a) CALCULATE THE DECREASE, IF ANY, IN THE TOTAL ASSESSED VALUE OF REAL PROPERTY FOR EACH LOCAL GOVERNMENTAL ENTITY WITHIN THE ASSESSOR'S COUNTY BETWEEN THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2022, AND THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2024; AND

(b) DETERMINE EACH LOCAL GOVERNMENTAL ENTITY'S MILL LEVY FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2022, EXCLUDING ANY MILLS LEVIED TO PROVIDE FOR THE PAYMENT OF BONDS AND INTEREST THEREON OR FOR THE PAYMENT OF ANY OTHER CONTRACTUAL OBLIGATION THAT HAS BEEN APPROVED BY A MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING THEREON.

(4) NO LATER THAN MARCH 1, 2025, AN ASSESSOR SHALL REPORT THE AMOUNTS CALCULATED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION, AS APPLICABLE, THE BASIS FOR THE AMOUNTS, AND THE MILL LEVIES DETERMINED PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION TO THE ADMINISTRATOR. THE ADMINISTRATOR MAY REQUIRE AN ASSESSOR TO PROVIDE ADDITIONAL INFORMATION AS NECESSARY TO EVALUATE THE ACCURACY OF THE AMOUNTS REPORTED. THE ADMINISTRATOR SHALL CONFIRM THAT THE REPORTED AMOUNTS ARE CORRECT OR RECTIFY THE AMOUNTS IF NECESSARY. THE ADMINISTRATOR SHALL THEN FORWARD THE CORRECT AMOUNTS FOR A COUNTY TO THE STATE TREASURER TO ENABLE THE STATE TREASURER TO ISSUE A REIMBURSEMENT WARRANT TO A TREASURER IN ACCORDANCE WITH SUBSECTION (5) OF THIS SECTION.

(5) (a) NO LATER THAN APRIL 15, 2025, THE STATE TREASURER SHALL ISSUE A WARRANT, TO BE PAID UPON DEMAND FROM THE FUND, TO EACH TREASURER THAT IS EQUAL TO THE TOTAL REIMBURSEMENT AMOUNTS

SET FORTH IN SUBSECTION (6) OF THIS SECTION FOR ALL LOCAL GOVERNMENTAL ENTITIES WITHIN THE TREASURER'S COUNTY.

(b) EACH TREASURER SHALL DISTRIBUTE THE TOTAL AMOUNT RECEIVED FROM THE STATE TREASURER TO THE LOCAL GOVERNMENTAL ENTITIES, EXCLUDING SCHOOL DISTRICTS, WITHIN THE TREASURER'S COUNTY AS IF THE AMOUNT HAD BEEN REGULARLY PAID AS PROPERTY TAX SO THAT THE LOCAL GOVERNMENTAL ENTITIES RECEIVE THE AMOUNTS DETERMINED PURSUANT TO SUBSECTION (6) OF THIS SECTION. IF THE TOTAL AMOUNT RECEIVED FROM THE STATE TREASURER IS REDUCED PURSUANT TO SUBSECTION (6)(b) OF THIS SECTION, EACH TREASURER SHALL PROPORTIONALLY REDUCE THE AMOUNT DISTRIBUTED TO EACH LOCAL GOVERNMENTAL ENTITY. WHEN DISTRIBUTING THE TOTAL AMOUNT RECEIVED FROM THE STATE TREASURER, EACH TREASURER SHALL PROVIDE EACH LOCAL GOVERNMENTAL ENTITY WITH A STATEMENT OF THE AMOUNT DISTRIBUTED TO THE LOCAL GOVERNMENTAL ENTITY THAT REPRESENTS THE REIMBURSEMENT RECEIVED UNDER SUBSECTION (6) OF THIS SECTION.

(6) (a) FOR EACH LOCAL GOVERNMENTAL ENTITY THAT HAD A DECREASE IN TOTAL ASSESSED VALUE OF REAL PROPERTY FROM THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2022, TO THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2024, THE AMOUNT OF REIMBURSEMENT IS AN AMOUNT EQUAL TO THAT DECREASE IN TOTAL ASSESSED VALUE MULTIPLIED BY THE LOCAL GOVERNMENTAL ENTITY'S MILL LEVY FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2022, EXCLUDING ANY MILLS LEVIED TO PROVIDE FOR THE PAYMENT OF BONDS AND INTEREST THEREON OR FOR THE PAYMENT OF ANY OTHER CONTRACTUAL OBLIGATION THAT HAS BEEN APPROVED BY A MAJORITY OF THE LOCAL GOVERNMENTAL ENTITY'S VOTERS VOTING THEREON.

(b) NOTWITHSTANDING SUBSECTION (6)(a) OF THIS SECTION, IF THERE IS INSUFFICIENT MONEY IN THE FUND FOR THE STATE TREASURER TO ISSUE WARRANTS PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION IN THE AMOUNTS DETERMINED PURSUANT TO SUBSECTION (6)(a) OF THIS SECTION, THE AMOUNTS OF THE WARRANTS ISSUED BY THE STATE TREASURER MUST BE PROPORTIONALLY REDUCED.

(c) THE REIMBURSEMENT AMOUNTS SET FORTH IN THIS SECTION ARE BASED ON THE AMOUNTS THAT THE ADMINISTRATOR REPORTS TO THE TREASURER IN ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION.

(7) (a) THE LOCAL GOVERNMENTAL ENTITY BACKFILL CASH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH SUBSECTION (7)(b) OF THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE LOCAL GOVERNMENTAL ENTITY BACKFILL CASH FUND TO THE FUND.

(b) ON APRIL 1, 2025, THE STATE TREASURER SHALL TRANSFER FROM THE SUSTAINABLE REBUILDING PROGRAM FUND CREATED IN SECTION 24-38.5-115 (7) TO THE LOCAL GOVERNMENTAL ENTITY BACKFILL CASH FUND TEN MILLION THREE HUNDRED ELEVEN THOUSAND TWO HUNDRED THIRTY-THREE DOLLARS.

(c) THE MONEY IN THE FUND IS AVAILABLE FOR THE STATE TREASURER TO PAY THE WARRANTS REQUIRED TO BE ISSUED IN ACCORDANCE WITH SUBSECTION (5) OF THIS SECTION.

(d) AFTER ISSUING EVERY WARRANT REQUIRED PURSUANT TO SUBSECTION (5) OF THIS SECTION, THE STATE TREASURER SHALL CREDIT ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE FUND AT THE END OF A FISCAL YEAR TO THE SUSTAINABLE REBUILDING PROGRAM FUND CREATED IN SECTION 24-38.5-115 (7).

(8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2026.

SECTION 10. In Colorado Revised Statutes, 39-3.5-101, **amend** (3.5) as follows:

39-3.5-101. Definitions. As used in this article 3.5, unless the context otherwise requires:

(3.5) "Tax-growth cap" means:

(a) FOR PROPERTY TAX YEARS COMMENCING BEFORE JANUARY 1, 2025, AN AMOUNT EQUAL TO THE AVERAGE OF A PERSON'S REAL PROPERTY TAXES PAID ON THE SAME HOMESTEAD FOR THE TWO PROPERTY TAX YEARS PRECEDING THE YEAR A DEFERRAL IS CLAIMED, INCREASED BY FOUR PERCENT; AND

(b) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, AN AMOUNT EQUAL TO THE AVERAGE OF A PERSON'S REAL PROPERTY

TAXES PAID ON THE SAME HOMESTEAD FOR THE TWO PROPERTY TAX YEARS PRECEDING THE YEAR A DEFERRAL IS CLAIMED.

SECTION 11. Appropriation. For the 2024-25 state fiscal year, \$378,861,731 is appropriated to the department of education. This appropriation is from the state education fund created in section 17 (4)(a) of article IX of the state constitution. To implement this act, the department may use this appropriation for the state share of districts' total program funding.

SECTION 12. Appropriation. (1) For the 2024-25 state fiscal year, \$151,698 is appropriated to the department of local affairs. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) \$38,972 for the division of property taxation, which amount is based on an assumption that the department will require an additional 0.5 FTE; and

(b) \$112,726 for the purchase of information technology services.

(2) For the 2024-25 state fiscal year, \$112,726 is appropriated to the office of the governor for use by the office of information technology, which amount is based on an assumption that the office will require an additional 1.0 FTE. This appropriation is from reappropriated funds received from the department of local affairs under subsection (1)(b) of this section. To implement this act, the office may use this appropriation to provide information technology services for the department of local affairs.

SECTION 13. Appropriation. (1) For the 2024-25 state fiscal year, \$108,971 is appropriated to the department of the treasury for use by the administration division. This appropriation is from the general fund. To implement this act, the division may use this appropriation as follows:

(a) \$31,661 for personal services, which amount is based on an assumption that the division will require an additional 0.5 FTE; and

(b) \$77,310 for operating expenses.

SECTION 14. Effective date. (1) This act shall not take effect if

either or both of the following occur:

(a) An initiative that reduces valuations for assessment is approved by the people at the general election held on November 5, 2024;

(b) 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.

(2) If this act takes effect under subsection (1) of this section, then this act takes effect upon the date of the official declaration of the vote for the general election held on November 5, 2024; except that:

(a) Section 3 of this act takes effect only if Senate Bill 24-111 does not become law;

(b) Sections 4 and 8 of this act take effect only if Senate Bill 24-111 becomes law;

(c) Section 6 of this act takes effect only if House Bill 24-1448 does not become law; and

(d) Section 7 of this act takes effect only if House Bill 24-1448 becomes law.

SECTION 15. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Steve Fenberg
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO