

First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

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LLS NO. 09-0852.01 Esther van Mourik

COMMITTEE BILL

Joint Select Committee on Job Creation and Economic Growth

SHORT TITLE: "Mixed-use Properties & Property Tax"

A BILL FOR AN ACT

101 CONCERNING MIXED-USE PROPERTIES FOR PROPERTY TAX PURPOSES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Joint Select Committee on Job Creation and Economic Growth. Specifies a minimum percentage of gross finished building area of a residential dwelling unit that must be used before a residential dwelling unit can be considered a mixed-use property.

Allows taxpayers in an enhanced rural enterprise zone to postpone the payment of a portion of their property tax liability attributable to their residence being classified as a mixed-use property for 2 property tax years only. In the third property tax year, allows the property tax liability attributable to their residence that was postponed to be paid in 5 annual

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

installments.

Requires the notice of valuation to separately state the actual value of the residential and nonresidential uses as determined by the assessor.

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

2 **SECTION 1.** 39-1-103 (9) (a), Colorado Revised Statutes, is
3 amended to read:

4 **39-1-103. Actual value determined - when.** (9) (a) In the case
5 of an improvement ~~which is used as a residential dwelling unit and is also~~
6 THAT HAS TWENTY-FIVE PERCENT OR MORE OF ITS GROSS FINISHED
7 BUILDING AREA used for any other purpose, the actual value and valuation
8 for assessment of such improvement shall be determined as provided in
9 this paragraph (a). The actual value of each portion of the improvement
10 shall be determined by application of the appropriate approaches to
11 appraisal specified in subsection (5) of this section. The actual value of
12 the land containing such an improvement shall be determined by
13 application of the appropriate approaches to appraisal specified in
14 subsection (5) of this section. The land containing such an improvement
15 shall be allocated to the appropriate classes based upon the proportion
16 that the actual value of each of the classes to which the improvement is
17 allocated bears to the total actual value of the improvement. The
18 appropriate valuation for assessment ratio shall then be applied to the
19 actual value of each portion of the land and of the improvement.

20 **SECTION 2.** 39-5-121 (1) (a), Colorado Revised Statutes, is
21 amended to read:

22 **39-5-121. Notice of valuation - legislative declaration.**
23 (1) (a) No later than May 1 in each year, the assessor shall mail to each
24 person who owns land or improvements a notice setting forth the

1 valuation of such land or improvements. For agricultural property, the
2 notice shall separately state the actual value of such land or improvements
3 in the previous year, the actual value in the current year, and the amount
4 of any adjustment in actual value. FOR MIXED-USE PROPERTIES AS
5 SPECIFIED IN SECTION 39-1-103 (9) (a), THE NOTICE SHALL SEPARATELY
6 STATE THE ACTUAL VALUE OF THE RESIDENTIAL AND NONRESIDENTIAL
7 USES AS DETERMINED BY THE ASSESSOR. For all other property, the notice
8 shall state the total actual value of such land and improvements together
9 in the previous year, the total actual value in the current year, and the
10 amount of any adjustment in total actual value. The notice shall not state
11 the valuation for assessment of such land or improvements or
12 combination of land and improvements. Based upon the classification of
13 such taxable property, the notice shall also set forth either the ratio of
14 valuation for assessment to be applied to said actual value of all taxable
15 real property other than residential real property prior to the calculation
16 of property taxes for the current year or the projected ratio of valuation
17 for assessment to be applied to said actual value of residential real
18 property prior to the calculation of property taxes for the current year and
19 that any change or adjustment of the projected ratio of valuation for
20 assessment for residential real property shall not constitute grounds for
21 the protest or abatement of taxes. With the approval of the board of
22 county commissioners, the assessor may include in the notice an estimate
23 of the taxes that shall be owed for the current property tax year. If such
24 estimate is included, the notice shall clearly state that the tax amount is
25 merely an estimate based upon the best available information. The notice
26 shall state, in bold-faced type, that the taxpayer has the right to protest
27 any adjustment in valuation but not the estimate of taxes if such an

1 estimate is included in the notice, the classification of the property that
2 determines the assessment percentage to be applied, and the dates and
3 places at which the assessor will hear such protest. Such notice shall also
4 set forth the following: That, to preserve the taxpayer's right to protest,
5 the taxpayer must notify the assessor either in writing or in person of the
6 taxpayer's objection and protest; that such notice must be delivered,
7 postmarked, or given in person no later than June 1; and that, after such
8 date, the taxpayer's right to object and protest the adjustment in valuation
9 is lost. The notice shall be mailed together with a form that, if completed
10 by the taxpayer, allows the taxpayer to explain the basis for the taxpayer's
11 valuation of the property. Such form may be completed by the taxpayer
12 to initiate an appeal of the assessor's valuation. However, in accordance
13 with section 39-5-122 (2), completion of this form shall not constitute the
14 exclusive means of appealing the assessor's valuation. For the years that
15 intervene between changes in the level of value, if the difference between
16 the actual value of such land or improvements in the previous year and
17 the actual value of such land or improvements in the intervening year as
18 set forth in such notice constitutes an increase in actual value of more
19 than seventy-five percent, the assessor shall mail together with the notice
20 an explanation of the reasons for such increase in actual value.

21 **SECTION 3.** 39-10-102 (1) (b) (I), Colorado Revised Statutes,
22 is amended to read:

23 **39-10-102. When taxes payable.** (1) (b) (I) Except as otherwise
24 provided in article 1.5 of this title AND IN SECTION 39-10-104.5 (12), all
25 property taxes shall become due and payable on January 1 of the year
26 following that in which they are levied and shall become delinquent on
27 June 16 of said year.

1 **SECTION 4.** 39-10-104.5 (2), Colorado Revised Statutes, is
2 amended, and the said 39-10-104.5 is further amended BY THE
3 ADDITION OF A NEW SUBSECTION, to read:

4 **39-10-104.5. Payment dates - optional payment dates - failure**
5 **to pay - delinquency.** (2) Except as provided in subsections (6), (7), and
6 (11), AND (12) of this section, at the option of the taxpayer, property taxes
7 may be paid in full or in two equal installments, the first such installment
8 to be paid on or before the last day of February and the second installment
9 to be paid no later than the fifteenth day of June.

10 (12) (a) FOR THE PROPERTY TAX YEARS COMMENCING JANUARY 1,
11 2009, AND JANUARY 1, 2010, ONLY, A TAXPAYER LIVING IN AN ENHANCED
12 RURAL ENTERPRISE ZONE AS DESCRIBED IN SECTION 39-30-103.2 (1) MAY
13 POSTPONE THE PAYMENT OF A PORTION OF THE PROPERTY TAX LIABILITY,
14 AS DEFINED IN PARAGRAPH (b) OF THIS SUBSECTION (12), UNTIL THE DUE
15 DATE FOR THE PROPERTY TAX YEAR COMMENCING JANUARY 1, 2011.
16 WHEN THE PORTION OF THE PROPERTY TAX LIABILITY IS DUE IN THE
17 CALENDAR YEAR 2012, THE TAXPAYER MAY PAY THE PORTION OF THE
18 PROPERTY TAX LIABILITY IN FIVE ANNUAL INSTALLMENTS OF TWENTY
19 PERCENT OF THE TOTAL PORTION OF THE PROPERTY TAX LIABILITY. IN NO
20 EVENT SHALL THE PORTION OF THE PROPERTY TAX LIABILITY ACCRUE
21 INTEREST AS SPECIFIED IN THIS SECTION.

22 (b) FOR PURPOSES OF THIS SUBSECTION (12), "PORTION OF THE
23 PROPERTY TAX LIABILITY" MEANS THE INCREMENT BETWEEN THE
24 TAXPAYER'S TAX LIABILITY AT THE RESIDENTIAL ASSESSMENT RATE AND
25 THE TAXPAYER'S TAX LIABILITY AT THE NONRESIDENTIAL ASSESSMENT
26 RATE AS SPECIFIED IN SECTION 39-1-103 (9) (a).

27 **SECTION 5. Safety clause.** The general assembly hereby finds,

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- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety. <{Ask members.}>