

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

February 23, 2010
Date

Committee on State, Veterans, & Military Affairs.

After consideration on the merits, the Committee recommends the following:

HB10-1293 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

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

5 PART 17
6 LAND ASSESSMENT AND
7 CLASSIFICATION TASK FORCE

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

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

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

17 (c) PROPERTY MAY BE USED FOR MORE THAN ONE PURPOSE AND,
18 THEREFORE, RAISE COMPETING CONSIDERATIONS AS TO THE MANNER IN
19 WHICH IT SHOULD BE CLASSIFIED;

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

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

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

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

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

23 (2) (a) THERE IS HEREBY CREATED THE LAND ASSESSMENT AND
24 CLASSIFICATION TASK FORCE, REFERRED TO IN THIS PART 17 AS THE "TASK
25 FORCE", WHICH SHALL MEET DURING THE INTERIM AFTER THE SECOND
26 REGULAR SESSION OF THE SIXTY-SEVENTH GENERAL ASSEMBLY TO STUDY
27 ASSESSMENT AND CLASSIFICATION OF AGRICULTURAL AND RESIDENTIAL
28 LAND, REPORT ITS FINDINGS AND RECOMMENDATIONS, AND, IF
29 APPROPRIATE, PROPOSE STATUTORY MODIFICATIONS TO ENSURE THAT
30 LAND IS VALUED BASED ON ITS ACTUAL USE.

31 (b) THE MEMBERS OF THE TASK FORCE SHALL CONSIST OF THE
32 FOLLOWING NINE MEMBERS:

33 (I) THE PROPERTY TAX ADMINISTRATOR OR THE ADMINISTRATOR'S
34 DESIGNEE;

1 (II) FOUR MEMBERS WHO ARE OWNERS OR LESSEES OF REAL
2 PROPERTY THAT IS CURRENTLY ASSESSED AS AGRICULTURAL LAND AND
3 WHO ARE ACTIVELY INVOLVED IN EITHER FARMING OR RANCHING,
4 APPOINTED BY A STATEWIDE ORGANIZATION REPRESENTING A DIVERSITY
5 OF AGRICULTURAL ACTIVITIES;

6 (III) TWO COUNTY COMMISSIONERS, ONE FROM EACH SIDE OF THE
7 CONTINENTAL DIVIDE, APPOINTED BY A STATEWIDE ORGANIZATION
8 REPRESENTING COUNTY COMMISSIONERS; AND

9 (IV) TWO COUNTY ASSESSORS, ONE FROM EACH SIDE OF THE
10 CONTINENTAL DIVIDE AND FROM COUNTIES OTHER THAN THE COUNTIES
11 REPRESENTED PURSUANT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH (b),
12 TO BE APPOINTED BY A STATEWIDE ORGANIZATION REPRESENTING COUNTY
13 ASSESSORS.

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

16 (3) (a) THE TASK FORCE SHALL STUDY, MAKE RECOMMENDATIONS,
17 AND REPORT FINDINGS ON ALL MATTERS RELATING TO PROPERTY TAX
18 ASSESSMENT AND CLASSIFICATION IN CONNECTION WITH LAND USED FOR
19 BOTH AGRICULTURAL AND RESIDENTIAL PURPOSES, INCLUDING, WITHOUT
20 LIMITATION, THE CURRENT SYSTEM FOR CLASSIFICATION OF
21 AGRICULTURAL AND RESIDENTIAL PROPERTY IN COLORADO, THE FISCAL,
22 LAND USE, AND OTHER IMPACTS OF THE STATE'S CURRENT CLASSIFICATION
23 SYSTEM, AND IDEAS FOR IMPROVING THE CURRENT CLASSIFICATION
24 SYSTEM.

25 (b) THE TASK FORCE SHALL SUBMIT A WRITTEN REPORT OF ITS
26 FINDINGS AND RECOMMENDATIONS TO THE LOCAL GOVERNMENT AND
27 AGRICULTURE COMMITTEES OF THE SENATE AND HOUSE OF
28 REPRESENTATIVES BY OCTOBER 15, 2010. UPON REQUEST OF A MEMBER
29 OF THE TASK FORCE, SUMMARIES OF DISSENTING OPINIONS SHALL BE
30 PREPARED AND ATTACHED TO THE FINAL REPORT OF FINDINGS AND
31 RECOMMENDATIONS.

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

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

1 (5) THE TASK FORCE SHALL SOLICIT AND ACCEPT REPORTS AND
2 PUBLIC TESTIMONY AND MAY REQUEST OTHER SOURCES, INCLUDING BUT
3 NOT LIMITED TO THE NATIONAL CONFERENCE OF STATE LEGISLATURES,
4 REPRESENTATIVES FROM STATE AND LOCAL GOVERNMENT, PROPERTY
5 OWNERS, NONPROFIT ORGANIZATIONS, AND APPROPRIATE TRADE GROUPS,
6 TO PROVIDE TESTIMONY, WRITTEN COMMENTS, AND OTHER RELEVANT
7 DATA TO THE TASK FORCE.

8 (6) MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT
9 COMPENSATION AND SHALL NOT BE ENTITLED TO REIMBURSEMENT FOR
10 EXPENSES.

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

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

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