

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

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

Finance

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.

SENATE
3rd Reading Unam ended
April 13, 2010

SENATE
Am ended 2nd Reading
April 12, 2010

HOUSE
3rd Reading Unam ended
March 22, 2010

HOUSE
Am ended 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 1 of title 39, Colorado Revised Statutes, is
3 **amended BY THE ADDITION OF A NEW SECTION to read:**

4 **39-1-122. Interim task force to study property tax assessment**
5 **- classification - land used for agricultural and other purposes - 2010**
6 **interim - legislative declaration - repeal.** (1) THE GENERAL ASSEMBLY
7 HEREBY FINDS, DETERMINES, AND DECLARES THAT:

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

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

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

16 (d) AN AGRICULTURAL CLASSIFICATION MEANS THAT THE ACTUAL
17 VALUE OF A PROPERTY IS BASED ON ITS PRODUCTIVE CAPACITY RATHER

1 THAN ITS MARKET VALUE AND IT IS ASSESSED FOR TAXATION AT
2 TWENTY-NINE PERCENT OF ITS ACTUAL VALUE, AS WITH ALL OTHER
3 NONRESIDENTIAL PROPERTY;

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

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

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

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

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

1 LAND IS VALUED BASED ON ITS ACTUAL USE.

2 (b) THE MEMBERS OF THE TASK FORCE SHALL CONSIST OF THE
3 FOLLOWING NINE MEMBERS:

4 (I) THE PROPERTY TAX ADMINISTRATOR OR THE ADMINISTRATOR'S
5 DESIGNEE;

6 (II) FOUR MEMBERS WHO ARE OWNERS OR LESSEES OF REAL
7 PROPERTY THAT IS CURRENTLY ASSESSED AS AGRICULTURAL LAND AND
8 WHO ARE ACTIVELY INVOLVED IN EITHER FARMING OR RANCHING,
9 APPOINTED BY THE COMMISSIONER OF AGRICULTURE;

10 (III) TWO COUNTY COMMISSIONERS, ONE FROM EACH SIDE OF THE
11 CONTINENTAL DIVIDE, APPOINTED BY A STATEWIDE ORGANIZATION
12 REPRESENTING COUNTY COMMISSIONERS; AND

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

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

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

1 SYSTEM.

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

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

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

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

19 (6) MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT
20 COMPENSATION AND SHALL NOT BE ENTITLED TO REIMBURSEMENT FOR
21 EXPENSES.

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

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