



Legislative Council Staff

Research Note

Version: Final

Date: 10/31/2016

Bill Number

Senate Bill 16-012

Sponsors

Senator Heath
Representative Singer

Short Title

Time To Reconstruct
Residential Improvements

Research Analyst

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Status

This research note reflects the final version of the bill. The bill took effect on April 5, 2016, when it was signed by the Governor.

Summary

This bill allows residential property to maintain its lower property tax classification for an indefinite period of time if the county assessor determines the property owner is making a good faith effort to rebuild an improvement destroyed by a natural disaster. A residential improvement is a home or other structure that has been built on residential property.

Background

Residential property has a lower assessment rate than other classes of property in the state. If a property owner does not intend to rebuild a residential improvement, then the land is classified as vacant land and a higher assessment rate is applied. When a residential improvement is destroyed by a natural disaster, current law allows the property to maintain its residential property tax classification for the year in which the destruction occurred and up to four additional tax years. The local assessor determines if sufficient progress is being made towards rebuilding or replacing the structure to justify the residential property tax classification. The law to allow the lower assessment rates was enacted in response to the 2010 forest fire season. In 2015, the legislature passed a similar provision for agricultural land in response to the 2013 floods. Agricultural property damaged by a natural disaster can maintain its agricultural classification for an indefinite amount of time if the county assessor determines that the owner intends to return the land to agricultural use. This bill aligns the treatment of residential property following a natural disaster with the current law treatment of agricultural property.

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Senate Action

Senate Local Government Committee (February 2, 2016). At the hearing, the Property Tax Administrator discussed how the bill would be implemented and a representative of the Colorado Association of Realtors spoke in favor of the bill. The committee referred the bill with no amendments to the Senate Committee of the Whole.

Senate second reading (February 5, 2016). The Senate passed the bill on second reading with no amendments.

Senate third reading (February 8, 2016). The Senate passed the bill on third reading with no amendments.

House Action

House Local Government Committee (March 9, 2016). At the hearing, a representative of the Colorado Association of Realtors spoke in favor of the bill. The committee referred the bill with no amendments to the House Committee of the Whole.

House second reading (March 16, 2016). The House passed the bill on second reading with no amendments.

House third reading (March 17, 2016). This House passed the bill on third reading with no amendments.