

Initiative 2023-24 #41:Reduction in Assessment Rates for Certain Properties

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Be it Enacted by the People of the State of Colorado:

SECTION 1. In the constitution of the state of Colorado, **amend** section 3 of article 10 as follows:

Section 3. UNIFORM TAXATION - EXEMPTIONS

(1)(a) ~~Each property tax levy shall be uniform upon all real and personal property not exempt from taxation under this article located within the territorial limits of the authority levying the tax.~~ The actual value of all real and personal property not exempt from taxation under this article shall be determined under general laws, which shall prescribe such methods and regulations as shall secure just and equalized valuations for assessments of all real and personal property not exempt from taxation under this article. Valuations for assessment shall be based on appraisals by assessing officers to determine the actual value of property in accordance with provisions of law, which laws shall provide that actual value be determined by appropriate consideration of cost approach, market approach, and income approach to appraisal. However, the actual value of residential real property shall be determined solely by consideration of cost approach and market approach to appraisal; and, however, the actual value of agricultural lands, as defined by law, shall be determined solely by consideration of the earning or productive capacity of such lands capitalized at a rate as prescribed by law.

SECTION 2. In Colorado Revised Statutes, 39-1-104, **amend** (1)(b), (1.8)(a), (1.8)(b) as follows:

(1)(b) Notwithstanding subsection (1)(a) of this section, (i) for the property tax year commencing on January 1, 2023, the valuation for assessment of nonresidential property that is classified as lodging property is temporarily reduced to twenty-seven and nine-tenths percent of an amount equal to the actual value minus the lesser of thirty thousand dollars or the amount that reduces the valuation for assessment to one thousand dollars; AND (ii) FOR EACH PROPERTY TAX YEAR COMMENCING ON AND AFTER JANUARY 1, 2024, THE VALUATION FOR ASSESSMENT OF NONRESIDENTIAL PROPERTY THAT IS CLASSIFIED AS LODGING PROPERTY AND HAS AN ACTUAL VALUE LESS THAN THREE MILLION DOLLARS IS TEMPORARILY REDUCED TO TWENTY-SIX PERCENT OR AN AMOUNT EQUAL TO THE ACTUAL VALUE MINUS THE LESSER OF THIRTY THOUSAND DOLLARS OR THE AMOUNT THAT REDUCES THE VALUATION FOR ASSESSMENT TO ONE THOUSAND DOLLARS.

(1.8)(a) The valuation for assessment of real and personal property that is classified as agricultural property or renewable energy production property is twenty-nine percent of the actual value thereof; except that, for property tax years commencing on January 1, 2022, January 1, 2023, and January 1, 2024, the valuation for assessment of this property is temporarily reduced to twenty-six and four-tenths percent of the actual value thereof; AND, EXCEPT THAT, FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2024, THE VALUATION FOR ASSESSMENT OF REAL AND PERSONAL PROPERTY THAT IS CLASSIFIED AS AGRICULTURAL PROPERTY OR RENEWABLE ENERGY PRODUCTION PROPERTY THAT HAS AN ACTUAL VALUE LESS THAN THREE MILLION DOLLARS IS TEMPORARILY REDUCED TO TWENTY-SIX PERCENT.

(b) The valuation for assessment of all nonresidential property that is not specified in subsection (1) or (1.8)(a) of this section is twenty-nine percent of the actual value thereof; except that, for the property tax year commencing on January 1, 2023, the valuation for assessment of this property is temporarily reduced to:

(I) For all of the property listed by the assessor under any improved commercial subclass codes, twenty-seven and nine-tenths percent of an amount equal to the actual value minus the lesser of thirty thousand dollars or the amount that reduces the valuation for assessment to one thousand dollars; and

(II) Twenty-seven and nine-tenths percent of the actual value of all other nonresidential property that is not specified in subsections (1), (1.8)(a), and (1.8)(b)(I) of this section.

AND EXCEPT THAT, FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2024, THE VALUATION FOR ASSESSMENT OF THIS PROPERTY THAT HAS AN ACTUAL VALUE LESS THAN THREE MILLION DOLLARS IS TEMPORARILY REDUCED TO TWENTY-SIX PERCENT.

SECTION 3. In Colorado Revised Statutes, 39-1-104.2, **amend** (3)(q) and (3)(r) as follows:

(3)(q) The ratio of valuation for assessment for multi-family residential real property is 7.15 percent of actual value for property tax years commencing on or after January 1, 2019; except that:

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

(II) For the property tax year commencing on January 1, 2023, the ratio of valuation for assessment for multi-family residential real property is temporarily reduced to 6.765 percent of actual value.

(III) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2024, AND EACH PROPERTY TAX YEAR THEREAFTER, THE RATIO FOR VALUATION FOR ASSESSMENT FOR MULTI-FAMILY RESIDENTIAL REAL PROPERTY IS TEMPORARILY REDUCED TO 6.5 PERCENT OF THE ACTUAL VALUE.

(3)(r) The ratio of valuation for assessment for all residential real property other than multi-family residential real property is 7.15 percent of actual value; except that:

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

(II) For the property tax year commencing on January 1, 2023, the ratio of valuation for assessment for all residential real property other than multi-family residential real property is 6.765 percent of actual value; and

(III) For the property tax year commencing on January 1, 2024, AND EACH PROPERTY TAX YEAR THEREAFTER, the ratio of valuation for assessment for all residential real property other than multi-family residential real property AND OTHER THAN SINGLE FAMILY

RESIDENTIAL REAL PROPERTY WITH ACTUAL VALUE IN EXCESS OF TWO MILLION DOLLARS OR THAT IS NOT OWNER-OCCUPIED IS TEMPORARILY REDUCED TO 6.5 PERCENT OF THE ACTUAL VALUE ~~is temporarily established as the percentage calculated in accordance with section 39-1-104.4.~~

SECTION 4. In Colorado Revised Statutes, **repeal** 39-1-104.4.

SECTION 5. In Colorado Revised Statutes, 24-77-103.6, **add** (1)(c) as follows:

24-77-103.6. Retention of excess state revenues – general fund exempt account – required uses – excess state revenues legislative report -- definitions. (1)(c) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR EACH FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2024, THE STATE IS AUTHORIZED TO RETAIN AND SPEND, AS A VOTER-APPROVED REVENUE CHANGE, STATE REVENUES IN EXCESS OF THE LIMITATION ON STATE FISCAL YEAR SPENDING THAT THE STATE WOULD OTHERWISE BE REQUIRED TO REFUND UNDER SECTION 20(7)(d) OF ARTICLE X OF THE STATE CONSTITUTION, FOR PURPOSES OF:

(i) SUPPLEMENTING THE STATE’S SHARE OF A DISTRICT’S TOTAL PROGRAM AS DEFINED IN SECTION 22-54-106(1)(b), C.R.S., OF THE PUBLIC SCHOOL FINANCE ACT OF 1994, OR ANY SUCCESSOR ACT, TO OFF-SET ANY REDUCTION IN REVENUE AVAILABLE TO FUND THE DISTRICT’S SHARE OF TOTAL PROGRAM FUNDING AS A RESULT OF REDUCTIONS IN ASSESSMENT RATES FOR CERTAIN NONRESIDENTIAL AND RESIDENTIAL PROPERTIES ADOPTED BY THE VOTERS AT THE 2023 ODD-YEAR ELECTION;

(ii) FUNDING PAYMENTS OR GRANTS TO LOCAL GOVERNMENT ENTITIES OR SPECIAL DISTRICTS FOR FIRE PROTECTION PROGRAMS, SERVICES, AND EQUIPMENT TO OFF-SET ANY REDUCTION IN REVENUE FOR THESE PURPOSES AS A RESULT OF REDUCTIONS IN ASSESSMENT RATES FOR CERTAIN NONRESIDENTIAL AND RESIDENTIAL PROPERTIES ADOPTED BY THE VOTERS AT THE 2023 ODD-YEAR ELECTION; AND

(iii) FUNDING PAYMENTS OR GRANTS TO LOCAL GOVERNMENT ENTITIES OR SPECIAL DISTRICTS FOR WATER CONSERVATION PROGRAMS AND SERVICES TO OFF-SET ANY REDUCTION IN REVENUE FOR THESE PURPOSES AS A RESULT OF REDUCTIONS IN ASSESSMENT RATES FOR CERTAIN NONRESIDENTIAL AND RESIDENTIAL PROPERTIES ADOPTED BY THE VOTERS AT THE 2023 ODD-YEAR ELECTION.

SECTION 6. Effective Date:

This act takes effect on the date of the proclamation of the Governor announcing the approval, by the registered electors of the state, of the proposed initiative.