

2023-2024 #\_\_\_

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

**SECTION 1.** In the constitution of the state of Colorado, **add** (1)(a.5) to subsection (1) of section 3 of article 10, as follows:

**Section 3. Uniform Taxation – Exemptions**

(1) (a.5) (I) NO TAXES LEVIED ON A PARCEL OF REAL PROPERTY, EXCLUDING PRODUCING MINES, LANDS OR LEASEHOLDS PRODUCING OIL OR GAS, AND AGRICULTURAL LANDS EXCLUSIVE OF BUILDING IMPROVEMENTS THEREON, SHALL INCREASE BY MORE THAN FOUR PERCENT ANNUALLY UNLESS THE PROPERTY IS SUBSTANTIALLY IMPROVED BY ADDING MORE THAN TEN PERCENT SQUARE FOOTAGE TO THE EXISTING BUILDINGS OR STRUCTURES OR ITS USE CHANGES IN WHICH CASE THE PROPERTY’S ACTUAL VALUE SHALL BE REAPPRAISED.

(II) HOWEVER, ANY LOCALLY-APPROVED MILL LEVY INCREASE SHALL RESET THE AMOUNT OF TAXES THAT CAN BE LEVIED ON THE PROPERTY TO THE FIRST YEAR OF THE MILL LEVY INCREASE, BUT THE FOUR PERCENT ANNUAL INCREASE CAP SHALL APPLY EACH YEAR THEREAFTER.

(III) IN YEARS WHERE THE AMOUNT OF TAXES LEVIED ON THE PROPERTY INCREASES BY FOUR PERCENT OR LESS, THE DIFFERENCE BETWEEN THE AMOUNT OF INCREASED TAXES AND FOUR PERCENT CAN BE CARRIED OVER AND APPLIED TO A SUBSEQUENT YEAR WHEN THE FOUR PERCENT ANNUAL INCREASE CAP IS EXCEEDED.

**SECTION 2. Effective date.**

This act takes effect on January 1, 2025.