

2021-2022 #75 – Final Text

*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 X 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 SHALL NOT BE INCREASED ANNUALLY BY MORE THAN INFLATION, LIMITED TO 3%, AND SHALL be determined by appropriate consideration of cost approach, market approach, and income approach to appraisal. However, the actual value of residential real property shall NOT BE INCREASED ANNUALLY BY MORE THAN INFLATION, LIMITED TO 3%, AND SHALL be determined solely by consideration of ~~cost approach and~~ THE 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. NOTHING IN THIS SUBSECTION (1)(a) OF SECTION 3 OF ARTICLE X OF THE COLORADO CONSTITUTION SHALL BE CONSTRUED TO CHANGE THE APPLICABILITY OF THE HOMESTEAD EXEMPTION FOR QUALIFYING SENIORS AND QUALIFYING DISABLED VETERANS AS SET FORTH IN SECTION 3.5 OF ARTICLE X OF THE COLORADO CONSTITUTION.

**SECTION 2.** In Colorado Revised Statutes, **add** 39-1-102.5 as follows:

**39-1-102.5. ADDITIONAL DEFINITIONS.** AS USED IN SECTIONS 103 AND 104, AND FOR PURPOSES OF INTERPRETATING SECTION 3 OF ARTICLE X OF THE COLORADO CONSTITUTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) “INFLATION” MEANS THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD, ALL ITEMS, ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX, LIMITED TO 3%.

**SECTION 3.** In Colorado Revised Statutes, 39-1-103 **amend** (5)(a) and **add** (15.5) as follows:

**39-1-103. Actual value determined – when.** (5)(a) All real and personal property shall be appraised and the actual value thereof for property tax purposes determined by the assessor of the county wherein such property is located. The actual value of such property, other than agricultural lands exclusive of building improvements thereon and other than residential real property and other than producing mines and lands or leaseholds producing oil or gas, shall NOT BE INCREASED ANNUALLY BY MORE THAN INFLATION, LIMITED TO 3%, AND SHALL be that value determined by appropriate consideration of the cost approach, the market approach, and the

income approach to appraisal. The assessor shall consider and document all elements of such approaches that are applicable prior to a determination of actual value. Despite any orders of the state board of equalization, no assessor shall arbitrarily increase the valuations for assessment of all parcels represented within the abstract of a county or within a class or subclass of parcels on that abstract by a common multiple in response to the order of said board. If an assessor is required, pursuant to the order of said board, to increase or decrease valuations for assessment, such changes shall be made only upon individual valuations for assessment of each and every parcel, using each of the approaches to appraisal specified in this paragraph (a), if applicable. The actual value of agricultural lands, exclusive of building improvements thereon, shall be determined by consideration of the earning or productive capacity of such lands during a reasonable period of time, capitalized at a rate of thirteen percent. Land that is valued as agricultural and that becomes subject to a perpetual conservation easement shall continue to be valued as agricultural notwithstanding its dedication for conservation purposes; except that, if any portion of such land is actually used for nonagricultural commercial or nonagricultural residential purposes, that portion shall be valued according to such use. Nothing in this subsection (5) shall be construed to require or permit the reclassification of agricultural land or improvements, including residential property, due solely to subjecting the land to a perpetual conservation easement. The actual value of residential real property shall NOT BE INCREASED ANNUALLY BY MORE THAN INFLATION, LIMITED TO 3%, AND SHALL be determined solely by consideration of the market approach to appraisal. A gross rent multiplier may be considered as a unit of comparison within the market approach to appraisal. The valuation for assessment of producing mines and of lands or leaseholds producing oil or gas shall be determined pursuant to articles 6 and 7 of this title. NOTHING LIMITING THE INCREASE IN THE ACTUAL VALUE OF A PROPERTY SHALL BE CONSTRUED AS A TAX CHANGE OR AS A CHANGE TO A PROPERTY'S MILL LEVY RATE OR PROPERTY TAX RATE.

(15.5)(a) IF A PROPERTY SUFFERS A DECLINE IN VALUE, THE TAXPAYER MAY PROTEST THE ACTUAL VALUE OF THE PROPERTY IN ACCORDANCE WITH SECTION 39-5-121 (1)(a)(I) OR MAY APPEAL THE ACTUAL VALUE OF THE PROPERTY IN ACCORDANCE WITH SECTION 39-5-122 (2). IF THE PROTEST OR APPEAL RESULTS IN AN ACTUAL VALUE THAT IS LESS THAN THE MOST RECENT VALUATION, THEN THE PROPERTY SHALL BE REAPPRAISED PURSUANT TO SECTION 39-1-104 (10.2) ANNUALLY AND THE ACTUAL VALUE SHALL BE THE REAPPRAISED VALUE UNTIL THE PROPERTY RECOVERS ALL ITS VALUE, CALCULATED AS THE ACTUAL VALUE OF THE PROPERTY PRIOR TO WHEN THE PROTEST OR APPEAL CONCLUDED, ADJUSTED FOR INFLATION TO THE CURRENT YEAR.

(b) IF AN ASSESSOR DETERMINES THAT THE COUNTY HAS SUFFERED A SUSTAINED ECONOMIC DOWNTURN, THE ASSESSOR MAY CONDUCT A COUNTYWIDE REAPPRAISAL OF ALL PROPERTIES IN THE COUNTY. IF THE REAPPRAISAL RESULTS IN AN ACTUAL VALUE THAT IS LESS THAN THE MOST RECENT VALUATION, THEN THE PROPERTY SHALL BE REAPPRAISED PURSUANT TO SECTION 39-1-104 (10.2) ANNUALLY AND THE ACTUAL VALUE SHALL BE THE REAPPRAISED VALUE UNTIL THE PROPERTY RECOVERS ALL ITS VALUE, CALCULATED AS THE ACTUAL VALUE OF THE PROPERTY PRIOR TO THE SUSTAINED ECONOMIC DOWNTURN ADJUSTED FOR INFLATION TO THE CURRENT YEAR.

**SECTION 4.** In Colorado Revised Statutes, 39-1-104 **amend** (10.2) as follows:

**39-1-104. Valuation for assessment - definitions.** (10.2)(a) Except as otherwise provided in subsection (12) of this section, beginning with the property tax year which commences January 1, 1989, a reassessment cycle shall be instituted with each cycle consisting of two full calendar years. At the beginning of each reassessment cycle, the level of value to be used during the reassessment cycle in the determination of actual value of real property in any county of the state as reflected in the abstract of assessment for each year in the reassessment cycle shall advance by two years over what was used in the previous reassessment cycle; except that the level of value to be used for the years 1989 and 1990 shall be the level of value for the period of one and one-half years immediately prior to July 1, 1988; except that, if comparable valuation data is not available from such one-and-one-half-year period to adequately determine the level of value for a class of property, the period of five years immediately prior to July 1, 1988, shall be utilized to determine the level of value. Said level of value shall be adjusted to the final day of the data gathering period. BEGINNING WITH THE PROPERTY TAX YEAR WHICH COMMENCES JANUARY 1, 2023, THE ACTUAL VALUE OF REAL PROPERTY SHALL NOT INCREASE ANNUALLY BY MORE THAN INFLATION, LIMITED TO 3%,.

**SECTION 5.** In Colorado Revised Statutes, 39-5-121 **amend** (1)(a)(I) as follows:

**39-5-121. Notice of valuation – legislative declaration – repeal.** (1)(a)(I) No later than May 1 in each year, the assessor shall mail to each person who owns land or improvements a notice OF VALUATION setting forth the valuation of such land or improvements, WHICH SHALL NOT INCREASE ANNUALLY BY MORE THAN INFLATION IN ACCORDANCE WITH SECTION 39-1-104 (10.2). For agricultural property, the notice must separately state the actual value of such land or improvements in the previous year, the actual value in the current year, and the amount of any adjustment in actual value. For all other property, the notice must state the total actual value of such land and improvements together in the previous year, the total actual value in the current year, and the amount of any adjustment in total actual value. The notice must not state the valuation for assessment of such land or improvements or combination of land and improvements. Based upon the classification of such taxable property, the notice must also set forth either the ratio of valuation for assessment to be applied to said actual value of all taxable real property other than residential real property prior to the calculation of property taxes for the current year or the projected ratio of valuation for assessment to be applied to said actual value of residential real property prior to the calculation of property taxes for the current year and that any change or adjustment of the projected ratio of valuation for assessment for residential real property must not constitute grounds for the protest or abatement of taxes. With the approval of the board of county commissioners, the assessor may include in the notice an estimate of the taxes owed for the current property tax year. If such estimate is included, the notice must clearly state that the tax amount is merely an estimate based upon the best available information. The notice must state, in bold-faced type, that the taxpayer has the right to protest any adjustment in valuation but not the estimate of taxes if such an estimate is included in the notice, the classification of the property that determines the assessment percentage to be applied, and the dates and places at which the assessor will hear such protest. The notice must also set forth the following: That, to preserve the taxpayer’s right to protest, the taxpayer shall notify the assessor either in writing or in person of the taxpayer’s objection and protest; that such notice must be

delivered, postmarked, or given in person no later than June 1; and that, after such date, the taxpayer's right to object and protest the adjustment in valuation is lost. The notice must be mailed together with a form that, if completed by the taxpayer, allows the taxpayer to explain the basis for the taxpayer's valuation of the property. Such form may be completed by the taxpayer to initiate an appeal of the assessor's valuation. However, in accordance with section 39-5-122 (2), completion of this form does not constitute the exclusive means of appealing the assessor's valuation. For the years that intervene between changes in the level of value, if the difference between the actual value of such land or improvements in the previous year and the actual value of such land or improvements in the intervening year as set forth in such notice constitutes an increase in actual value of more than seventy-five percent, the assessor shall mail together with the notice an explanation of the reasons for such increase in actual value.

**SECTION 6.** Effective date.

THIS MEASURE SHALL BECOME EFFECTIVE UPON THE EARLIER OF THE OFFICIAL DECLARATION OF THE VOTE HEREON BY PROCLAMATION OF THE GOVERNOR OR THIRTY DAYS AFTER THE VOTE HAS BEEN CANVASSED, PURSUANT TO SUBSECTION (4) OF SECTION 1 OF ARTICLE V OF THE COLORADO CONSTITUTION.