

**First Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO**

**REREVISED**

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

LLS NO. 11-0248.02 Esther van Mourik

**HOUSE BILL 11-1042**

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**HOUSE SPONSORSHIP**

**Levy,**

**SENATE SPONSORSHIP**

**Nicholson,**

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**House Committees**

Local Government  
Appropriations

**Senate Committees**

Local Government  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING THE CLASSIFICATION OF RESIDENTIAL LAND WHEN THE**  
102 **RESIDENTIAL IMPROVEMENT IS TEMPORARILY REMOVED.**

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**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 specifies that when residential improvements are destroyed, demolished, or relocated on or after January 1, 2010, that, were it not for their destruction, demolition, or relocation, would have qualified the land upon which the improvements were located as residential land for the following property tax year, the residential land classification is

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, 2011

SENATE  
Am ended 2nd Reading  
April 12, 2011

HOUSE  
3rd Reading Unam ended  
February 23, 2011

HOUSE  
Am ended 2nd Reading  
February 22, 2011

to remain in place for the year of destruction, demolition, or relocation and the 2 subsequent property tax years unless:

- ! A new residential improvement is not constructed or placed on the land in accordance with applicable land use regulations before the end of the period;
- ! The assessor determines that the classification at the time of destruction, demolition, or relocation was erroneous; or
- ! A change of use, other than the destruction, demolition, or relocation of the residential improvement, has occurred.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 39-1-102 (14.4), Colorado Revised Statutes, is  
3 amended, and the said 39-1-102 is further amended BY THE ADDITION  
4 OF A NEW SUBSECTION, to read:

5 **39-1-102. Definitions.** As used in articles 1 to 13 of this title,  
6 unless the context otherwise requires:

7 (8.4) "NATURAL CAUSE" MEANS FIRE, EXPLOSION, FLOOD,  
8 TORNADO, ACTION OF THE ELEMENTS, ACT OF WAR OR TERROR, OR SIMILAR  
9 CAUSE BEYOND THE CONTROL OF AND NOT CAUSED BY THE PARTY  
10 HOLDING TITLE TO THE PROPERTY DESTROYED.

11 (14.4) (a) "Residential land" means a parcel or contiguous parcels  
12 of land under common ownership upon which residential improvements  
13 are located and that is used as a unit in conjunction with the residential  
14 improvements located thereon. The term includes parcels of land in a  
15 residential subdivision, the exclusive use of which land is established by  
16 the ownership of such residential improvements. THE TERM INCLUDES  
17 LAND UPON WHICH RESIDENTIAL IMPROVEMENTS WERE DESTROYED BY  
18 NATURAL CAUSE AFTER THE DATE OF THE LAST ASSESSMENT AS  
19 ESTABLISHED IN SECTION 39-1-104 (10.2). The term does not include any  
20 portion of the land that is used for any purpose that would cause the land

1 to be otherwise classified, except as provided for in section 39-1-103  
2 (10.5). The term also does not include land underlying a residential  
3 improvement located on agricultural land.

4 (b) (I) NOTWITHSTANDING SECTION 39-1-103 (5) (c) AND EXCEPT  
5 AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (b), WHEN  
6 RESIDENTIAL IMPROVEMENTS ARE DESTROYED, DEMOLISHED, OR  
7 RELOCATED AS A RESULT OF A NATURAL CAUSE ON OR AFTER JANUARY 1,  
8 2010, THAT, WERE IT NOT FOR THEIR DESTRUCTION, DEMOLITION, OR  
9 RELOCATION DUE TO SUCH NATURAL CAUSE, WOULD HAVE QUALIFIED THE  
10 LAND UPON WHICH THE IMPROVEMENTS WERE LOCATED AS RESIDENTIAL  
11 LAND FOR THE FOLLOWING PROPERTY TAX YEAR, THE RESIDENTIAL LAND  
12 CLASSIFICATION SHALL REMAIN IN PLACE FOR THE YEAR OF DESTRUCTION,  
13 DEMOLITION, OR RELOCATION AND THE TWO SUBSEQUENT PROPERTY TAX  
14 YEARS. THE RESIDENTIAL LAND CLASSIFICATION MAY REMAIN IN PLACE  
15 FOR ADDITIONAL SUBSEQUENT PROPERTY TAX YEARS, NOT TO EXCEED A  
16 TOTAL OF FIVE SUBSEQUENT PROPERTY TAX YEARS, IF THE ASSESSOR  
17 DETERMINES THERE IS EVIDENCE THE OWNER INTENDS TO REBUILD OR  
18 LOCATE A RESIDENTIAL IMPROVEMENT ON THE LAND. FOR PURPOSES OF  
19 THIS DETERMINATION, THE ASSESSOR MAY CONSIDER, BUT SHALL NOT BE  
20 LIMITED TO CONSIDERING, A BUILDING PERMIT OR OTHER LAND  
21 DEVELOPMENT PERMIT FOR THE LAND, CONSTRUCTION PLANS FOR SUCH  
22 RESIDENTIAL IMPROVEMENT, EFFORTS BY THE OWNER TO OBTAIN  
23 FINANCING FOR A RESIDENTIAL IMPROVEMENT, OR ONGOING EFFORTS TO  
24 SETTLE AN INSURANCE CLAIM RELATED TO THE DESTRUCTION,  
25 DEMOLITION, OR RELOCATION OF THE RESIDENTIAL IMPROVEMENT DUE TO  
26 A NATURAL CAUSE.

27 (II) THE RESIDENTIAL LAND CLASSIFICATION OF THE LAND

1 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) SHALL CHANGE  
2 ACCORDING TO CURRENT USE IF:

3 (A) A NEW RESIDENTIAL IMPROVEMENT OR PART OF A NEW  
4 RESIDENTIAL IMPROVEMENT IS NOT CONSTRUCTED OR PLACED ON THE  
5 LAND IN ACCORDANCE WITH APPLICABLE LAND USE REGULATIONS PRIOR  
6 TO THE JANUARY 1 AFTER THE PERIOD DESCRIBED IN SUBPARAGRAPH (I)  
7 OF THIS PARAGRAPH (b);

8 (B) THE ASSESSOR DETERMINES THAT THE CLASSIFICATION AT THE  
9 TIME OF DESTRUCTION, DEMOLITION, OR RELOCATION AS A RESULT OF A  
10 NATURAL CAUSE WAS ERRONEOUS; OR

11 (C) A CHANGE OF USE HAS OCCURRED. FOR PURPOSES OF THIS  
12 SUB-SUBPARAGRAPH (C), A CHANGE OF USE SHALL NOT INCLUDE THE  
13 TEMPORARY LOSS OF THE RESIDENTIAL USE DUE TO THE DESTRUCTION,  
14 DEMOLITION, OR RELOCATION AS A RESULT OF A NATURAL CAUSE OF THE  
15 RESIDENTIAL IMPROVEMENT.

16 **SECTION 2.** 39-1-103 (5) (c), Colorado Revised Statutes, is  
17 amended to read:

18 **39-1-103. Actual value determined - when.** (5) (c) EXCEPT AS  
19 PROVIDED IN SECTION 39-1-102 (14.4) (b), once any property is classified  
20 for property tax purposes, it shall remain so classified until such time as  
21 its actual use changes or the assessor discovers that the classification is  
22 erroneous. The property owner shall endeavor to comply with the  
23 reasonable requests of the assessor to supply information which cannot  
24 be ascertained independently but which is necessary to determine actual  
25 use and properly classify the property when the assessor has evidence that  
26 there has been a change in the use of the property. Failure to supply such  
27 information shall not be the sole reason for reclassifying the property.

1 Any such request for such information shall be accompanied by a notice  
2 that states that failure on the part of the property owner to supply such  
3 information will not be used as the sole reason for reclassifying the  
4 property in question. Subject to the availability of funds under the  
5 assessor's budget for such purpose, no later than May 1 of each year, the  
6 assessor shall inform each person whose property has been reclassified  
7 from agricultural land to any other classification of property of the  
8 reasons for such reclassification including, but not limited to, the basis for  
9 the determination that the actual use of the property has changed or that  
10 the classification of such property is erroneous.

11 **SECTION 3. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, and safety.