

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 11-0353.01 Bob Lackner

HOUSE BILL 11-1146

HOUSE SPONSORSHIP

Massey,

SENATE SPONSORSHIP

Steadman,

House Committees

Agriculture, Livestock, & Natural Resources
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT A RESIDENCE BE INTEGRAL TO AN**
102 **AGRICULTURAL OPERATION IN DETERMINING WHETHER TWO**
103 **ACRES OR LESS ASSOCIATED WITH THE RESIDENCE SATISFIES**
104 **THE DEFINITION OF AGRICULTURAL LAND FOR PROPERTY TAX**
105 **PURPOSES.**

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 amends the existing statutory definition of agricultural

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.

land for purposes of the property tax to exclude up to 2 acres of land associated with a residential improvement located on such agricultural land unless the residence is integral to an agricultural operation conducted on the land.

The bill requires the property tax administrator to define the phrase "integral to the agricultural operation" in manuals, appraisal procedures, and instructions promulgated by the administrator. The bill specifies certain factors the administrator is to consider in promulgating the definition. Any person who objects to the application of the term "integral to an agricultural operation" to their property and whose objections or protests have been denied by the county assessor may submit a petition for appeal to the county board of equalization.

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

2 **SECTION 1.** 39-1-102 (1.6) (a) (I) and (14.4), Colorado Revised
3 Statutes, are amended to read:

4 **39-1-102. Definitions.** As used in articles 1 to 13 of this title,
5 unless the context otherwise requires:

6 (1.6) (a) "Agricultural land", whether used by the owner of the
7 land or a lessee, means one of the following:

8 (I) (A) A parcel of land, whether located in an incorporated or
9 unincorporated area and regardless of the uses for which such land is
10 zoned, that was used the previous two years and presently is used as a
11 farm or ranch, as defined in subsections (3.5) and (13.5) of this section,
12 or that is in the process of being restored through conservation practices.
13 Such land must have been classified or eligible for classification as
14 "agricultural land", consistent with this subsection (1.6), during the ten
15 years preceding the year of assessment. Such land must continue to have
16 actual agricultural use. "Agricultural land" under this subparagraph (I)
17 ~~includes land underlying any residential improvement located on such~~
18 SHALL NOT INCLUDE TWO ACRES OR LESS OF LAND ON WHICH A
19 RESIDENTIAL IMPROVEMENT IS LOCATED UNLESS THE IMPROVEMENT IS

1 INTEGRAL TO AN AGRICULTURAL OPERATION CONDUCTED ON SUCH LAND.
2 "Agricultural land" ~~and~~ also includes the land underlying other
3 improvements if such improvements are an integral part of the farm or
4 ranch and if such other improvements and the land area dedicated to such
5 other improvements are typically used as an ancillary part of the
6 operation. The use of a portion of such land for hunting, fishing, or other
7 wildlife purposes, for monetary profit or otherwise, shall not affect the
8 classification of agricultural land. For purposes of this subparagraph (I),
9 a parcel of land shall be "in the process of being restored through
10 conservation practices" if: The land has been placed in a conservation
11 reserve program established by the natural resources conservation service
12 pursuant to 7 U.S.C. secs. 1 to 5506; or a conservation plan approved by
13 the appropriate conservation district has been implemented for the land
14 for up to a period of ten crop years as if the land has been placed in such
15 a conservation reserve program.

16 (B) A RESIDENTIAL IMPROVEMENT SHALL BE DEEMED TO BE
17 "INTEGRAL TO AN AGRICULTURAL OPERATION" FOR PURPOSES OF
18 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I) IF AN INDIVIDUAL
19 OCCUPYING THE RESIDENTIAL IMPROVEMENT EITHER REGULARLY
20 CONDUCTS, SUPERVISES, OR ADMINISTERS MATERIAL ASPECTS OF THE
21 AGRICULTURAL OPERATION OR IS THE SPOUSE OR A PARENT,
22 GRANDPARENT, SIBLING, OR CHILD OF THE INDIVIDUAL.

23 (14.4) "Residential land" means a parcel or contiguous parcels of
24 land under common ownership upon which residential improvements are
25 located and that is used as a unit in conjunction with the residential
26 improvements located thereon. The term includes parcels of land in a
27 residential subdivision, the exclusive use of which land is established by

1 the ownership of such residential improvements. THE TERM ALSO
2 INCLUDES TWO ACRES OR LESS OF LAND ON WHICH A RESIDENTIAL
3 IMPROVEMENT IS LOCATED WHERE THE IMPROVEMENT IS NOT INTEGRAL TO
4 AN AGRICULTURAL OPERATION CONDUCTED ON SUCH LAND. The term
5 does not include any portion of the land that is used for any purpose that
6 would cause the land to be otherwise classified, except as provided for in
7 section 39-1-103 (10.5). The term also does not include land underlying
8 a residential improvement located on agricultural land.

9 **SECTION 2.** 39-8-106, Colorado Revised Statutes, is amended
10 BY THE ADDITION OF A NEW SUBSECTION to read:

11 **39-8-106. Petitions for appeal.** (1.7) ANY PERSON WHO
12 OBJECTS TO THE APPLICATION OF THE TERM "INTEGRAL TO AN
13 AGRICULTURAL OPERATION" TO THEIR PROPERTY IN ACCORDANCE WITH
14 SECTION 39-1-102 (1.6) (a) (I) AND (14.4) AND WHOSE OBJECTIONS OR
15 PROTESTS HAVE BEEN DENIED BY THE ASSESSOR MAY SUBMIT A PETITION
16 FOR APPEAL TO THE COUNTY BOARD OF EQUALIZATION TO THE SAME
17 EXTENT AS ANY OTHER PROTEST OR OBJECTION FOR WHICH AN APPEAL TO
18 THE BOARD IS PROVIDED UNDER LAW AND SHALL SATISFY ALL
19 REQUIREMENTS FOR THE PROSECUTION OF SUCH APPEAL AS PROVIDED BY
20 LAW.

21 **SECTION 3. Effective date - applicability.** This act shall take
22 effect January 1, 2012, and shall apply to property tax years commencing
23 on or after said date.

24 **SECTION 4. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, and safety.