

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 15-0964.01 Ed DeCecco x4216

SENATE BILL 15-227

SENATE SPONSORSHIP

Grantham and Jahn,

HOUSE SPONSORSHIP

Melton and Van Winkle,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE INCLUSION OF A RESIDENTIAL STORAGE**
102 **CONDOMINIUM UNIT IN THE DEFINITION OF A RESIDENTIAL**
103 **IMPROVEMENT FOR PURPOSES OF THE PROPERTY TAX.**

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 establishes that a residential storage condominium unit is a residential improvement. This allows the unit to be assessed as residential real property, which currently has an assessment ratio of 7.96%, instead of as nonresidential property, which has an assessment ratio of 29%.

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 Unamended
April 16, 2015

SENATE
Amended 2nd Reading
April 15, 2015

A residential storage condominium unit is defined to mean a building or portion thereof that is:

- ! A unit under the "Colorado Common Interest Ownership Act";
- ! More than 400 square feet;
- ! Used by its owner to store items from or related to the owner's Colorado residence; and
- ! Not used for storage related to a business.

For a building unit to qualify as a residential storage condominium unit, the owner of the building unit must annually submit an affidavit of intended use acknowledging that the building unit meets the definition of a residential storage condominium unit. The property tax administrator is required to establish the affidavit of intended use and to prepare and publish standards for assessors to determine whether a building unit qualifies as a residential storage condominium unit.

An assessor may inspect a building unit to confirm that it qualifies as a residential storage condominium unit, and an owner is required to grant the assessor reasonable access to the building unit for the inspection.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-102, **amend**
3 (14.3) as follows:

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

6 (14.3) "Residential improvements" means a building, or that
7 portion of a building, designed for use predominantly as a place of
8 residency by a person, a family, or families. The term includes buildings,
9 structures, fixtures, fences, amenities, and water rights that are an integral
10 part of the residential use. The term also includes a manufactured home
11 as defined in subsection (7.8) of this section, a mobile home as defined
12 in subsection (8) of this section, ~~and~~ a modular home as defined in
13 subsection (8.3) of this section, AND A RESIDENTIAL STORAGE
14 CONDOMINIUM UNIT AS SET FORTH IN SECTION 39-1-124.

1 **SECTION 2.** In Colorado Revised Statutes, **add** 39-1-124 as
2 follows:

3 **39-1-124. Residential storage condominium unit - residential**
4 **improvement - affidavit - definitions.** (1) AS USED IN THIS SECTION:

5 (a) "AFFIDAVIT OF INTENDED USE" MEANS THE AFFIDAVIT
6 DESCRIBED IN PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION.

7 (b) "RESIDENTIAL STORAGE CONDOMINIUM UNIT" MEANS A
8 BUILDING THAT IS:

9 (I) A UNIT, AS DEFINED IN SECTION 38-33.3-103 (30), C.R.S.;

10 (II) MORE THAN FOUR HUNDRED SQUARE FEET; EXCEPT THAT THIS
11 SQUARE FOOTAGE REQUIREMENT DOES NOT APPLY IF THE UNIT AND THE
12 OWNER'S RESIDENCE ARE PART OF THE SAME COMMON INTEREST
13 COMMUNITY;

14 (III) USED BY ITS OWNER TO STORE ITEMS FROM OR RELATED TO
15 THE OWNER'S RESIDENCE LOCATED IN THE STATE; AND

16 (IV) NOT USED FOR STORAGE RELATED TO A BUSINESS.

17 (2) (a) SUBJECT TO PARAGRAPH (b) OF THIS SUBSECTION (2), A
18 RESIDENTIAL STORAGE CONDOMINIUM UNIT IS A RESIDENTIAL
19 IMPROVEMENT.

20 (b) (I) FOR A BUILDING UNIT TO QUALIFY AS A RESIDENTIAL
21 STORAGE CONDOMINIUM UNIT FOR A PROPERTY TAX YEAR, AN OWNER
22 MUST SUBMIT TO THE ASSESSOR OF THE COUNTY IN WHICH THE BUILDING
23 UNIT IS LOCATED, ON OR BEFORE MARCH 1 OF THE PROPERTY TAX YEAR:

24 (A) AN AFFIDAVIT SIGNED BY THE OWNER STATING THAT THE
25 BUILDING UNIT MEETS THE DEFINITION OF A RESIDENTIAL STORAGE
26 CONDOMINIUM UNIT SET FORTH IN THIS SECTION; AND

27 (B) DOCUMENTATION OF PROOF OF OWNERSHIP OF BOTH THE

1 BUILDING UNIT AND THE OWNER'S RESIDENCE, WHICH DOCUMENTATION
2 MUST IDENTIFY THE SAME PERSON AS THE OWNER FOR BOTH.

3 (II) NO MORE THAN ONE BUILDING UNIT PER RESIDENCE MAY
4 QUALIFY AS A RESIDENTIAL STORAGE CONDOMINIUM UNIT.

5 (III) THE OWNER MUST SUBMIT A SEPARATE AFFIDAVIT FOR EACH
6 PROPERTY TAX YEAR FOR EACH RESIDENTIAL STORAGE CONDOMINIUM
7 UNIT.

8 (IV) AN OWNER MAY NOT SEEK A CHANGE IN CLASSIFICATION
9 BASED ON A BUILDING UNIT BEING A RESIDENTIAL STORAGE CONDOMINIUM
10 UNIT UNLESS THE OWNER HAS COMPLIED WITH REQUIREMENTS OF THIS
11 PARAGRAPH (b) FOR THE PROPERTY TAX YEAR. CLASSIFICATION OF A
12 RESIDENTIAL STORAGE CONDOMINIUM UNIT AS A RESIDENTIAL
13 IMPROVEMENT DOES NOT AFFECT THE CLASSIFICATION FOR ANY PRIOR OR
14 LATER PROPERTY TAX YEAR FOR WHICH THE BUILDING UNIT DOES NOT
15 QUALIFY AS A RESIDENTIAL STORAGE CONDOMINIUM UNIT.

16 (c) IF AN OWNER SUBMITS AN AFFIDAVIT OF INTENDED USE TO AN
17 ASSESSOR, THE OWNER SHALL NOTIFY THE ASSESSOR IF THE BUILDING UNIT
18 NO LONGER MEETS THE DEFINITION OF A RESIDENTIAL STORAGE
19 CONDOMINIUM UNIT OR IF THE BUILDING UNIT IS TRANSFERRED TO A NEW
20 OWNER.

21 (3) THE ADMINISTRATOR SHALL:

22 (a) ESTABLISH THE FORM OF THE AFFIDAVIT OF INTENDED USE; AND

23 (b) PREPARE AND PUBLISH STANDARDS FOR ASSESSORS TO
24 DETERMINE WHETHER A BUILDING UNIT QUALIFIES AS A RESIDENTIAL
25 STORAGE CONDOMINIUM UNIT.

26 (4) AN ASSESSOR MAY INSPECT A BUILDING UNIT TO CONFIRM THAT
27 IT QUALIFIES AS A RESIDENTIAL STORAGE CONDOMINIUM UNIT UNDER THIS

1 SECTION, AND AN OWNER SHALL GRANT THE ASSESSOR REASONABLE
2 ACCESS TO THE BUILDING UNIT FOR THE INSPECTION.

3 **SECTION 3. Act subject to petition - effective date -**
4 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
5 the expiration of the ninety-day period after final adjournment of the
6 general assembly (August 5, 2015, if adjournment sine die is on May 6,
7 2015); except that, if a referendum petition is filed pursuant to section 1
8 (3) of article V of the state constitution against this act or an item, section,
9 or part of this act within such period, then the act, item, section, or part
10 will not take effect unless approved by the people at the general election
11 to be held in November 2016 and, in such case, will take effect on the
12 date of the official declaration of the vote thereon by the governor.

13 (2) This act applies for all property tax years that commence on
14 or after January 1, 2016.