

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

DRAFT
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BILL 6

LLS NO. 24-0388.01 Megan McCall x4215

INTERIM COMMITTEE BILL

Legislative Oversight Committee Concerning Tax Policy

BILL TOPIC: Lodging Property Tax Treatment

A BILL FOR AN ACT

101 **CONCERNING THE PROPERTY TAX TREATMENT OF REAL PROPERTY**
102 **THAT IS USED TO PROVIDE LODGING.**

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://leg.colorado.gov/>.)

Legislative Oversight Committee Concerning Tax Policy. The bill establishes that for property tax years commencing on or after January 1, 2026, a short-term rental unit, which is an improvement that is designated and used as a place of residency by a person, family, or families, but that is also leased for overnight lodging for less than 30 consecutive days in exchange for a monetary payment (short-term stay)

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

and is not a primary residence, and the land upon which the improvement is located, may be classified as either residential real property or lodging property. If, during the previous property tax year, a short-term rental unit was leased for short-term stays for more than 90 days then it is classified as lodging property, otherwise it is classified as residential real property. Actual value for a short-term rental unit that is classified as lodging property is to be determined solely by application of the market approach to appraisal.

The bill also specifies, with an exception for a property that qualifies as a bed and breakfast, that a building or portion of a building designed for use predominantly as a place of residency by a person, a family, or families but that is actually used, or available for use, to provide short-term stays only is a hotel and motel.

Additionally, the property tax administrator is required to establish and administer a pilot program to develop a statewide database and uniform reporting system to track short-term rental units.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-102, **add**
3 (5.5)(b.5), (15.7), and (15.8) as follows:

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

6 (5.5) (b.5) "HOTELS AND MOTELS" ALSO MEANS A BUILDING, OR
7 THAT PORTION OF A BUILDING, DESIGNED FOR USE PREDOMINANTLY AS A
8 PLACE OF RESIDENCY BY A PERSON, A FAMILY, OR FAMILIES, BUT THAT IS
9 ACTUALLY USED, OR AVAILABLE FOR USE, TO PROVIDE SHORT-TERM STAYS
10 ONLY; EXCEPT THAT THE TERM EXCLUDES ANY IMPROVEMENT THAT
11 QUALIFIES AS A BED AND BREAKFAST.

12 (15.7) "SHORT-TERM RENTAL UNIT" MEANS AN IMPROVEMENT
13 THAT IS DESIGNED AND USED AS A PLACE OF RESIDENCY BY A PERSON, A
14 FAMILY, OR FAMILIES, AND THAT IS NOT A PRIMARY RESIDENCE BUT THAT
15 IS ALSO LEASED OR AVAILABLE TO BE LEASED FOR ONE OR MORE
16 SHORT-TERM STAYS. THE TERM ALSO INCLUDES THE LAND UPON WHICH

1 THE IMPROVEMENT IS LOCATED AND A PARCEL THAT WOULD OTHERWISE
2 BE CLASSIFIED ONLY AS RESIDENTIAL LAND UNDER SUBSECTION
3 (14.4)(a)(I)(C) OF THIS SECTION.

4 (15.8) "SHORT-TERM STAY" MEANS OVERNIGHT LODGING THAT IS
5 PROVIDED TO AN INDIVIDUAL OR BUSINESS FOR LESS THAN THIRTY
6 CONSECUTIVE DAYS IN EXCHANGE FOR MONETARY PAYMENT.

7 **SECTION 2.** In Colorado Revised Statutes, 39-1-103, **add** (10.8)
8 as follows:

9 **39-1-103. Actual value determined - when - legislative**
10 **declaration.** (10.8) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION
11 (10.8)(c) OF THIS SECTION AND NOTWITHSTANDING ANY OTHER PROVISION
12 OF THIS ARTICLE 1, FOR PROPERTY TAX YEARS COMMENCING ON AND
13 AFTER JANUARY 1, 2026, A SHORT-TERM RENTAL UNIT MUST BE
14 CLASSIFIED AS EITHER RESIDENTIAL REAL PROPERTY OR LODGING
15 PROPERTY BASED ON THE USE OF THE PROPERTY DURING THE PREVIOUS
16 PROPERTY TAX YEAR AS FOLLOWS:

17 (I) IF, DURING THE PREVIOUS PROPERTY TAX YEAR, THE TOTAL
18 NUMBER OF DAYS THAT A SHORT-TERM RENTAL UNIT WAS LEASED FOR
19 SHORT-TERM STAYS WAS LESS THAN OR EQUAL TO NINETY DAYS, THEN THE
20 SHORT-TERM RENTAL UNIT IS CLASSIFIED AS RESIDENTIAL REAL PROPERTY;
21 AND

22 (II) IF, DURING THE PREVIOUS PROPERTY TAX YEAR, THE TOTAL
23 NUMBER OF DAYS THAT A SHORT-TERM RENTAL UNIT WAS LEASED FOR
24 SHORT-TERM STAYS WAS GREATER THAN NINETY DAYS, THEN THE
25 SHORT-TERM RENTAL UNIT IS CLASSIFIED AS LODGING PROPERTY.

26 (b) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (5) OF
27 THIS SECTION, THE ACTUAL VALUE OF A SHORT-TERM RENTAL UNIT

1 CLASSIFIED AS LODGING PROPERTY IS DETERMINED SOLELY BY
2 APPLICATION OF THE MARKET APPROACH TO APPRAISAL.

3 (c) (I) ON OR BEFORE JANUARY 15, 2026, AND JANUARY 15 OF
4 EACH YEAR THEREAFTER, AN OWNER OF A SHORT-TERM RENTAL UNIT
5 SHALL SUBMIT TO THE ASSESSOR OF THE COUNTY IN WHICH THE PROPERTY
6 IS LOCATED AN AFFIDAVIT SIGNED BY THE OWNER UNDER THE PENALTY OF
7 PERJURY IN THE SECOND DEGREE IDENTIFYING THE TOTAL NUMBER OF
8 DAYS DURING THE PREVIOUS PROPERTY TAX YEAR THAT THE SHORT-TERM
9 RENTAL UNIT WAS LEASED FOR SHORT-TERM STAYS. IN THE ABSENCE OF
10 CONTRARY INFORMATION, THE ASSESSOR SHALL USE THE INFORMATION IN
11 THE AFFIDAVIT FOR PURPOSES OF APPLYING SUBSECTION (10.8)(a) OF THIS
12 SECTION.

13 (II) THE ADMINISTRATOR SHALL ESTABLISH THE FORM OF THE
14 AFFIDAVIT REQUIRED UNDER SUBSECTION (10.8)(c)(I) OF THIS SECTION,
15 AND A TAXPAYER MUST USE THIS FORM.

16 (d) IF A SHORT-TERM RENTAL UNIT ALSO QUALIFIES AS A BED AND
17 BREAKFAST, THEN IT IS ASSESSED AS A BED AND BREAKFAST IN
18 ACCORDANCE WITH SUBSECTION (10.5) OF THIS SECTION.

19 **SECTION 3.** In Colorado Revised Statutes, 39-1-104, **amend**
20 (1.6)(a) as follows:

21 **39-1-104. Valuation for assessment - definitions.**

22 (1.6) (a) Hotels, motels, bed and breakfasts, SHORT-TERM RENTAL UNITS
23 AS SET FORTH IN SECTION 39-1-103 (10.8)(a)(II), and ALL personal
24 property located at a hotel, motel, or bed and breakfast, OR SHORT-TERM
25 RENTAL UNIT AS SET FORTH IN SECTION 39-1-103 (10.8)(a)(II) are
26 classified as lodging property, which is a subclass of nonresidential
27 property for purposes of the valuation for assessment. Classification as a

1 lodging property does not affect a partial allocation as residential real
2 property if a lodging property is a mixed-use property.

3 **SECTION 4.** In Colorado Revised Statutes, 39-2-109, **amend**
4 (m); and **add** (n) as follows:

5 **39-2-109. Duties, powers, and authority - definition.** (1) It is
6 the duty of the property tax administrator, and the administrator shall have
7 and exercise authority:

8 (m) To establish the forms required pursuant to part 2 of article 29
9 of title 38; ~~C.R.S.~~ AND

10 (n) TO ESTABLISH AND ADMINISTER A PROGRAM BEGINNING
11 JANUARY 1, 2026, FOR THE PURPOSE OF DEVELOPING A STATEWIDE
12 DATABASE AND UNIFORM REPORTING SYSTEM TO TRACK SHORT-TERM
13 RENTAL UNITS WHICH MUST BE SEARCHABLE BY COUNTY.

14 **SECTION 5. Act subject to petition - effective date.** This act
15 takes effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly; except
17 that, if a referendum petition is filed pursuant to section 1 (3) of article V
18 of the state constitution against this act or an item, section, or part of this
19 act within such period, then the act, item, section, or part will not take
20 effect unless approved by the people at the general election to be held in
21 November 2024 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.