

**DIVISION OF PROPERTY TAXATION
EXEMPTION STATUTES
(REV. 02/15)**

**Title 39
Article 2**

(Portions pertaining to school and/or charitable exemptions only)

39-2-117. Applications for exemption - review - annual reports - procedures - rules. (1) (a) (I) Every application filed on or after January 1, 1990, claiming initial exemption of real and personal property from general taxation pursuant to the provisions of sections 39-3-106 to 39-3-113.5 and 39-3-116 shall be made on forms prescribed and furnished by the administrator, shall contain such information as specified in paragraph (b) of this subsection (1), and shall be signed by the owner of such property or his or her authorized agent under the penalty of perjury in the second degree and, except as otherwise provided in this paragraph (a), shall be accompanied by a payment of one hundred seventy-five dollars, which shall be credited to the property tax exemption fund created in subsection (8) of this section. The administrator shall examine and review each application submitted, and, if it is determined that the exemption therein claimed is justified and in accordance with the intent of the law, the exemption shall be granted, the same to be effective upon such date in the year of application as the administrator shall determine, but in no event shall the exemption apply to any year prior to the year preceding the year in which application is made. The decision of the administrator shall be issued in writing and a copy thereof furnished to the applicant and to the assessor, treasurer, and board of county commissioners of the county in which the property is located.

(II) On all properties for which an application is pending in the office of the administrator, taxes shall not be due and payable until such determination has been made. Such property shall not be listed for the tax sale, and no delinquent interest will be charged on any portion of the exemption that is denied.

(III) No later than June 1 of each year, the administrator shall provide to the assessor, treasurer, and board of county commissioners of each county a list of all applications for property tax exemption currently pending in the office of the administrator.

(b) (I) Any users of real and personal property for which exemption from general taxation is requested pursuant to any of the provisions of sections 39-3-107 to 39-3-113.5 may be required to provide such information as the property tax administrator determines to be necessary.

(II) Except as otherwise provided in this subparagraph (II), any application filed pursuant to paragraph (a) of this subsection (1) claiming exemption from taxation pursuant to section 39-3-106 or 39-3-106.5 shall contain the following information: The legal description and address of the real property or the address of the personal property being claimed as exempt; the name and address of the owner of such property; the name and telephone number of the agent of such property; the date the owner acquired such property; the date the owner commenced using the property for religious purposes; a complete list of all uses of the property other than by the owner thereof during the previous twelve months; the total amount of gross income specified in section 39-3-106.5 (1) (b) (I) and the total amount of gross rental income resulting to the owner of such property during the previous twelve months from uses for purposes other than the purposes specified in sections 39-3-106 to 39-3-113.5; and the total number of hours during the previous twelve months that such property was used for purposes other than the purposes specified in sections 39-3-106 to 39-3-113.5. For purposes of this subparagraph (II), if the owner did not own the property being claimed as exempt during the entire twelve-month period prior to filing such application, the application shall contain the required information for that portion of the twelve-month period for which such property was owned by the owner making application. Such application shall also include a declaration that sets forth the religious mission and religious purposes of the owner of the property being claimed as exempt and the uses of such property that are in the furtherance of such mission and purposes. Such declaration shall be presumptive as to the religious purposes for which such property is used. If the administrator is unable to determine whether the property qualifies for exemption based solely on the information specified in this subparagraph (II), the administrator may require additional information, but only to the extent that the additional information is necessary to determine the exemption status of the property. The administrator may

challenge any declaration included in the application only upon the grounds that the religious mission and purposes are not religious beliefs sincerely held by the owner of such property, that the property being claimed as exempt is not actually used for the purposes set forth in such application, or that the property being claimed as exempt is used for private gain or corporate profit.

(III) Any application filed pursuant to paragraph (a) of this subsection (1) claiming exemption from taxation pursuant to section 39-3-116 shall contain such information specified in subparagraphs (I) and (II) of this paragraph (b) as is applicable for the purposes for which such property is used.

(2) No assessor shall classify any real or personal property as being exempt from taxation pursuant to the provisions of sections 39-3-106 to 39-3-113.5 or 39-3-116 in any year unless the application for exemption for the current year has been reviewed and has been granted as provided for by law, nor shall any assessor classify any real or personal property as being taxable after having been notified in writing that such property has been determined to be exempt from taxation by the property tax administrator.

(3)(a)(I) On and after January 1, 1990, and no later than April 15 of each year, every owner of real or personal property for which exemption from general taxation has previously been granted shall file a report with the administrator upon forms furnished by the division, containing such information relative to the exempt property as specified in paragraph (b) of this subsection (3), and signed under the penalty of perjury in the second degree. Each such annual report shall be accompanied by a payment of seventy-five dollars, which shall be credited to the property tax exemption fund created in subsection (8) of this section. Each such annual report filed later than April 15, but prior to July 1, shall be accompanied by a late filing fee of two hundred fifty dollars; except that the administrator shall have the authority to waive all or a portion of the late filing fee for good cause shown as determined by the administrator by rules adopted pursuant to subsection (7) of this section. On and after January 1, 1990, every owner of real or personal property for which exemption from general taxation has previously been granted pursuant to the provisions of section 39-3-111 and that is used for any purpose other than the purposes specified in sections 39-3-106 to 39-3-113.5 for less than two hundred eight hours during the calendar year or if the use of the property for such purposes results in annual gross rental income to such owner of less than twenty-five thousand dollars shall not be required to file any annual report pursuant to the provisions of this subsection (3). In order to claim such exemption, in lieu of such annual report, the owner shall annually file with the administrator a declaration stating that the property is used for such purposes for less than two hundred eight hours during the calendar year or such use results in annual gross rental income to the owner of less than twenty-five thousand dollars.

(II) In the event an annual report is not received by June 1 from an owner of real or personal property for which an exemption was granted for the previous year pursuant to the provisions of sections 39-3-107 to 39-3-113.5 or 39-3-116, the administrator shall give notice in writing to such property owner by June 15 that failure to comply by July 1 shall operate as a forfeiture of any right to claim exemption of previously exempt property from general taxation for the current year. Failure to timely file such annual report on or before July 1 shall operate as a forfeiture of any right to claim exemption of such property from general taxation for the year in which such failure occurs, unless an application is timely filed and an exemption granted pursuant to the provisions of paragraph (a) of subsection (1) of this section. The administrator shall review each report filed to determine if such property continues to qualify for exemption, and, if it is determined that the property does not so qualify, the owner of such property shall be notified in writing of the disqualification, and the assessor, treasurer, and board of county commissioners of the county in which the property is located shall also be so notified.

(III) In the event an annual report is not received by June 1 from an owner of real or personal property for which an exemption was granted for the previous year pursuant to the provisions of section 39-3-106 or 39-3-106.5, the administrator shall give notice in writing to such property owner by June 15 that failure to file a delinquent report during a twelve-month period commencing the following July 1 shall operate as the forfeiture of any right to claim exemption of previously exempt property from general taxation for the year in which such notice is given. Upon the filing of the delinquent annual report, a late filing fee of two hundred fifty dollars shall be paid, which shall be credited to the property tax exemption fund created in subsection (8) of this section; except that the administrator shall have the authority to waive all or a portion of the late filing fee for good cause shown as determined by the administrator by rules adopted pursuant to paragraph (b) of subsection (7) of this section. Failure to file the delinquent annual report within the twelve-month period shall result in the forfeiture of any right to claim exemption of such property from general taxation for the year in which such failure to file the annual

report first occurred. The administrator shall review each report filed to determine if the property continues to qualify for exemption, and, if it is determined that the property does not so qualify, the owner of the property shall be notified in writing of the disqualification, and the assessor, treasurer, and board of county commissioners of the county in which the property is located shall also be so notified.

(b) (I) Any user of property which has been exempted pursuant to the provisions of sections 39-3-107 to 39-3-113.5 may be required to provide such information as the property tax administrator determines to be necessary in order to ascertain whether the users and usages of the property are in compliance with the provisions of said sections.

(II) (A) Except as otherwise provided in sub-subparagraph (B) of this subparagraph (II), any annual report filed pursuant to paragraph (a) of this subsection (3) claiming exemption from taxation pursuant to section 39-3-106 or 39-3-106.5 shall contain the following information: The legal description or address of the property being claimed as exempt; the name and address of the owner of such property; a complete list of all uses of such property other than by the owner thereof during the previous calendar year; the amount of total gross income specified in section 39-3-106.5 (1) (b) (I) and the total amount of gross rental income resulting from uses of such property that are not for the purposes set forth in sections 39-3-106 to 39-3-113.5; and the total number of hours that such property was used for purposes other than the purposes specified in sections 39-3-106 to 39-3-113.5. Such annual report shall also include a declaration of the religious mission and purposes of the owner of such property claimed as being exempt and the uses of such property that are in the furtherance of such mission and purposes. Such declaration shall be presumptive as to the religious mission and religious purposes of the owner of such property. If the administrator is unable to determine whether the property continues to qualify for exemption based solely on the information specified in this subparagraph (II), the administrator may require additional information, but only to the extent that the additional information is necessary to determine the exemption status of the property. The administrator may challenge any declaration included in such annual report only upon the grounds that the religious mission and purposes are not religious beliefs sincerely held by the owner of such property, that such property is not actually used for the purposes set forth in the annual report, or that the property being claimed as exempt is used for private gain or corporate profit.

(B) For the purposes of sub-subparagraph (A) of this subparagraph (II), if the owner of property being claimed as exempt did not own such property during the entire previous calendar year, the annual report filed by such owner shall contain the information required in sub-subparagraph (A) of this subparagraph (II) for that portion of the previous calendar year during which such property was owned by such owner.

(III) Any annual report filed pursuant to paragraph (a) of this subsection (3) claiming exemption from taxation pursuant to section 39-3-116 shall contain such information specified in subparagraphs (I) and (II) of this paragraph (b) as is applicable for the purposes for which such property is used.

(4) If, subsequent to the time that exemption of any property was initially granted or annually renewed, as provided in subsections (1) and (3) of this section, it is determined that such exemption was granted or renewed as the result of false or misleading information contained in the initial application, the annual report, or any false information provided by owners or users of such property, then the property tax administrator shall revoke the exemption, and taxes shall be assessed against such property for the year or years affected by such false or misleading information, and all delinquent interest provided by law shall apply to such taxes.

(5) (a) (I) If the administrator tentatively determines that the property does not so qualify, except for the disqualification for failure to file an annual report required in subsection (3) of this section, he shall notify, by certified mail, the owner of such property of his tentative determination. The administrator shall also notify the owner of the owner's right to a public hearing, as provided for in subparagraph (II) of this paragraph (a).

(II) Within thirty days after the issuance of a tentative determination, the owner may request a public hearing regarding the determination. Upon the making of such a request, the administrator or his designees shall provide said owner with a public hearing at which said owner and any users of the property other than the owner, if their use is relevant to the determination of whether the property is exempt, shall be heard if they so desire. Such hearing shall be held no later than ninety days following the issuance of the tentative determination.

(III) Upon the conclusion of such hearing, the administrator shall provide the owner and any users sixty days within which to comply, so as to retain the exemption. If the owner fails to comply within sixty days, the administrator shall notify the owner in writing that the property has been disqualified.

(IV) The owner may waive his right to a public hearing by filing with the administrator a written statement that said right is waived. Upon receipt of such waiver, the administrator shall issue a final determination, in writing, which notifies the owner that the property does not qualify for exemption.

(V) If the owner does not request a public hearing, as provided for in subparagraph (II) of this paragraph (a), or does not file a waiver of his right to a public hearing, as provided for in subparagraph (IV) of this paragraph (a), the administrator shall provide the owner sixty days from the issuance of the tentative determination to file any additional information relevant to the determination of whether the property is exempt. At the conclusion of such sixty-day period, the administrator shall issue a final determination, in writing, which notifies the owner whether the property qualifies for exemption.

(b) An appeal from any decision of the administrator may be taken by the board of county commissioners of the county wherein such property is located, or by any owner of taxable property in such county, or by the owner of the property for which exemption is claimed if exemption has been denied or revoked in full or in part. Any such appeal shall be taken to the board of assessment appeals pursuant to the provisions of section 39-2-125 no later than thirty days following the decision of the administrator.

(6) If the decision of the board is against the petitioner, the petitioner may petition the court of appeals for judicial review thereof according to the Colorado appellate rules and the provisions of section 24-4-106 (11), C.R.S. If the decision of the board is against the respondent, the respondent, upon the recommendation of the board that it is a matter of statewide concern, may petition the court of appeals for judicial review according to the Colorado appellate rules and the provisions of section 24-4-106 (11), C.R.S.

(7) The administrator shall adopt rules to implement the provisions of this section pursuant to the provisions of article 4 of title 24, C.R.S., including any rules necessary to specify what shall qualify as "good cause shown" for purposes of waiving all or a portion of the late filing fees specified in subparagraphs (I) and (III) of paragraph (a) of subsection (3) of this section.

(8) All fees collected pursuant to this section shall be transmitted to the state treasurer who shall credit such revenues to the property tax exemption fund, which fund is hereby created in the state treasury. The moneys in the fund shall be subject to annual appropriation by the general assembly for the direct and indirect costs of the administration of this article.

Title 39
Article 3

(Portions pertaining to school and/or charitable exemptions only)

39-3-101. Legislative declaration - presumption of charitable purpose. The general assembly recognizes that only the judiciary may make a final decision as to whether or not any given property is used for charitable purposes within the meaning of the Colorado constitution; nevertheless, in order to guide members of the public and public officials alike in the making of their day-to-day decisions and to assist in the avoidance of litigation, the general assembly hereby finds, declares, and determines that the uses of property which are set forth in this part 1 as uses for charitable purposes benefit the people of Colorado and lessen the burdens of government by performing services which government would otherwise be required to perform. Therefore, property used for such purposes shall be presumed to be owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit, and, consequently, property used for such purposes is entitled to be exempt from the levy and collection of property tax pursuant to the provisions of this part 1 and the Colorado constitution. This legislative finding, declaration, determination, and presumption shall not be questioned by the administrator and shall be entitled to great weight in any and every court.

39-3-106.5. Tax-exempt property - incidental use - exemption - limitations.(2) Except as otherwise provided in section 39-3-108 (3) and subsection (3) of this section, if any property, real or personal, that is otherwise exempt from the levy and collection of property tax pursuant to the provisions of sections 39-3-107 to

39-3-113.5 is used on an occasional, noncontinuous basis for any purpose other than the purposes specified in sections 39-3-106 to 39-3-113.5, such property shall be exempt from the levy and collection of property tax if:

(a) The property is used for such purposes for less than two hundred eight hours, adjusted for partial usage if necessary on the basis of the relationship that the amount of time and space used for such other purpose bears to the total available time and space, during the calendar year; or

(b) The use of the property for such purposes results in less than twenty-five thousand dollars of gross rental income to the owner of such property.

(3) The requirement that property be used on an occasional basis in order to qualify for the exemption set forth in subsection (2) of this section shall not apply to property, real or personal, that is otherwise exempt from the levy and collection of property tax pursuant to the provisions of section 39-3-111 that is used for any purpose other than the purposes specified in sections 39-3-106 to 39-3-113.5.

39-3-107. Property - not-for-profit schools - exemption. Property, real and personal, which is owned and used solely and exclusively for schools which are not held or conducted for private or corporate profit shall be exempt from the levy and collection of property tax. No requirement shall be imposed that use of property which is otherwise exempt pursuant to the provisions of this section shall benefit the people of Colorado in order to qualify for said exemption. Any exemption claimed pursuant to the provisions of this section shall comply with the provisions of section 39-2-117.

39-3-108. Property - nonresidential - health care facility - water company - charitable purposes - exemption - limitations. (1) Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if:

(a) Such property is nonresidential;

(b) Such property is licensed by the state of Colorado as a health care facility; or

(c) Such property is used as an integral part of a nonprofit domestic water company.

(1.3) Nonresidential property that is owned and used solely and exclusively by a qualified amateur sports organization shall be presumed to be owned and used solely and exclusively for strictly charitable purposes. For purposes of this subsection (1.3), the term "qualified amateur sports organization" means any organization organized and operated exclusively to foster local, statewide, national, or international amateur sports competition if such organization is also organized and operated primarily to support and develop amateur athletes for national or international competition in sports; except that no part of the net earnings of such organization inure to the benefit of any private shareholder or individual. So long as a qualified amateur sports organization demonstrates that its membership is open to any individual who is an amateur athlete, coach, trainer, manager, administrator, or official active in such sport or to any amateur sports organization that conducts programs in such sport, or both, the organization shall be presumed to provide public benefits to an indefinite number of persons and to directly benefit the people of Colorado whether or not the right to benefit may depend upon voluntary membership in the organization.

(1.5) No requirement shall be imposed that use of property which is otherwise exempt pursuant to the provisions of this section shall benefit the people of Colorado in order to qualify for said exemption.

(2) Any exemption claimed pursuant to the provisions of subsection (1) of this section shall comply with the provisions of section 39-2-117.

(3) (a) When any property of a health care facility, real or personal, or any portion thereof, which is otherwise exempt from the levy and collection of property tax pursuant to the provisions of paragraph (b) of subsection (1) of this section, is used for any purpose other than the purposes specified in sections 39-3-106 to 39-3-113.5, such property or portion thereof shall be exempt from the levy and collection of property tax if the use of the property or portion thereof does not result in gross income derived from any unrelated trade or business to

the owner which is in excess of fifteen percent of the total gross revenues derived from the operation of the property. Gross income derived from any unrelated trade or business shall be determined pursuant to the provisions of sections 511 through 513 of the federal "Internal Revenue Code of 1986", as amended.

(b) If the use of any property or portion thereof results in gross income derived from any unrelated trade or business in excess of fifteen percent of the total gross revenues to the owner derived from the operation of the property, the administrator shall determine the value of the nonexempt portion of the property for property tax purposes.

39-3-108.5. Property - community corrections facility - exemption. (1) Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if such property is owned and used by a nonprofit community corrections agency for a community correctional facility or program.

(2) As used in this section:

(a) "Community correctional facility or program" shall have the meaning set forth in section 17-27-102 (3), C.R.S., for community corrections program.

(b) "Nonprofit community corrections agency" means any person, agency, corporation, association, or entity that:

(I) Is exempt from federal income tax pursuant to the "Internal Revenue Code of 1986", as amended; and

(II) Operates a community correctional facility or program.

(3) The provisions of this section shall apply to property tax years beginning on or after January 1, 1993.

39-3-109. Residential property - integral part of tax-exempt entities - charitable purposes - exemption - limitations. (1) Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if such property is residential and the structure and the land upon which such structure is located are used as an integral part of a church, an eleemosynary hospital, an eleemosynary licensed health care facility, a school, or an institution whose property is otherwise exempt from taxation pursuant to the provisions of this part 1 and which is not leased or rented at any time to persons other than:

(a) Persons who are attending such school as students; or

(b) Persons who are actually receiving care or treatment from such hospital, licensed health care facility, or institution for physical or mental disabilities and who, in order to receive such care or treatment, are required to be domiciled within such hospital, licensed health care facility, or institution, or within affiliated residential units.

(2) Persons residing within residential units specified in paragraph (b) of subsection (1) of this section may submit to the administrator, on a form prescribed by the administrator, a certificate signed by a physician licensed to practice in the state of Colorado that the medical condition of such individual requires the individual to reside in such residential unit. If a person residing within such residential unit submits such signed certificate to the administrator pursuant to the provisions of this subsection (2), the portion of such residential property that is utilized by qualified occupants shall be deemed to be property used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit and such portion, but only such portion, shall be exempt under the provisions of subsection (1) of this section. The determination as to what portion of such structure is so utilized shall be made by the administrator on the basis of the facts existing on the annual assessment date for such property, and the administrator shall have the authority to determine a ratio which reflects the value of the nonexempt portion of such structure in relation to the total value of the whole structure and the land upon which such structure is located and which is identical to the ratio of the number of residential units occupied by nonqualified occupants to the total number of occupied residential units in such structure.

(2.5) No requirement shall be imposed that use of property which is otherwise exempt pursuant to the provisions of this section shall benefit the people of Colorado in order to qualify for said exemption.

(3) Any exemption claimed pursuant to the provisions of this section shall comply with the provisions of section 39-2-117.

(3) The provisions of subsection (1) of this section shall not apply to any child care center which is operated for religious purposes and which is exempt from the levy and collection of property tax pursuant to the provisions of section 39-3-106 or 39-3-106.5.

39-3-110. Property - integral part of child care center - charitable purposes - exemption - limitations. (1) Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if such property is used as an integral part of a child care center:

(a) Which is licensed pursuant to article 6 of title 26, C.R.S.;

(b) Which is maintained for the whole or part of a day for the care of five or more children who are not sixteen years of age or older;

(c) Which is not owned or operated for private gain or corporate profit;

(d) The costs of operation of which, including salaries, are reasonable based upon the services and facilities provided and as compared with the costs of operation of any comparable public institution;

(e) Which provides its services to an indefinite number of persons free of charge or at reduced rates equal to five percent of the gross revenues of such child care center or equal to ten percent of the amount of tuition charged by such child care center to the financially needy or charges on the basis of ability to pay;

(f) The operation of which does not materially enhance, directly or indirectly, the private gain of any individual except as reasonable compensation for services rendered or goods furnished;

(g) The property of which is claimed for exemption does not exceed the amount of property reasonably necessary for the accomplishment of the exempt purpose; and

(h) The property of which is irrevocably dedicated to a charitable purpose.

(1.5) No requirement shall be imposed that use of property which is otherwise exempt pursuant to the provisions of this section shall benefit the people of Colorado in order to qualify for said exemption.

(2) Any exemption claimed pursuant to the provisions of subsection (1) of this section shall comply with the provisions of section 39-2-117.

(3) The provisions of subsection (1) of this section shall not apply to any child care center which is operated for religious purposes and which is exempt from the levy and collection of property tax pursuant to the provisions of section 39-3-106 or 39-3-106.5.

39-3-111. Property - used by fraternal or veterans' organization - charitable purposes - exemption - limitations. Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if such property is used by any fraternal organization, as defined in section 12-9-102 (6), C.R.S., notwithstanding the requirement that such organization be in existence for a period of five years, or by any veterans' organization, as defined in section 12-9-102 (21), C.R.S., notwithstanding the requirement that such organization be in existence for a period of five years, and the net income derived from the use of such property is irrevocably dedicated to any of the purposes specified in sections 39-3-106 to 39-3-110, 39-3-112, or 39-3-113 and to the purpose of maintaining and operating such organization. As used in this section, the term "net income" means all items of revenue and gain minus all items of loss and expense, including amounts reasonably anticipated for future needs, as determined according to the usual method of accounting for such organization. No requirement shall be imposed that use of property which is otherwise exempt pursuant to this section shall benefit the people of Colorado in order to qualify for said exemption. Any exemption claimed pursuant to the provisions of this section shall comply with the provisions of section 39-2-117.

39-3-111.5. Property - health care services - charitable purposes - exemption - limitations. (1) Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if:

(a) Such property is owned by a nonprofit corporation, whether organized under the laws of this state or of another state;

(b) Such property is occupied or used by one or more physician or dentist, or both, licensed to practice medicine or dentistry, as applicable, under the laws of this state for the purpose of the practice of medicine or dentistry;

(c) Such health care services are provided to patients who request such services and the financially needy are only charged for such services based upon the ability to pay; and

(d) The board of county commissioners of the county in which such property is located certifies that a need exists for the provision of such health care services.

(2) The limitations set forth in section 39-3-116 (1) and (2) shall not apply to the use of property pursuant to the provisions of subsection (1) of this section.

(3) Any exemption claimed pursuant to the provisions of this section shall comply with the provisions of section 39-2-117.

39-3-112. Definitions - residential property - orphanage - low-income elderly or disabled - homeless or abused - low-income households - charitable purposes - exemption - limitations. (1) As used in this section, unless the context otherwise requires:

(a) "Area median income" means the median income of the county in which the property is located in relation to family size, as published annually by the United States department of housing and urban development.

(a.3) "Disabled" means that an individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted for a continuous period of not less than twelve months.

(a.5) "Elderly or disabled low-income residential facility" means a facility, a portion of which is operated as a residential facility for elderly or disabled persons who meet the requirements of sub-subparagraph (A) of subparagraph (II) of paragraph (a) of subsection (3) of this section, which portion houses only such persons, exclusive of necessary housing facilities for resident managerial personnel, and the rest of which is operated as a health care facility which is licensed by the state of Colorado.

(b) "Family service facility" means a facility which is operated as a residential facility for single-parent families, which houses only such families, exclusive of necessary housing facilities for resident managerial personnel, which provides, in addition to housing, counseling in such areas as career development, parenting skills, and financial budgeting, and which is a child care center licensed pursuant to the provisions of section 26-6-104, C.R.S.

(b.3) "Low-income household" means an individual or family whose total income is no greater than thirty percent of the area median income.

(b.5) "Low-income household residential facility" means a facility:

(I) That is operated as a residential facility for low-income households;

(II) For which the published rent schedule includes rents that a low-income household can afford by expending no more than thirty percent of the low-income household's total income for rent and utilities; and

(III) For which the owner of the facility has shown that the rent for the facility for which the exemption authorized in subsection (2) of this section applies is lower than the rent for a comparable facility for which said exemption does not apply by an amount equal to at least the value of said exemption.

(c) "Transitional housing facility" means a facility that:

(I) Is operated as a residential facility for single individuals or families, or both, who are homeless, who have resided within the past six months in a shelter for the homeless, or who have been abused, and whose incomes are as specified in sub-subparagraph (A) of subparagraph (II) of paragraph (a) of subsection (3) of this section;

(II) Has as its purpose to facilitate the achievement of independent living by such individuals and families within a twenty-four-month period; and

(III) Provides counseling in such areas as career development, parenting skills, and financial budgeting, whether at such facility or at another location.

(2) Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if such property is residential and is occupied, owned, and operated in accordance with the requirements set forth in subsection (3) of this section.

(3) In order for property to be exempt from the levy and collection of property tax pursuant to the provisions of subsection (2) of this section, the administrator shall be required to find, pursuant to the provisions of section 39-2-117, that:

(a) The residential structure is:

(I) Occupied as an orphanage; or

(II) Occupied by:

(A) Single individuals who are sixty-two years of age or older or who are disabled, or a family, the head of which, or whose spouse, is sixty-two years of age or older or is disabled, and whose incomes are within one hundred fifty percent of the limits prescribed for similar individuals or families who occupy low-rent public housing operated by a city or county housing authority which is nearest in distance to such structure; or

(B) Single-parent families whose incomes are as specified in sub-subparagraph (A) of this subparagraph (II) and who occupy a family service facility which is owned and operated by an organization which is exempt from federal income tax pursuant to the provisions of section 501 (c) (3) of the "Internal Revenue Code of 1986", as amended; or

(C) Single individuals or families who occupy a transitional housing facility which is owned and operated by an organization which is exempt from federal income tax pursuant to the provisions of section 501 (c) (3) of the "Internal Revenue Code of 1986", as amended; or

(D) Low-income households who occupy a low-income household residential facility.

(b) The residential structure is efficiently operated. Efficient operation is determined by the following factors:

(I) That the costs of operation, including salaries, are reasonable based upon the services and facilities provided and as compared with the costs of operation of any comparable public institution;

(II) That such operations do not materially enhance, directly or indirectly, the private gain of any individual except as reasonable compensation for services rendered or goods furnished;

(III) That the property on which the exemption is claimed does not exceed the amount of property reasonably necessary for the accomplishment of the exempt purpose; and

(IV) That the owners and operators of such residential structure have no occupancy requirement that discriminates upon the basis of race, creed, color, religion, sex, sexual orientation, marital status, national origin, or ancestry; however, if the owner or sponsoring organization is a religious denomination, said owners or operators may give preference to members of that denomination.

(c) The property is owned:

(I) By a nonprofit corporation of which:

(A) No part of the net earnings of such corporation inures to the benefit of any private shareholder; and

(B) Property owned by such corporation is irrevocably dedicated to charitable, religious, or hospital purposes and no portion of its assets will inure to the benefit of any private person upon the liquidation, dissolution, or abandonment of such corporation; or

(II) (A) With respect to residential structures specified in sub-subparagraphs (A), (C), and (D) of subparagraph (II) of paragraph (a) of this subsection (3), during any compliance period, as defined by section 42 (i) (1) of the "Internal Revenue Code of 1986", as amended, by any domestic or foreign limited partnership of which any nonprofit corporation that satisfies the provisions of subparagraph (I) of this paragraph (c) is a general partner and that was formed for the purpose of obtaining, and has been allocated, low-income housing credits pursuant to section 42 of the "Internal Revenue Code of 1986", as amended.

(B) The provisions of this subparagraph (II) shall not apply if, during such compliance period, such domestic or foreign limited partnership which owns the residential structure distributes income or has income available for distribution to its partners or if the residential structure is sold or otherwise disposed of during such compliance period. If the administrator determines that, as specified in this sub-subparagraph (B), income has been distributed or has been available for distribution or the residential property has been sold or otherwise disposed of, the administrator shall revoke the property tax exemption for the residential property and property taxes shall be levied and collected against the residential property, which would have otherwise been levied and collected from the date on which the exemption was initially granted plus all delinquent interest as provided for by law.

(C) The provisions of this subparagraph (II) shall apply to applications for exemption made pursuant to section 39-2-117 which are filed on and after January 1, 1991, or which are pending on said date; or

(III) (A) With respect to residential structures specified in sub-subparagraphs (A), (C), and (D) of subparagraph (II) of paragraph (a) of this subsection (3), by any domestic or foreign limited partnership of which all of the general and limited partners are nonprofit corporations that satisfy the provisions of subparagraph (I) of this paragraph (c).

(B) The provisions of this subparagraph (III) shall apply to applications for exemption made pursuant to section 39-2-117 which are filed on or after January 1, 1993, or which are pending on said date; or

(IV) (A) With respect to elderly or disabled low-income residential facilities or low-income household residential facilities, during any compliance period, as defined by section 42 (i) (1) of the "Internal Revenue Code of 1986", as amended, by any domestic or foreign limited partnership so long as each of the general partners of such limited partnership is a for-profit corporation, seventy-five percent or more of the outstanding voting stock of which is owned by, and seventy-five percent or more of the members of the board of directors of which is elected by, one or more nonprofit corporations that satisfy the provisions of subparagraph (I) of this paragraph (c) and so long as such limited partnership was formed for the purpose of obtaining, and the structure that is owned by such limited partnership has been allocated, low-income housing credits pursuant to section 42 of the "Internal Revenue Code of 1986", as amended.

(B) The provisions of this subparagraph (IV) shall not apply if, during any compliance period: Any of the general partners of the domestic or foreign limited partnership which owns the residential structure specified in sub-subparagraph (A) of this subparagraph (IV) cease to meet the requirements specified in sub-subparagraph (A) of this subparagraph (IV); the domestic or foreign limited partnership which owns such residential structure distributes cash or other property to its partners; or such residential structure is sold or otherwise disposed of.

(C) Upon a determination by the administrator that any of the events specified in sub-subparagraph (B) of this subparagraph (IV) have occurred, the administrator shall revoke the property tax exemption for the residential facility specified in sub-subparagraph (A) of this subparagraph (IV), and property taxes shall be levied and collected against such residential facility in the amount which would have otherwise been levied and collected from the date on which such exemption was initially granted, and all delinquent interest provided by law shall apply to such taxes.

(D) The provisions of this subparagraph (IV) shall apply to applications for exemption made pursuant to section 39-2-117 which are filed on or after January 1, 1993, or which are pending on such date.

(4) In the event the occupants of the residential structure include both persons who are qualified pursuant to paragraph (a) of subsection (3) of this section and persons who are not qualified, the portion of such residential structure that is utilized by qualified occupants shall be deemed to be property used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit, and such portion, but only such portion, shall be exempt pursuant to the provisions of subsection (2) of this section. The determination as to what portion of such structure is so utilized shall be made by the administrator on the basis of the facts existing on the annual assessment date for such property, and the administrator shall have the authority to determine a ratio which reflects the value of the nonexempt portion of such structure in relation to the total value of the whole structure and the land upon which such structure is located and which is identical to the ratio of the number of residential units occupied by nonqualified occupants to the total number of occupied residential units in such structure.

(4.5) No requirement shall be imposed that use of property which is otherwise exempt pursuant to the provisions of this section shall benefit the people of Colorado in order to qualify for said exemption.

(5) Any exemption claimed pursuant to the provisions of this section shall comply with the provisions of section 39-2-117.

(6) For purposes of processing applications received for the exemption authorized by subsection (2) of this section for low-income household residential facilities, the department of local affairs shall contract with an independent contractor for the performance of the application processing services in accordance with section 24-50-504, C.R.S. Said contract shall be limited to a term of one year and shall commence when the exemption for low-income household residential facilities first becomes available.

39-3-112.5. Residential property - homeless - charitable purposes - exempt - limitations. (1) Property, real and personal, which is used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if such property is residential, is owned by the United States, and is leased by a department or agency of the United States to any nonprofit organization, whether organized under the laws of this state or of another state, for the purpose of housing single individuals or families, or both, who are homeless.

(2) Any exemption shall be allowed pursuant to subsection (1) of this section only upon the delivery to the administrator of a copy of such lease between the agency of the United States and the nonprofit organization and a copy of the rental agreement between the nonprofit organization and the individuals or families to be housed in such property. Such exemption shall be allowed only for the period of time that such residential property is actually used for said purpose, and such nonprofit organization shall immediately notify the administrator when the use of such residential property has changed.

(3) Any exemption claimed pursuant to the provisions of this section shall comply with the provisions of section 39-2-117.

39-3-113. Residential property - while being constructed - charitable purposes - exemption - limitations.

Property, real and personal, which is owned and used solely and exclusively for strictly charitable purposes and not for private gain or corporate profit shall be exempt from the levy and collection of property tax if such property is residential and consists of land and one or more structures which are in the process of being constructed if such property is irrevocably committed to residential use in accordance with the requirements set forth in section 39-3-109 (1) or 39-3-112 (2) and (3). The exemption provided by this section shall terminate on the assessment date subsequent to the issuance of a permit or other authority to occupy such structure or structures. Thereafter, such property shall be subject to the provisions of sections 39-3-109 and 39-3-112. No requirement shall be imposed that use of property which otherwise is exempt pursuant to the provisions of this section shall benefit people of Colorado in order to qualify for said exemption. Any exemption claimed pursuant to the provisions of this section shall comply with the provisions of section 39-2-117.

39-3-113.5. Property acquired by nonprofit housing provider for low-income housing - use for charitable purposes - exemption - limitations - definitions. (1) As used in this section, unless the context otherwise requires:

(a) "Area median income" means the median income of any county in which property is located in relation to family size, as published annually by the United States department of housing and urban development.

(b) "Indicators of intent" means off-site activities of a nonprofit housing provider that establish the provider's specific intent to:

(I) Use property for the purpose of constructing or rehabilitating housing to be sold to low-income applicants; or

(II) Sell the property to low-income applicants for the purpose of constructing or rehabilitating housing for the low-income applicants.

(c) "Low-income applicant" means an individual or family whose total income is no greater than eighty percent of the area median income and who applies to a nonprofit housing provider to assist in the construction and purchase of housing to be constructed by the provider.

(d) "Nonprofit housing provider" means an organization that is exempt from federal income tax pursuant to section 501 (c) (3) of the federal "Internal Revenue Code of 1986", as amended, and that has a primary organizational mission of:

(I) Working with low-income applicants to construct or rehabilitate housing that the organization then sells to the low-income applicants for their residential use; or

(II) Selling property to low-income applicants and then working with the low-income applicants to construct or rehabilitate housing for their residential use.

(2) Subject to the limitations specified in subsection (3) of this section, for property tax years commencing on or after January 1, 2011, real property acquired by a nonprofit housing provider upon which the provider intends to construct or rehabilitate housing to be sold to low-income applicants or which the provider intends to sell to low-income applicants for the purpose of constructing or rehabilitating housing for their residential use is deemed to be being used for strictly charitable purposes, regardless of whether or not there is actual physical use of the property, and shall be exempt from property taxation in accordance with section 5 of article X of the state constitution. In the case of property sold by a nonprofit housing provider to a low-income applicant, the property tax exemption pursuant to this subsection (2) shall be allowed until a certificate of occupancy is issued for the housing; except that the property tax exemption shall not be allowed for longer than one year after the nonprofit housing provider sells the property to the low-income applicant. In determining whether a nonprofit housing provider satisfies the intent requirement of this subsection (2) with respect to particular property, the administrator may consider indicators of intent, including but not limited to:

(a) The establishment by the nonprofit housing provider of a committee or other structure for the purpose of planning the construction or rehabilitation of housing on the property;

(b) Steps taken by the nonprofit housing provider to obtain any required local government approvals for the construction or rehabilitation of housing on the property;

(c) Steps taken by the nonprofit housing provider to develop and implement a financing plan for the construction or rehabilitation of housing on the property;

(d) The hiring of architects, contractors, or other professionals by the nonprofit housing provider in preparation for the actual construction or rehabilitation of housing on the property; and

(e) The solicitation or acceptance by the nonprofit housing provider of applications from low-income applicants for housing to be constructed or rehabilitated on the property.

(3) The property tax exemption allowed to a nonprofit housing provider by subsection (2) of this section is subject to the following limitations:

(a) The exemption may be allowed for a maximum of five consecutive property tax years, beginning with the property tax year in which the nonprofit housing provider obtained title to the property; and

(b) If the nonprofit housing provider is allowed an exemption for any property tax year and subsequently sells, donates, or leases the property to any person other than a low-income applicant who assisted or will assist in the construction of housing for the applicant's residential use on the property, the provider shall be liable for all property taxes that the provider did not previously pay due to the exemption.

39-3-114. Burden - claim for charitable exemption. The burden shall be on the owner and operator of any residential property for which an exemption is claimed pursuant to any of the provisions of sections 39-3-109 and 39-3-112 to show facts sufficient to support the exemption claimed. In determining whether or not a particular property is entitled to such an exemption provided for in any of said sections, the administrator may require the owner or operator of such property to annually submit a complete financial report on its operations and may require any occupants whose residential units are claimed to qualify for such exemption to submit copies of their federal or state income tax returns.

39-3-115. Statutes not applicable. Nothing in sections 39-3-106 to 39-3-114 shall apply to parts 2 and 5 of article 4 of title 29, C.R.S.

39-3-116. Combination use of property - charitable, religious, and educational purposes - exemption - limitations. (1) Except as otherwise provided in this section, property, real and personal, which is owned and used by the owner thereof or by any other person or organization solely and exclusively for any combination of the purposes specified in sections 39-3-106 to 39-3-113.5, subject to the limitations and requirements in said sections, including but not limited to the requirement that property not be owned or used for private or corporate gain or profit, shall be exempt from the levy and collection of property tax. No requirement shall be imposed that use of property which is otherwise exempt pursuant to any of said sections shall benefit the people of Colorado in order to qualify for said exemption. Property which is otherwise exempt pursuant to the provisions of this section shall be subject to the provisions of section 39-3-129 relating to the proportional valuation of exempt property if such property is partially leased, loaned, or otherwise made available for a portion of any calendar year to any business conducted for profit.

(2) In the event that such property is used by any person or organization other than the owner:

(a) The use of the property by the owner, if any, must qualify pursuant to the provisions of this section or pursuant to any of the provisions of sections 39-3-106 to 39-3-113.5, and, in addition, the owner must qualify for an exemption pursuant to the provisions of section 39-2-117;

(b) The use of the property by the person or organization other than the owner is a use described in the provisions of this section or in any of the provisions of sections 39-3-106 to 39-3-113.5 or such person or organization is otherwise exempt from the payment of property taxes; and

(c) The amount received by the owner for the use of such property specified in sections 39-3-107 to 39-3-113.5, other than from any shareholder or member of the owner or from any person or organization controlled by

an organization which also controls such shareholder or member, shall not exceed one dollar per year plus an equitable portion of the reasonable expenses incurred in the operation and maintenance of the property so used. For purposes of this paragraph (c), reasonable expenses include interest expenses, depreciation, long-term maintenance expenses allowed in accordance with generally accepted accounting principles, capital expenses dedicated to refurbishing the property, and expenses incurred to allow the property to conserve energy, water, or other natural resources, but do not include any amount expended to reduce debt.

(3) Any exemption claimed pursuant to the provisions of this section shall comply with the provisions of section 39-2-117.

39-3-127.5. Qualifying business entities - participation in federal tax credit transactions - exemption - requirements definitions. (1) As used in this section, unless the context otherwise requires

(a) "Qualified business entity" means a limited partnership or a limited liability company:

(I) That is formed for the purpose of obtaining federal tax credits and that does obtain such credits; and

(II) The general partner or managing member of which is an entity that would qualify for property tax exemption under sections 39-3-106 to 39-3-113.5.

(2) For property tax years beginning on or after January 1, 2014, real and personal property is exempt from the levy and collection of property tax if:

(a) The property tax is owed by a qualified business entity; and

(b) The property is used for the purposes described in sections 39-3-106 to 39-3-113.5 and 39-3-116.

(3) In addition to any other requirement specified in this section, any exemption claimed pursuant to the provisions of this section must also comply with section 39-2-117.

39-3-129. Proportional valuation - exempt property. (1) Except as otherwise provided in subsection (2) of this section, whenever any real property that was previously taxable becomes legally exempt from the levy and collection of property tax or any real property that was previously legally exempt from the levy and collection of property tax becomes taxable, the valuation for assessment of the real property shall be a proportion of the valuation for assessment of the real property for the entire taxable year based upon the ratio of the portion of the taxable year in which the property is taxable to the entire taxable year. In the event the real property is partially leased, loaned, or otherwise made available to and used by a business conducted for profit, the determination as to what portion of the real property is so utilized shall be made by the administrator on the basis of the facts existing on the annual assessment date for the real property. The administrator shall have the authority to determine the actual value of the nonexempt portion of the property in relation to the actual value of the entire property by using the ratio of the square foot area of the property utilized by the business conducted for profit to the total square foot area of the property. Where shown to be more appropriate, in order to determine the relationship between the actual value of the nonexempt portion of the property and the actual value of the total property, the administrator may employ the ratio of the portion as measured in hours of any calendar year in which the property is leased, loaned, or otherwise made available to and used by any business conducted for profit to the entire calendar year.

(2) The provisions of subsection (1) of this section shall not be applicable to household furnishings.

39-9-109. Power of state board - waiver of deadline. (5) Acting by majority vote and when the state board of equalization determines that the interests of justice and equity would be served, the board may authorize the waiver of the July 1 filing deadline described in section 39-2-117 (3) (a) for any annual report required to be filed pursuant to section 39-2-117 if the report is not filed by the filing deadline or if the report is filed by the filing deadline but is incomplete or otherwise incorrect when filed. When authorizing a waiver, the state board may determine a deadline for filing the report, after which the waiver is invalid. The deadline for filing the report must not be sooner than thirty days after the date that the state board authorizes the waiver.

(6) Notwithstanding the provisions of section 39-2-117 (1)(a), acting by majority vote, the state board of equalization may authorize the property tax administrator to make an exemption effective for not more than the time allowed pursuant to section 39-10-101 (2)(b)(II) when the property has been added back to the tax roll as omitted property and would otherwise have met all criteria for exemption during that time.