Section 3.5. Homestead exemption for qualifying senior citizens and disabled veterans.

(1) For property tax years commencing on or after January 1, 2002, fifty percent of the first two hundred thousand dollars of actual value of residential real property, as defined by law, that, as of the assessment date, is owner-occupied and is used as the primary residence of the owner-occupier shall be exempt from property taxation if:

(a) The owner-occupier is sixty-five years of age or older as of the assessment date and has owned and occupied such residential real property as his or her primary residence for the ten years immediately preceding the assessment date;

(b) The owner-occupier is the spouse or surviving spouse of an owner-occupier who previously qualified for a property tax exemption for the same residential real property under paragraph (a) of this subsection (1); or

(c) For property tax years commencing on or after January 1, 2007, only, the owner-occupier, as of the assessment date, is a disabled veteran.

(1.3) An owner-occupier may claim only one exemption per property tax year even if the owner-occupier qualifies for an exemption under both paragraph (c) of subsection (1) of this section and either paragraph (a) or paragraph (b) of subsection (1) of this section.

(1.5) For purposes of this section, "disabled veteran" means an individual who has served on active duty in the United States armed forces, including a member of the Colorado national guard who has been ordered into the active military service of the United States, has been separated therefrom under honorable conditions, and has established a service-connected disability that has been rated by the federal department of veterans affairs as one hundred percent permanent disability through disability retirement benefits or a pension pursuant to a law or regulation administered by the department, the department of homeland security, or the department of the army, navy, or air force.

(2) Notwithstanding the provisions of subsection (1) of this section, section 20 of this article, or any other constitutional provision, for any property tax year commencing on or after January 1, 2003, the general assembly may raise or lower by law the maximum amount of actual value of residential real property of which fifty percent shall be exempt under subsection (1) of this section.

(3) For any property tax year commencing on or after January 1, 2002, the general assembly shall compensate each local governmental entity that receives property tax revenues for the net amount of property tax revenues lost as a result of the property tax exemption provided for in this section. For purposes of section 20 of article X of this constitution, such compensation shall not be included in local government fiscal year spending and approval of this section by the voters statewide shall constitute a voter-approved revenue change to allow the maximum amount of state fiscal year spending for the 2001-02 state fiscal year to be increased by forty-four million one hundred twenty-three thousand six hundred four dollars and to include said amount in state fiscal year spending for said state fiscal year for the purpose of calculating subsequent state fiscal year spending limits. Payments made from the state general fund to compensate local governmental entities for property tax revenues lost as a result of the property tax exemption provided for in this section shall not be subject to any statutory limitation on general fund appropriations because the enactment of this section by the people of Colorado constitutes voter approval of a weakening of any such limitation.

Source: L. 2000: Entire section added, p. 2784, effective upon proclamation of the Governor, December 28, 2000. **L. 2006:** (1) amended and (1.3) and (1.5) added, p. 2953, effective upon proclamation of the Governor, **L. 2007,** p. 2963, December 31, 2006.

ANNOTATIONS

Law reviews: For article, "The Colorado Constitution in the New Century", see 78 U. Colo. L. Rev. 1265 (2007).