

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

BILL A

LLS NO. 26-0218.01 Rebecca Bayetti x4348

SENATE BILL

SENATE SPONSORSHIP

Roberts and Pelton B., Catlin

HOUSE SPONSORSHIP

McCluskie and McCormick, Martinez, Soper

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING CLARIFICATION OF DEFINITIONS USED IN CONNECTION**
102 **WITH THE TAXATION OF AGRICULTURAL PROPERTY.**

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/>.)

Water Resources and Agriculture Review Committee. The bill broadens the definition of "ranch" for purposes of property taxation to mean a parcel of land that is predominantly used for grazing livestock for the primary purpose of obtaining a monetary profit. A ranch must operate through a pasture-based operation, which is newly defined as a method of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters or bold & italic numbers indicate new material to be added to existing law.

Dashes through the words or numbers indicate deletions from existing law.

livestock management where pasture-grazed livestock have regular access to open pasture and derive a majority of their diet through grazing.

The bill also broadens the definition of "farm" for purposes of property taxation to mirror the predominant use language in the definition of "ranch". With this change, a farm means a parcel of land that is predominantly used to produce agricultural products that originate from the land's productivity for the primary purpose of obtaining a monetary profit.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) In Colorado, since at least 1967, the classification of property
5 as agricultural land has helped support agriculture producers through
6 reductions in property tax obligations;

7 (b) Under current law, enacted in 1983, the classification applies
8 to land that is used for grazing livestock or producing agricultural products;

9 (c) Rising land prices make it difficult for producers to purchase
10 large tracts of land. As a result, entry into agriculture is increasingly
11 occurring through smaller-scale operations, which are more financially
12 feasible.

13 (d) Smaller farms and ranches are using pasture-based operations
14 to produce agricultural products for profit, including pasturing livestock
15 like chickens and pigs, to meet consumer demands for locally sourced
16 food, support their agricultural businesses, supply food to other small
17 businesses, and generate significant economic activity locally and
18 statewide.

19 (2) Therefore, it is in the best interest of the state and is the
20 intention of the general assembly that the classification of agricultural
21 property extend to producers that predominantly use their land to produce
22 agricultural products and predominantly pasture their land to graze

1 livestock, which will save these producers money, encourage more
2 agricultural activity, and benefit the economy of local communities and of
3 the state.

4 **SECTION 2.** In Colorado Revised Statutes, 39-1-102, **amend** (3.5)
5 and (13.5) as follows:

6 **39-1-102. Definitions.** As used in articles 1 to 13 of this title 39,
7 unless the context otherwise requires:

8 (3.5) "Farm" means a parcel of land ~~which~~ THAT is PREDOMINANTLY
9 used to produce agricultural products that originate from the land's
10 productivity for the primary purpose of obtaining a monetary profit.

11 (13.5) (a) "Ranch" means a parcel of land ~~which~~ THAT is
12 PREDOMINANTLY used for grazing livestock for the primary purpose of
13 obtaining a monetary profit THROUGH A PASTURE-BASED OPERATION.

14 (b) For the purposes of this subsection (13.5):

15 (I) "Livestock" means domestic animals ~~which~~ THAT are used for
16 food for human or animal consumption, breeding, draft, or profit; AND

17 (II) "PASTURE-BASED OPERATION" MEANS A METHOD OF LIVESTOCK
18 MANAGEMENT WHERE PASTURE-GRAZED LIVESTOCK HAVE REGULAR ACCESS
19 TO OPEN PASTURE AND DERIVE A MAJORITY OF THEIR DIET THROUGH
20 GRAZING.

21 **SECTION 3. Act subject to petition - effective date -**
22 **applicability.** (1) This act takes effect January 1, 2027; except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within the ninety-day period after final adjournment of the general
26 assembly, then the act, item, section, or part will not take effect unless
27 approved by the people at the general election to be held in November

1 2026 and, in such case, will take effect January 1, 2027, or on the date of
2 the official declaration of the vote thereon by the governor, whichever is
3 later.

4 (2) This act applies to property tax years commencing on or after
5 the applicable effective date of this act.