

Contiguous Residential Land FAQ

What is the difference between Vacant Land and contiguous Residential Land?

Vacant Land is any parcel of land that does not have a building or residence built on it (unimproved) as of the Assessment Date- January, 1st each year. Vacant Land is Assessed at 29% of its Actual Value. Contiguous Residential Land is also unimproved but is contiguous to a residentially improved parcel. Residential Land is Assessed at the Residential rate of 7.15% of its Actual Value.

How does land qualify as contiguous Residential Land?

For Vacant Land to be classified as Residential Land, it needs to have a residential dwelling on it, or it must meet all three of the following criteria, as established by law;

1. The Vacant Land parcel must be contiguous with the Residentially improved parcel.
2. Both parcels must be under common ownership (identical).
3. Both parcels must be used as a unit.

What does “contiguous” mean?

For property classification and taxation purposes, “contiguous” means parcels of land that physically touch one another. This meaning was affirmed in *Mooks v. Board of County Commissioners*, 2020 CO 12, by the Colorado Supreme Court.

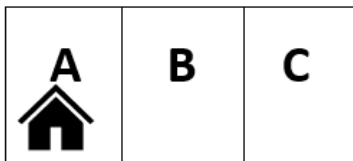
What does “common ownership” mean?

Simply put, “common ownership” means that both the residentially improved parcel and the contiguous vacant land parcel must have identical ownership, established by the County’s recorded documents. This meaning was affirmed in *Lannie v. Board of County Commissioners*, 2020 COA 77, by the Colorado Court of Appeals.

What does “used as a unit” mean?

In *Hogan v. Board of County Commissioners*, 2020 CO 12, the Colorado Supreme Court stated, “that a landowner must use multiple parcels of land together as a collective unit of residential property to satisfy the ‘used as a unit’ requirement.” Put another way, all contiguous properties must be *used* residentially and as though they are a greater, single parcel of land.

I own multiple contiguous parcels; Lots A, B & C. My house is on Lot A. Lots B & C are vacant. Which lots are classified as Residential Land?



Assuming all three of the criteria mentioned above have been met, lot B will be classified as Residential Land. Lot C may or may not. In *Ziegler v. Board of County Commissioners*, 2020 CO 13, the Colorado Supreme Court affirmed that in order for additional contiguous parcels (lot C in example) to qualify as Residential Land, the neighboring parcel (lot B in example) must contain a “residential improvement.” Residential improvements are defined in statute as “buildings, structures, fixtures, fences, amenities, and water rights.” However, the court further affirmed that those residential improvements must be “an integral part of the residential use.”

If my spouse and I own a residentially improved property together, but only I own the neighboring vacant parcel, can the vacant parcel qualify as contiguous Residential Land?

No. As the courts affirmed, all contiguous properties must have identical ownership as represented in the County's recorded documents.

I own a home on one parcel and another Vacant Land parcel that is located across the street from each other. Does my Vacant Land qualify for Residential Land?

No. If your residentially improved parcel and the vacant parcel are separated by a physical Right of Way, the parcels are not contiguous and would not classify as Residential Land.

I received a letter from the Assessor's Office stating that my property no longer qualifies for the contiguous Residential Land classification. Is there anything I can do to once again qualify?

It depends and may be a question for legal counsel. If *common ownership* is the only criteria not met, you can record a deed or other means of ownership transfer to make all contiguous parcels under identical ownership. In order to qualify for the 2021 tax year, the deed must be recorded by January 1st, 2021. If you do not qualify under the other two criteria, please consult with an attorney to consider your options.