



“Tiny Houses”

What they are and how counties and municipalities can manage them.

What is a “tiny house?”¹

There is no legal definition of a “tiny house.” The term can refer to anything from a 100 square foot miniature cabin on wheels to a house smaller than about 800 square feet. A “tiny house” is either considered a recreational vehicle (RV) OR a dwelling unit depending on its defining characteristics. Each of these categories is discussed below including a definition, building and zoning code regulations, and how to deal with taxation.

Recreational Vehicle

Definition

- Designed for mobility, NOT for permanent year-round occupancy, and thus has limited occupancy safety standards.
- Either a Camp Trailer (less than 26 feet long) or a Trailer Coach (26 feet to 70 feet long). Maximum of 8.5 feet wide and 14.5 feet tall.
- Permanently affixed to a chassis with axles and/or wheels.

Building Code

- Could be constructed to one of the American National Standards Institute (ANSI) 119 Construction Standards.
- May be constructed to meet standards that are currently self-certified through the Recreational Vehicle Industry Association (RVIA) or other non-governmental body.

Zoning Code

- May be occupied temporarily (transient occupancy is typically about 30 days) in a RV park/campground or perhaps districts zoned for residential uses.
- Some counties may permit in rural areas where other RVs or small houses are permitted for permanent occupancy, often without utility connections. Consider health and safety concerns before implementing this approach.

Ownership Tax

- Ownership tax is assigned to all RVs (including “tiny houses”, camp trailers, multi-purpose trailers, and trailer coaches) and is administered through the county motor vehicle office because these units are intended to easily move throughout the state.
- County motor vehicle department assigns a tax amount based on the manufacturer’s statement of retail price value of the unit.
- There may be special circumstances where these types of units are classified as real property depending on the local policies where the unit is located. Special care should be taken that the property is not taxed as both real property and through ownership tax.

¹ The word “house” implies permanent occupancy and is misleading in this case as “tiny houses” are not all designed for permanent occupancy.

Dwelling Units (manufactured, modular, and site built)

Definition

- Designed for year-round occupancy, connecting to water, sewer, and electric utilities.
- Typically one of three classifications²:
 - Manufactured³: A pre-constructed structure transportable in one or more sections and when in traveling mode is over 320 square feet or over 8 feet in width and 40 feet in length. Is on a permanent chassis and can be used as a dwelling with or without a permanent foundation. Is identified by a red metal tag on the exterior of each home section (the HUD tag). Does not have motive power.
 - Modular: Constructed substantially in a manufacturing facility for the installation/assembly on a permanent foundation and is identified by a Colorado Silver Construction Insignia located in the kitchen sink cabinet.
 - Site built: Built entirely or largely on the site it will occupy.

Building Code

- Manufactured houses must be constructed to the HUD 3280 Construction Standard initiated in 1976, is inspected during construction at the factory, and through the Colorado Manufactured Housing Installation Program (MHIP) upon installation.
- Modular houses must be built to the International Code Council 2012 *International Residential Code* (IRC) and the 2015 *International Energy Conservation Code* (IECC), regulated by DOLA's Division of Housing.
- Site built houses must meet the locally adopted building code, which is typically a version of the International Residential Code.

Zoning and Subdivision Codes

- Manufactured and modular houses shall be permitted where other building code compliant or site built dwelling units are permitted.
- Typical regulations that may prohibit/promote “tiny houses” include:
 - Minimum single-family house size requirements or minimum length and width requirements within zone districts. To ensure a variety of housing types and price points are available in the community, consider limiting the amount of land where minimum house size, length and width requirements are too large. Private restrictive covenants may also contain minimum dwelling unit sizes.
 - Accessory dwelling unit (ADU) regulations (i.e., attached or detached to the primary dwelling unit, maximum unit size, parking space requirements).
 - Subdivision standards for minimum lot size, street access, and utility connections.

² Park model homes, similar to “tiny houses,” can be considered either a RV or a dwelling unit depending which building code they comply with. They are less than 400 square feet and often placed on a permanent or semi-permanent basis for extended periods of time in the same location for use as a second home rather than used for travel purposes like an RV.

³ The term “mobile home” refers to units built prior to the 1976 HUD standards. Therefore, a “tiny house” cannot be considered a mobile home.

- Residential occupancy codes that require a certain number of square feet per occupant.
- Tap fees can be cost prohibitive for “tiny houses” and communities may want to relax these regulations, perhaps basing them off of the size of the lot or dwelling.
- Communities of “tiny houses” may be created through a small lot subdivision (potentially with an HOA), a planned unit development, or a condominium or cohousing development using a development plan.

Property Tax

- The county assessor is responsible for discovering, listing, classifying, and valuing all property in the county in accordance with state laws. The assessor’s goal is to establish accurate values of all property located within the county, which in turn ensures that the tax burden is distributed fairly and equitably among all property owners.
- Property tax is assigned to all dwelling units (including manufactured, modular and site built houses), and is administered through the county assessor and treasurer’s office. Residences are not subject to ownership tax as administered by the county motor vehicle office; although, manufactured homes that are not permanently affixed to a foundation are still titled by the county motor vehicle office.
- Assessor’s offices differentiate between manufactured and modular houses for valuation purposes. Often times, there is a quantifiable difference between the sales prices of these different types of houses due to their characteristics as described above. The sales comparison approach is used to determine the value of these properties. This is a real estate appraisal method that compares a subject property to other properties with similar characteristics that have recently sold in order to determine the subject property’s value.
- Manufactured houses can be assessed with the land if there is a Certificate of Permanent Location or an Affidavit of Real Property recorded and the title no longer exists.

References & Resources

Donald L. Elliott, FAICP and Peter Sullivan, AICP, “Tiny Houses,” *Zoning Practice*, Issue Number 11, November 2015.

For additional information, contact:

- [Department of Local Affairs](#)
 - Division of Housing, Housing Technology and Standards 303.864.7810
 - Division of Local Government, Community Development Office 303.864.7720
 - Division of Property Taxation, Administrative Resources 303.864.7777
- [Department of Revenue](#), Title and Registration Section 303.205.5608
- Local county assessor’s office
- Local county or municipal planning and building department⁴

⁴ Always check with local municipal or county planning and building offices to assure compliance with local regulations.