

CHAPTER 259

TAXATION

SENATE BILL 23-304

BY SENATOR(S) Hansen and Fenberg,;
also REPRESENTATIVE(S) Marshall and Bird, McCluskie, Amabile, Joseph, Martinez, Mauro, Snyder.

AN ACT

CONCERNING CHANGES TO PROPERTY TAX VALUATION PRACTICES, AND, IN CONNECTION THEREWITH, REQUIRING PROPERTY TAX ASSESSORS TO CONSIDER CERTAIN INFORMATION WHEN VALUING REAL PROPERTY, REQUIRING CERTAIN COUNTIES USE AN ALTERNATIVE PROTEST AND APPEAL PROCEDURE IN ANY YEAR OF GENERAL REASSESSMENT OF REAL PROPERTY THAT IS VALUED BIENNIALY, AND CLARIFYING THAT DATA THAT A PROPERTY TAX ASSESSOR IS REQUIRED TO PROVIDE AT THE REQUEST OF A TAXPAYER MUST INCLUDE CERTAIN INFORMATION.

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

SECTION 1. In Colorado Revised Statutes, 39-1-103, **amend** (5)(a) as follows:

39-1-103. Actual value determined - when - legislative declaration. (5) (a) All real and personal property shall be appraised and the actual value thereof for property tax purposes determined by the assessor of the county wherein such property is located. The actual value of such property, other than agricultural lands exclusive of building improvements thereon and other than residential real property and other than producing mines and lands or leaseholds producing oil or gas, shall be that value determined by appropriate consideration of the cost approach, the market approach, and the income approach to appraisal. The assessor shall consider and document all elements of such approaches that are applicable prior to a determination of actual value. The actual value reflects the value of the fee simple estate. Despite any orders of the state board of equalization, no assessor shall arbitrarily increase the valuations for assessment of all parcels represented within the abstract of a county or within a class or subclass of parcels on that abstract by a common multiple in response to the order of said board. If an assessor is required, pursuant to the order of said board, to increase or decrease valuations for assessment, such changes shall be made only upon individual valuations for assessment of each and every parcel, using each of the approaches to appraisal specified in this subsection (5)(a), if applicable. The actual value of agricultural

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

lands, exclusive of building improvements thereon, shall be determined by consideration of the earning or productive capacity of such lands during a reasonable period of time, capitalized at a rate of thirteen percent. Land that is valued as agricultural and that becomes subject to a perpetual conservation easement shall continue to be valued as agricultural notwithstanding its dedication for conservation purposes; except that, if any portion of such land is actually used for nonagricultural commercial or nonagricultural residential purposes, that portion shall be valued according to such use. Nothing in this subsection (5) shall be construed to require or permit the reclassification of agricultural land or improvements, including residential property, due solely to subjecting the land to a perpetual conservation easement. The actual value of residential real-property shall be determined solely by consideration of the market approach to appraisal. A gross rent multiplier may be considered as a unit of comparison within the market approach to appraisal. The valuation for assessment of producing mines and of lands or leaseholds producing oil or gas shall be determined pursuant to articles 6 and 7 of this title 39. IN ESTABLISHING ACTUAL VALUE, AN ASSESSOR SHALL ALSO CONSIDER:

(I) CURRENT USE;

(II) EXISTING ZONING AND OTHER GOVERNMENTAL LAND USE OR ENVIRONMENTAL REGULATIONS AND RESTRICTIONS;

(III) MULTI-YEAR LEASES OR OTHER CONTRACTUAL AGREEMENTS AFFECTING THE USE OF OR INCOME FROM THE PROPERTY;

(IV) EASEMENTS AND RESERVATIONS OF RECORD; AND

(V) COVENANTS, CONDITIONS, AND RESTRICTIONS OF RECORD.

SECTION 2. In Colorado Revised Statutes, 39-5-122.7, **add** (4) as follows:

39-5-122.7. Alternate protest and appeal procedure for specified counties.

(4) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION, BEGINNING JANUARY 1, 2024, COUNTIES WITH A POPULATION GREATER THAN THREE HUNDRED THOUSAND, AS DETERMINED PURSUANT TO THE MOST RECENTLY PUBLISHED POPULATION ESTIMATES FROM THE STATE DEMOGRAPHER APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS, SHALL IN ANY YEAR OF GENERAL REASSESSMENT OF REAL PROPERTY THAT IS VALUED BIENNIALY BY AN ASSESSOR PURSUANT TO SECTION 39-1-104(10.2) USE AN ALTERNATIVE PROTEST AND APPEAL PROCEDURE TO DETERMINE OBJECTIONS AND PROTESTS CONCERNING VALUATIONS OF TAXABLE PROPERTY. WHEN FOLLOWING AN ALTERNATIVE PROTEST AND APPEAL PROCEDURE PURSUANT TO THIS SUBSECTION (4), THE ASSESSOR SHALL ISSUE ANY WRITTEN DETERMINATION REGARDING THE OBJECTION AND PROTEST BY THE DATE SPECIFIED IN SECTION 39-5-122 (2).

SECTION 3. In Colorado Revised Statutes, 39-8-107, **amend** (3) as follows:

39-8-107. Hearings on appeal. (3) At the written request of any taxpayer or any agent of ~~such~~ A taxpayer and subject to ~~such~~ confidentiality requirements as provided by law, the assessor shall, within three working days after receipt of ~~said~~

A request, make available to the taxpayer or agent the data used by the assessor in determining the actual value of any property owned by ~~such~~ a taxpayer. At the assessor's election, the assessor may either mail, fax, or send by electronic transmission to the address, phone number, or electronic address supplied by ~~said~~ a taxpayer or agent ~~such~~ ANY REQUESTED data. ~~Such data shall include but shall not be limited to~~ THE ASSESSOR SHALL PROVIDE TO A TAXPAYER MAKING THE REQUEST the data derived from the declarations filed pursuant to the provisions of article 14 of this ~~title~~, TITLE 39, THE PRIMARY METHOD AND RATES USED TO VALUE THE PROPERTY, and ANY confidential data, provided that ~~such~~ THE confidential data ~~shall be~~ IS presented in such a manner that the source cannot be identified. Upon receipt of ~~such~~ THE request, the assessor shall notify the taxpayer or agent of the estimated cost of providing ~~such~~ THE information, payment of which shall be made prior to providing ~~such~~ THE information. Upon providing ~~such~~ THE information, the assessor may include a bill for the reasonable cost above the estimated cost and up to the statutory maximum which shall be due and payable upon receipt by the taxpayer or agent.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 24, 2023