

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0387.02 Nicole Myers x4326

HOUSE BILL 26-1233

HOUSE SPONSORSHIP

Lukens and Zokaie,

SENATE SPONSORSHIP

Roberts,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PROPERTY TAX PROCEDURES FOR NONRESIDENTIAL**
102 **PROPERTIES.**

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>.)

Penalties for providing false information for tax purposes. A county may require a nonresidential property owner to provide certain information to the assessor, the county board of equalization, or the board of county commissioners in connection with property valuation. Currently, there is no penalty for a property owner's failure to provide this information or for misreporting information that is provided. For property

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.*

tax years commencing on or after January 1, 2026, the bill imposes civil penalties for a nonresidential property owner's failure to provide information and for willfully providing false information.

Option to move an appeal to district court. Currently, an appeal from a board of county commissioners' decision on an abatement petition may only be filed with the board of assessment appeals. In addition, currently an appeal from a county board of equalization's decision on a petition for appeal may be filed in either the district court or with the board of assessment appeals at the election of the taxpayer. For property tax years commencing on or after January 1, 2026, the bill allows a county or the board of assessment appeals to request to move or transfer a nonresidential property case that was filed with the board of assessment appeals to the district court when certain criteria are satisfied. The bill does not alter the de novo nature of a nonresidential appeal, but specifies that when weighing evidence and assessing credibility, the board of assessment appeals or district court shall consider changes in the valuation information submitted by a petitioner to the county assessor, county board of equalization, or board of county commissioners regarding the property at issue.

Waiver of the right to interest during the tax appeal process. Currently, a county is required to pay penalty interest at the rate of 1% per month for a total of 12% per year, on any refund of taxes. For property tax years commencing on or after January 1, 2026, if the district court or board of assessment appeals finds that a nonresidential property owner changed certain disclosed information, intentionally delayed the resolution process, or intentionally provided false information, the property owner waives the right to interest earned on the tax refunded.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-5-115, **add** (3) as
3 follows:

4 **39-5-115. Taxpayer to furnish information - affidavit on**
5 **mineral leases.**

6 
7 (3) (a) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
8 JANUARY 1, 2026, ANY PERSON WHO, IN CONNECTION WITH
9 NONRESIDENTIAL PROPERTY, WILLFULLY MAKES AND SUBSCRIBES ANY
10 INFORMATION REQUIRED BY THIS SECTION THAT IS VERIFIED BY A WRITTEN

1 DECLARATION CERTIFYING THE TRUTH AND ACCURACY OF THE
2 INFORMATION BUT THAT IS NOT TRUE AND ACCURATE AS TO EVERY
3 MATERIAL MATTER, COMMITS A PETTY OFFENSE.

4 (b) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
5 JANUARY 1, 2026, ANY PERSON WHO, IN CONNECTION WITH
6 NONRESIDENTIAL PROPERTY, WILLFULLY AIDS OR ASSISTS IN, OR
7 PROCURES, COUNSELS, OR ADVISES THE PREPARATION OR PRESENTATION
8 OF ANY INFORMATION REQUIRED BY THIS SECTION THAT IS FRAUDULENT
9 OR FALSE, COMMITS A PETTY OFFENSE.

10 (c) ANY PERSON CONVICTED OF A PETTY OFFENSE UNDER THIS
11 SUBSECTION (3) SHALL BE SENTENCED IN ACCORDANCE WITH SECTION
12 18-1.3-503.

13 (d) THE COUNTY ATTORNEY IS AUTHORIZED TO FILE AND
14 PROSECUTE ANY ACTION ARISING UNDER THIS SUBSECTION (3) IN THE
15 COUNTY COURT OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

16 **SECTION 2.** In Colorado Revised Statutes, 39-8-107, **amend**
17 (1) and (5)(a)(I) as follows:

18 **39-8-107. Hearings on appeal.**

19 (1) At the hearing upon a petition, the assessor or the assessor's
20 authorized representative shall be present and shall produce information
21 to support the basis and amount of the assessor's valuation of the
22 property. The board shall hear and consider all testimony and examine all
23 exhibits produced or introduced by either the petitioner or the assessor,
24 with no presumption in favor of any pending valuation, and may
25 subpoena witnesses to testify. THE PETITIONER SHALL PAY the costs of
26 producing the petitioner's witnesses ~~shall be paid by the petitioner,~~ and
27 THE COUNTY SHALL PAY the costs of producing the assessor's witnesses.

1 ~~shall be paid by the county.~~ On the basis of the testimony produced and
2 the exhibits introduced, the board shall grant or deny the petition, in
3 whole or in part, and shall notify the petitioner and the assessor in
4 writing. If the board denies the petition, in whole or in part, ~~such~~ THE
5 written notice shall inform the petitioner of the right to appeal within the
6 thirty-day period following the denial to the district court or the board of
7 assessment appeals pursuant to the provisions of section 39-8-108 (1) or
8 within the thirty-day period following the denial to submit the case to
9 arbitration pursuant to the provisions of section 39-8-108.5. ~~Such~~ THE
10 notice shall state that, if the appeal is to the board of assessment appeals,
11 the hearing before the board of assessment appeals ~~shall~~ WILL be the last
12 hearing at which testimony, exhibits, or any other type of evidence may
13 be introduced by either party, and that, if there is an appeal to the court of
14 appeals pursuant to section 39-8-108 (2), the record from the hearing
15 before the board of assessment appeals and no new evidence shall be the
16 basis for the court's decision. The phone number and address of the board
17 of assessment appeals shall also be included on the notice. The notice
18 shall also state, in general terms, how to pursue arbitration and that, if a
19 taxpayer submits the case to arbitration, the decision reached under such
20 process ~~shall~~ WILL be final and not subject to review. If a referee heard
21 the case, the board shall, at the written request of any taxpayer or any
22 agent of such taxpayer within seven working days after receipt of said
23 request, make available to the taxpayer or agent the referee's findings and
24 recommendations. At the board's election, the board may either mail, fax,
25 or send by electronic transmission ~~such~~ THE findings and
26 recommendations OF THE REFEREE to the address, phone number, or
27 electronic address supplied by said taxpayer or agent. Upon receipt of

1 such request, the board shall notify the taxpayer or agent of the estimated
2 cost of providing ~~such~~ THE findings and recommendations OF THE
3 REFEREE, payment of which shall be made prior to providing such
4 findings and recommendations. Upon providing ~~such~~ THE findings and
5 recommendations OF THE REFEREE, the board may include a bill for the
6 reasonable cost above the estimated cost and up to the statutory maximum
7 which shall be due and payable upon receipt by the taxpayer or agent.

8 (5) (a) (I) On and after August 10, 2011, in addition to any other
9 requirements under law, any petitioner appealing either a valuation of
10 rent-producing commercial real property to the board of assessment
11 appeals pursuant to section 39-8-108 (1) or a denial of an abatement of
12 taxes pursuant to section 39-10-114 shall provide to the county board of
13 equalization or to the board of county commissioners of the county in the
14 case of an abatement, and not to the board of assessment appeals, the
15 following information, if applicable:

16 (A) PROPERTY-SPECIFIC actual annual rental income for two full
17 years including the base year for the relevant property tax year;

18 (B) PROPERTY-SPECIFIC tenant reimbursements for two full years
19 including the base year for the relevant property tax year;

20 (C) PROPERTY-SPECIFIC itemized expenses for two full years
21 including the base year for the relevant property tax year; and

22 (D) PROPERTY-SPECIFIC rent roll data as of the valuation date,
23 including the name of any tenants, the address, unit, or suite number of
24 the subject property, lease start and end dates, option terms, base rent,
25 square footage leased, and vacant space for two years including the year
26 of the valuation date and the prior year.

27 

1 **SECTION 3.** In Colorado Revised Statutes, 39-8-108, **amend** (1),
2 (5)(d), and (5)(e); and **add** (5)(f) as follows:

3 **39-8-108. Decision - review - opportunity to submit case to**
4 **arbitration.**

5 (1) (a) If the county board of equalization grants a petition, in
6 whole or in part, the assessor shall adjust the valuation accordingly; but,
7 if the petition is denied, in whole or in part, the petitioner may appeal the
8 valuation set by the assessor or, if the valuation is adjusted as a result of
9 a decision of the county board of equalization, the adjusted valuation to
10 the board of assessment appeals or to the district court of the county
11 wherein the petitioner's property is located for a trial de novo, or the
12 petitioner may submit the case to arbitration pursuant to the provisions of
13 section 39-8-108.5. Such appeal or submission to arbitration shall be
14 taken no later than thirty days after the date such denial was mailed
15 pursuant to section 39-8-107 (2). Any decision rendered by the county
16 board of equalization shall state that the petitioner has the right to appeal
17 the decision of the county board to the board of assessment appeals or to
18 the district court of the county wherein the petitioner's property is located
19 or to submit the case to arbitration and, to preserve such right, the time by
20 which such appeal or submission to arbitration must be made. Any
21 request by a taxpayer for a hearing before the board of assessment appeals
22 shall be accompanied by a nonrefundable filing fee in an amount
23 specified in section 39-2-125 (1)(h). In addition, any request by a
24 taxpayer for a hearing before the board of assessment appeals shall be
25 stamped with the date on which such request was received by the board.
26 All such requests shall be presumed to be on time unless the board can
27 present evidence to show otherwise.

1 (b) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
2 JANUARY 1, 2026, IF A NONRESIDENTIAL PROPERTY OWNER APPEALS A
3 DECISION TO THE BOARD OF ASSESSMENT APPEALS PURSUANT TO
4 SUBSECTION (1)(a) OF THIS SECTION, THE GOVERNING BODY OF THE
5 COUNTY MAY FILE A MOTION WITH THE BOARD OF ASSESSMENT APPEALS
6 NOTING THE COUNTY'S PREFERENCE THAT THE CASE BE HEARD IN THE
7 DISTRICT COURT OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED.
8 THE FILING OF SUCH A MOTION DOES NOT ALTER THE VENUE OF THE CASE,
9 AND THE BOARD OF ASSESSMENT APPEALS RETAINS JURISDICTION UNLESS
10 THE PETITIONER ELECTS TO WITHDRAW THE APPEAL AND FILE IN DISTRICT
11 COURT PURSUANT TO APPLICABLE LAW.

12 (5) In any appeal authorized by this section or by section
13 39-5-122, 39-5-122.7, or 39-10-114:

14 (d) Upon request, the respondent shall make available to the
15 taxpayer two working days prior to any appeal hearing data supporting the
16 assessor's valuation. Such request shall be accompanied by data
17 supporting the taxpayer's valuation. Nothing in this ~~paragraph (d)~~
18 SUBSECTION (5)(d) shall be construed to prohibit the introduction at such
19 appeal hearing of any data discovered as a result of the exchange of data
20 required by this ~~paragraph (d)~~; and SUBSECTION (5)(d);

21 (e) In using the market approach to determine the value of
22 residential real property, if the assessor has knowledge of the conversion
23 from one residential use to a different residential use, such conversion
24 shall create a rebuttable presumption that the sale of such property is not
25 a comparable sale for purposes of establishing the value of a property
26 having a similar prior residential use; AND

27 (f) WITHOUT ALTERING THE DE NOVO NATURE OF A

1 NONRESIDENTIAL APPEAL, IN WEIGHING EVIDENCE AND ASSESSING
2 CREDIBILITY, THE BOARD OF ASSESSMENT APPEALS OR DISTRICT COURT
3 SHALL CONSIDER AS RELEVANT EVIDENCE IN REACHING ITS HOLDING ANY
4 CHANGES IN THE VALUATION INFORMATION SUBMITTED BY A PETITIONER
5 TO THE COUNTY ASSESSOR, COUNTY BOARD OF EQUALIZATION, OR BOARD
6 OF COUNTY COMMISSIONERS REGARDING THE PROPERTY AT ISSUE.

7 **SECTION 4.** In Colorado Revised Statutes, 39-10-104.5, **add**
8 (3)(d) as follows:

9 **39-10-104.5. Payment dates - optional payment dates - failure**
10 **to pay - delinquency.**

11 
12 (3) (d) (I) IF A COURT OF COMPETENT JURISDICTION FINDS THAT
13 THE TAXPAYER HAS COMMITTED A PETTY OFFENSE UNDER SECTION
14 39-5-115 (3), THE TAXPAYER IS NOT ENTITLED TO PENALTY INTEREST
15 PURSUANT TO THIS SUBSECTION (3).

16 (II) THE BOARD OF ASSESSMENT APPEALS DOES NOT HAVE
17 AUTHORITY TO DETERMINE WHETHER A TAXPAYER HAS FORFEITED THE
18 RIGHT TO PENALTY INTEREST. A DETERMINATION OF WHETHER A
19 TAXPAYER HAS FORFEITED THE RIGHT TO PENALTY INTEREST IS MADE
20 SOLELY BY THE COURT IN CONNECTION WITH A PROSECUTION FOR WILLFUL
21 MISINFORMATION.

22 **SECTION 5. Safety clause.** The general assembly finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, or safety or for appropriations for
25 the support and maintenance of the departments of the state and state
26 institutions.