



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

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| Drafting Number: | LLS 21-0996 | Date: | August 16, 2021 |
| Prime Sponsors: | Rep. Gray; Larson Sen. Moreno; Priola | Bill Status: | Postponed Indefinitely |
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Bill Topic: **PROPERTY TAX ADMINISTRATIVE PROCEDURES**

Summary of Fiscal Impact:

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| <input checked="" type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill requires that public hearings be conducted concerning potential changes to official property tax materials, and makes procedural changes to the property tax protest and appeal process. It minimally increases state revenue, increases state and county government workload on an ongoing basis, and is expected to require expenditures for some counties.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill. The bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

The bill makes changes to administrative procedures related to property taxation, as described below.

Property tax administrator. The bill requires that the property tax administrator provide advance notice and conduct public hearings concerning potential changes to the property tax materials produced by the state, including manuals, appraisal procedures, instructions, and guidelines. The administrator is required to notify interested persons of any proposed changes by email. If an interested person requests a notice by mail, the administrator may impose a fee to cover the administrator's cost of copying and mailing the notice.

Interested persons have a right to petition the administrator for the issuance, amendment, or repeal of a property tax material. The administrator is required to consider petitions when proposing a change to the relevant material.

County assessors. Currently, with approval of the board of county commissioners, a county assessor may include an estimate of taxes in a notice of valuation. The bill requires this estimate, or a range estimate, to be included in a notice of valuation.

When reviewing a taxpayer's objection to the valuation of a property, if an assessor finds that he or she made a systematic error and the valuations of other similar properties are incorrect, then the assessor is required to correct the error for the other properties.

Property tax protests and appeals. The bill extends numerous property protest and appeal deadlines by one month each.

State Revenue

Fees for mailing notifications of proposed changes to property tax materials will increase state revenue by a minimal amount beginning in FY 2021-22.

State Expenditures

The bill increases workload in the Department of Local Affairs beginning in FY 2021-22. It requires the property tax administrator to conduct quarterly public meetings to hear public comment on proposed changes to property tax materials. This workload can be accomplished within existing appropriations. Additionally, the bill will increase department expenditures for mailing notifications to taxpayers.

Local Government

The bill increases expenditures for county assessor's offices. Under the bill, assessors are required to include property tax estimates on all notices of valuation, which is expected to require additional personal service expenditures and/or computer programming costs for certain counties. Additionally, compressing the timeline for property tax protests and appeals may require additional expenditures for some assessors.

The bill's effects on property tax revenue are indeterminate and will depend on the outcome of property tax appeals.

Effective Date

The bill was postponed indefinitely by the House Transportation and Local Government Committee on May 19, 2021.

State and Local Government Contacts

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| Counties | County Assessors |
| Local Affairs | Property Tax Division - Local Affairs |