

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 23-0432.02 Jason Gelender x4330

HOUSE BILL 23-1052

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A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT A VETERAN WHO HAS INDIVIDUAL**
102 **EMPLOYABILITY STATUS BE TREATED EQUIVALENTLY TO A**
103 **VETERAN WHO HAS ONE HUNDRED PERCENT PERMANENT**
104 **DISABILITY WHEN DETERMINING ELIGIBILITY FOR ANY STATE**
105 **VETERANS BENEFIT, AND, IN CONNECTION THEREWITH,**
106 **EXPANDING ELIGIBILITY FOR THE PROPERTY TAX EXEMPTION**
107 **FOR VETERANS WITH A DISABILITY TO INCLUDE A VETERAN WHO**
108 **DOES NOT HAVE A SERVICE-CONNECTED DISABILITY RATED AS A**
109 **ONE HUNDRED PERCENT PERMANENT DISABILITY BUT DOES**
110 **HAVE INDIVIDUAL UNEMPLOYABILITY STATUS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does

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.

SENATE
2nd Reading Unamended
April 12, 2023

HOUSE
3rd Reading Unamended
January 31, 2023

HOUSE
2nd Reading Unamended
January 30, 2023

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>.)

The state constitution allows a veteran who has a service-connected disability rated as a 100% permanent disability to claim a property tax exemption for a portion of the actual value of the veteran's owner-occupied primary residence. The 100% permanent disability requirement can only be changed through a constitutional amendment.

If, at the 2024 general election, the voters of the state approve a constitutional amendment to expand eligibility for the exemption by allowing a veteran who has individual unemployability status, as determined by the United States department of veterans affairs, to claim the exemption, the bill makes conforming statutory changes to reflect that expansion of the exemption. In most cases, to have individual unemployability status, a veteran must be unable to keep a steady job because the veteran either has at least one service-connected disability rated at 60% or more disabling or has 2 or more service-connected disabilities with at least one disability rated at 40% or more disabling and a combined rating of 70% or more disabling.

The bill also requires a veteran who has individual unemployability status to be treated equivalently to a veteran who has one hundred percent permanent disability when determining eligibility for any state veterans benefit. Finally, to comply with an existing statutory requirement that "people first language" be used in new or amended statutes that refer to persons with disabilities, the bill also changes the existing terms "disabled veteran" and "disabled veterans" to "veteran with a disability" and "veterans with a disability".

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) When the United States department of veterans affairs
5 determines that a veteran with a disability has individual unemployability
6 status, it means that the veteran has a service-connected disability or a
7 combination of service-connected disabilities that is so severe that the
8 veteran is unable to keep substantially gainful employment that supports

1 the veteran financially; and

2 (b) It is therefore necessary and appropriate to treat a veteran who
3 has individual unemployability status equivalently to a veteran who has
4 one hundred percent permanent disability when determining eligibility for
5 any state veterans benefit.

6 **SECTION 2.** In Colorado Revised Statutes, **add** 28-5-104 as
7 follows:

8 **28-5-104. State veterans benefits - effect of individual**
9 **unemployability status.** FOR THE PURPOSE OF DETERMINING ELIGIBILITY
10 FOR ANY VETERANS BENEFIT OFFERED BY THE STATE, A VETERAN WHO HAS
11 INDIVIDUAL UNEMPLOYABILITY STATUS, AS DETERMINED BY THE UNITED
12 STATES DEPARTMENT OF VETERANS AFFAIRS, SHALL BE TREATED
13 EQUIVALENTLY TO A VETERAN WHO HAS A SERVICE-CONNECTED
14 DISABILITY THAT HAS BEEN RATED AS ONE HUNDRED PERCENT PERMANENT
15 DISABILITY BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS.

16 **SECTION 3.** In Colorado Revised Statutes, 39-3-201, **amend**
17 (1)(a) as follows:

18 **39-3-201. Legislative declaration.** (1) The general assembly
19 hereby finds and declares that:

20 (a) Section 3.5 of article X of the state constitution, which was
21 approved by the registered electors of the state at the 2000 general
22 election and amended by the registered electors of the state at the 2006
23 general election, provides property tax exemptions for qualifying seniors
24 and qualifying ~~disabled~~ veterans WITH A DISABILITY;

25 **SECTION 4.** In Colorado Revised Statutes, 39-3-202, **amend**
26 (1.5) and (3.5) as follows:

27 **39-3-202. Definitions.** As used in this part 2, unless the context

1 otherwise requires:

2 (1.5) "Exemption" means the property tax exemptions for
3 qualifying seniors and qualifying ~~disabled~~ veterans WITH A DISABILITY
4 allowed by section 39-3-203.

5 (3.5) "Qualifying ~~disabled~~ veteran WITH A DISABILITY" means an
6 individual who has served on active duty in the United States armed
7 forces, including a member of the Colorado National Guard who has been
8 ordered into the active military service of the United States, has been
9 separated therefrom under honorable conditions, and has EITHER
10 established a service-connected disability that has been rated by the
11 ~~federal~~ UNITED STATES department of veterans affairs as a one hundred
12 percent permanent disability through disability retirement benefits
13 pursuant to a law or regulation administered by the department, the
14 United States department of homeland security, or the department of the
15 Army, Navy, or Air Force OR HAS INDIVIDUAL UNEMPLOYABILITY STATUS
16 AS DETERMINED BY THE UNITED STATES DEPARTMENT OF VETERANS
17 AFFAIRS.

18 **SECTION 5.** In Colorado Revised Statutes, 39-3-203, **amend**
19 (1.5)(a) introductory portion and (1.5)(a.5) as follows:

20 **39-3-203. Property tax exemption - qualifications.** (1.5)(a) For
21 property tax years commencing on or after January 1, 2007, fifty percent
22 of the first two hundred thousand dollars of actual value of residential real
23 property that as of the assessment date is owner-occupied and is used as
24 the primary residence of an owner-occupier who is a qualifying ~~disabled~~
25 veteran WITH A DISABILITY shall be exempt from taxation if:

26 (a.5) For property tax years commencing on or after January 1,
27 2015, fifty percent of the first two hundred thousand dollars of actual

1 value of residential real property that as of the assessment date is
2 owner-occupied and is used as the primary residence of an
3 owner-occupier who is the surviving spouse of a qualifying ~~disabled~~
4 veteran WITH A DISABILITY who previously received an exemption under
5 paragraph (a) of this subsection (1.5) is exempt from taxation.

6 **SECTION 6.** In Colorado Revised Statutes, **amend** 39-3-204 as
7 follows:

8 **39-3-204. Notice of property tax exemption.** No later than May
9 1, 2013, and no later than May 1 of each year thereafter in which an
10 assessor sends a notice of valuation pursuant to section 39-5-121 (1)(a)
11 that is not included with the tax bill, each assessor shall mail to each
12 residential real property address in the assessor's county notice of the
13 exemption allowed by section 39-3-203 (1). As soon as practicable after
14 January 1, 2014, and as soon as practicable after January 1 of each year
15 thereafter, each county treasurer shall, at the treasurer's discretion, mail
16 or electronically send to each person whose name appears on the tax list
17 and warrant as an owner of residential real property notice of the
18 exemption allowed by section 39-3-203 (1). The treasurer must mail or
19 electronically send the notice in each year on or before the date on which
20 the treasurer mails the property tax statement for the previous property tax
21 year pursuant to section 39-10-103. No later than May 1, 2008, and no
22 later than each May 1 thereafter, each assessor also shall mail to each
23 residential property address in the assessor's county notice of the
24 exemption allowed by section 39-3-203 (1.5). No later than May 1, 2007,
25 the division shall mail to the residential property address of each person
26 residing in the state who the division believes is a qualifying ~~disabled~~
27 veteran WITH A DISABILITY notice of the exemption allowed by section

1 39-3-203 (1.5) for the 2007 property tax year. However, the sending of
2 notice to a person by the division does not constitute a determination by
3 the division that the person sent notice is entitled to an exemption. The
4 notice shall be in a form prescribed by the administrator, who shall
5 consult with the division before prescribing the form of the notice of the
6 exemption allowed by section 39-3-203 (1.5), and shall include a
7 statement of the eligibility criteria for the exemptions and instructions for
8 obtaining an exemption application. To reduce mailing costs, an assessor
9 may coordinate with the treasurer of the same county to include notice
10 with the tax statement for the previous property tax year mailed pursuant
11 to section 39-10-103 or may include notice with the notice of valuation
12 mailed pursuant to section 39-5-121 (1)(a).

13 **SECTION 7.** In Colorado Revised Statutes, 39-3-205, **amend**
14 (2.5) as follows:

15 **39-3-205. Exemption applications - penalty for providing false**
16 **information - confidentiality.** (2.5) For the purpose of verifying the
17 eligibility of each applicant for the exemption allowed to qualifying
18 ~~disabled~~ veterans WITH A DISABILITY under section 39-3-203 (1.5)
19 efficiently and with minimal inconvenience to each applicant, the division
20 shall determine whether an applicant for the exemption is a qualifying
21 ~~disabled~~ veteran WITH A DISABILITY. With respect to any application
22 timely filed by July 1 pursuant to ~~paragraph (b) of subsection (1)~~
23 SUBSECTION (1)(b) of this section, the division shall, if possible,
24 determine whether the applicant is a qualifying ~~disabled~~ veteran WITH A
25 DISABILITY and send notice of its determination to the applicant on or
26 before the immediately succeeding August 1. If the division determines
27 that the applicant is a qualifying ~~disabled~~ veteran WITH A DISABILITY, it

1 shall also send notice of its determination and a copy of the exemption
2 application to the assessor for the county where the property is located.
3 If the division is unable to determine whether the applicant is a qualifying
4 ~~disabled~~ veteran WITH A DISABILITY on or before said August 1, it shall
5 send preliminary notice to both the applicant and the assessor that its
6 determination is pending and shall follow up the preliminary notice by
7 sending final notice of its ultimate determination to the applicant and,
8 together with a copy of the exemption application, to the assessor as soon
9 as possible thereafter.

10 **SECTION 8.** In Colorado Revised Statutes, 39-3-206, **amend**
11 (1.5), (2)(a), and (2)(a.7) as follows:

12 **39-3-206. Notice to individuals returning incomplete or**
13 **nonqualifying exemption applications - denial of exemption -**
14 **administrative remedies.** (1.5) (a) Except as otherwise provided in
15 ~~paragraph (a.7) of subsection (2)~~ SUBSECTION (2)(a.7) of this section, the
16 division shall only accept an application for the exemption allowed to
17 qualifying ~~disabled~~ veterans WITH A DISABILITY under section 39-3-203
18 (1.5) if the applicant timely returned the exemption application in
19 accordance with section 39-3-205 (1)(b), and an assessor shall only grant
20 the exemption if the division verifies that the applicant is a qualified
21 ~~disabled~~ veteran WITH A DISABILITY and the exemption application
22 forwarded by the division to the assessor pursuant to section 39-3-205
23 (2.5) establishes that the applicant meets the other requirements to be
24 entitled to the exemption.

25 (b) If the information provided on or with an application for the
26 exemption allowed to qualifying ~~disabled~~ veterans WITH A DISABILITY
27 under section 39-3-203 (1.5) that is forwarded by the division to an

1 assessor pursuant to section 39-3-205 (2.5) indicates that the applicant is
2 not entitled to the exemption, or is insufficient to allow the assessor to
3 determine whether or not the applicant is entitled to the exemption, the
4 assessor shall deny the application and mail to the applicant a statement
5 providing the reasons for the denial and informing the applicant of the
6 applicant's right to contest the denial pursuant to subsection (2) of this
7 section. The assessor shall mail the statement no later than August 1 of
8 the property tax year for which the exemption application was filed.

9 (2) (a) An applicant whose exemption application has been denied
10 pursuant to ~~paragraph (b) of subsection (1) or paragraph (b) of subsection~~
11 ~~(1.5) SUBSECTION (1)(b) OR (1.5)(b)~~ of this section may contest the denial
12 by requesting a hearing before the county commissioners sitting as the
13 county board of equalization no later than August 15 of the property tax
14 year for which the exemption application was filed. The hearing shall be
15 held on or after August 1 and no later than September 1 of the property
16 tax year for which the exemption application was filed, and the decision
17 of the county board of equalization is not subject to further administrative
18 appeal by either the applicant or the assessor. An applicant may not
19 contest a determination by the division that the applicant is not a
20 qualifying ~~disabled~~ veteran WITH A DISABILITY at a hearing requested
21 pursuant to this ~~paragraph (a)~~ SUBSECTION (2)(a).

22 (a.7) An individual who wishes to claim the exemption for
23 qualifying ~~disabled~~ veterans WITH A DISABILITY allowed by section
24 39-3-203 (1.5), but who has not timely filed an exemption application
25 with the division, may request that the division waive the application
26 deadline and allow the individual to file a late exemption application no
27 later than the August 1 that immediately follows the original application

1 deadline. The division may accept an application if, in the division's sole
2 discretion, the applicant shows good cause for not timely filing an
3 application. If the division accepts a late application, it shall determine
4 whether the applicant is a qualifying ~~disabled~~ veteran WITH A DISABILITY
5 and shall mail notice of its determination to the applicant no later than the
6 August 25 that immediately follows the late application deadline. If the
7 division determines that a veteran is a qualifying ~~disabled~~ veteran WITH
8 A DISABILITY, it shall mail a copy of the notice of its determination to the
9 assessor for the county in which the property for which the applicant has
10 claimed the exemption is located and shall include with the notice a copy
11 of the applicant's exemption application. The assessor shall grant an
12 exemption if the notice and application forwarded by the division to the
13 assessor establish that the applicant is entitled to the exemption. A
14 decision of the division to allow or disallow the filing of a late application
15 or of an assessor to grant or deny an exemption to an applicant who has
16 filed a late application is final, and an applicant who is denied late filing
17 or an exemption may not contest the denial.

18 **SECTION 9.** In Colorado Revised Statutes, 25-2-103, **amend**
19 (4.5) as follows:

20 **25-2-103. Centralized registration system for all vital statistics**
21 **- office of the state registrar of vital statistics created - appointment**
22 **of registrar - rules.** (4.5) Notwithstanding any other provision of law
23 that limits the sharing of vital statistics, after receiving the list of names
24 and social security numbers of individuals who received property tax
25 exemptions as either qualifying seniors or ~~disabled~~ QUALIFYING veterans
26 WITH A DISABILITY for the prior year that is provided by the property tax
27 administrator pursuant to section 39-3-207, ~~C.R.S.~~, the state registrar shall

1 identify all individuals on the list who have died and transmit a list of the
2 names and social security numbers of such individuals to the
3 administrator.

4 **SECTION 10.** In Colorado Revised Statutes, 39-21-113, **amend**
5 (24) as follows:

6 **39-21-113. Reports and returns - rule - repeal.**

7 (24) Notwithstanding any other provision of this section, the executive
8 director, after receiving from the property tax administrator a list of
9 individuals who are claiming the property tax exemptions for qualifying
10 seniors and ~~disabled~~ QUALIFYING VETERANS WITH A DISABILITY allowed
11 under part 2 of article 3 of this ~~title~~ TITLE 39, shall provide to the property
12 tax administrator information pertaining to the listed individuals,
13 including their names, social security numbers, marital and income tax
14 filing status, and residency status, needed by the administrator to verify
15 that the exemption is allowed only to applicants who satisfy legal
16 requirements for claiming it. The administrator and the administrator's
17 agents, clerks, and employees shall keep all information received from the
18 executive director confidential, and any individual who fails to do so is
19 guilty of a misdemeanor and subject to punishment as specified in
20 subsection (6) of this section.

21 **SECTION 11. Act subject to petition - effective date -**
22 **applicability.** (1) Except as otherwise provided in subsections (2) and
23 (3) of this section, this act takes effect on January 1, 2025.

24 (2) If a referendum petition is filed pursuant to section 1 (3) of
25 article V of the state constitution against this act or an item, section, or
26 part of this act within such period, then the act, item, section, or part will
27 not take effect unless approved by the people at the general election to be

1 held in November 2024 and, in such case, will take effect on January 1,
2 2025.

3 (3) This act takes effect only if a constitutional amendment to
4 section 3.5 (1.5) of article X of the state constitution that modifies the
5 definition of "disabled veteran" by changing the term to "veteran with a
6 disability" and including a veteran who has individual unemployability
7 status as determined by the United States department of veterans affairs
8 is approved by the people at the next general election and becomes law,
9 and, in such case, this act takes effect on January 1, 2025, and applies to
10 property tax years commencing on and after January 1, 2025.