

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

ENGROSSED

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

LLS NO. 23-1028.01 Zach Blaes x4348

SENATE BILL 23-304

SENATE SPONSORSHIP

Hansen and Fenberg,

HOUSE SPONSORSHIP

Marshall and Frizell,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

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

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
May 3, 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>.)

Section 1 of the bill specifies that when a property tax assessor values real property, the property tax assessor must consider:

- The current use;
- Existing zoning and other governmental land use or environmental regulations and restrictions;
- Multi-year leases or other arrangements affecting the use of or income from real property;
- Easements and reservations of record; and
- Covenants, conditions, and restrictions of record.

Beginning January 1, 2024, **section 2** requires certain counties to use an alternative procedure to determine objections and protests of property tax valuations in any year of general reassessment of real property that is valued biennially.

Currently, at the request of a taxpayer, a property tax assessor is required to provide the taxpayer with certain data that the assessor used to determine the value of the taxpayer's property. **Section 3** clarifies that the data the assessor is required to provide must include the primary method and rates the assessor used to value the property.

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

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

4 **39-1-103. Actual value determined - when - legislative**
5 **declaration.** (5) (a) All real and personal property shall be appraised and
6 the actual value thereof for property tax purposes determined by the
7 assessor of the county wherein such property is located. The actual value
8 of such property, other than agricultural lands exclusive of building
9 improvements thereon and other than residential real property and other
10 than producing mines and lands or leaseholds producing oil or gas, shall
11 be that value determined by appropriate consideration of the cost
12 approach, the market approach, and the income approach to appraisal.

1 The assessor shall consider and document all elements of such approaches
2 that are applicable prior to a determination of actual value. The actual
3 value reflects the value of the fee simple estate. Despite any orders of the
4 state board of equalization, no assessor shall arbitrarily increase the
5 valuations for assessment of all parcels represented within the abstract of
6 a county or within a class or subclass of parcels on that abstract by a
7 common multiple in response to the order of said board. If an assessor is
8 required, pursuant to the order of said board, to increase or decrease
9 valuations for assessment, such changes shall be made only upon
10 individual valuations for assessment of each and every parcel, using each
11 of the approaches to appraisal specified in this subsection (5)(a), if
12 applicable. The actual value of agricultural lands, exclusive of building
13 improvements thereon, shall be determined by consideration of the
14 earning or productive capacity of such lands during a reasonable period
15 of time, capitalized at a rate of thirteen percent. Land that is valued as
16 agricultural and that becomes subject to a perpetual conservation
17 easement shall continue to be valued as agricultural notwithstanding its
18 dedication for conservation purposes; except that, if any portion of such
19 land is actually used for nonagricultural commercial or nonagricultural
20 residential purposes, that portion shall be valued according to such use.
21 Nothing in this subsection (5) shall be construed to require or permit the
22 reclassification of agricultural land or improvements, including residential
23 property, due solely to subjecting the land to a perpetual conservation
24 easement. The actual value of residential real- property shall be
25 determined solely by consideration of the market approach to appraisal.
26 A gross rent multiplier may be considered as a unit of comparison within
27 the market approach to appraisal. The valuation for assessment of

1 producing mines and of lands or leaseholds producing oil or gas shall be
2 determined pursuant to articles 6 and 7 of this title 39. IN ESTABLISHING
3 ACTUAL VALUE, AN ASSESSOR SHALL ALSO CONSIDER:

- 4 (I) CURRENT USE;
- 5 (II) EXISTING ZONING AND OTHER GOVERNMENTAL LAND USE OR
6 ENVIRONMENTAL REGULATIONS AND RESTRICTIONS;
- 7 (III) MULTI-YEAR LEASES OR OTHER CONTRACTUAL AGREEMENTS
8 AFFECTING THE USE OF OR INCOME FROM THE PROPERTY;
- 9 (IV) EASEMENTS AND RESERVATIONS OF RECORD; AND
- 10 (V) COVENANTS, CONDITIONS, AND RESTRICTIONS OF RECORD.

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

13 **39-5-122.7. Alternate protest and appeal procedure for**
14 **specified counties.** (4) NOTWITHSTANDING SUBSECTION (1) OF THIS
15 SECTION, BEGINNING JANUARY 1, 2024, COUNTIES WITH A POPULATION
16 GREATER THAN THREE HUNDRED THOUSAND, AS DETERMINED PURSUANT
17 TO THE MOST RECENTLY PUBLISHED POPULATION ESTIMATES FROM THE
18 STATE DEMOGRAPHER APPOINTED BY THE EXECUTIVE DIRECTOR OF THE
19 DEPARTMENT OF LOCAL AFFAIRS, SHALL IN ANY YEAR OF GENERAL
20 REASSESSMENT OF REAL PROPERTY THAT IS VALUED BIENNIALY BY AN
21 ASSESSOR PURSUANT TO SECTION 39-1-104 (10.2) USE AN ALTERNATIVE
22 PROTEST AND APPEAL PROCEDURE TO DETERMINE OBJECTIONS AND
23 PROTESTS CONCERNING VALUATIONS OF TAXABLE PROPERTY. WHEN
24 FOLLOWING AN ALTERNATIVE PROTEST AND APPEAL PROCEDURE
25 PURSUANT TO THIS SUBSECTION (4), THE ASSESSOR SHALL ISSUE ANY
26 WRITTEN DETERMINATION REGARDING THE OBJECTION AND PROTEST BY
27 THE DATE SPECIFIED IN SECTION 39-5-122 (2).

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

3 **39-8-107. Hearings on appeal.** (3) At the written request of any
4 taxpayer or any agent of ~~such~~ A taxpayer and subject to ~~such~~
5 confidentiality requirements as provided by law, the assessor shall, within
6 three working days after receipt of ~~said~~ A request, make available to the
7 taxpayer or agent the data used by the assessor in determining the actual
8 value of any property owned by ~~such~~ A taxpayer. At the assessor's
9 election, the assessor may either mail, fax, or send by electronic
10 transmission to the address, phone number, or electronic address supplied
11 by ~~said~~ A taxpayer or agent ~~such~~ ANY REQUESTED data. ~~Such data shall~~
12 ~~include but shall not be limited to~~ THE ASSESSOR SHALL PROVIDE TO A
13 TAXPAYER MAKING THE REQUEST the data derived from the declarations
14 filed pursuant to the provisions of article 14 of this ~~title~~, TITLE 39, THE
15 PRIMARY METHOD AND RATES USED TO VALUE THE PROPERTY, and ANY
16 confidential data, provided that ~~such~~ THE confidential data ~~shall be~~ IS
17 presented in such a manner that the source cannot be identified. Upon
18 receipt of ~~such~~ THE request, the assessor shall notify the taxpayer or agent
19 of the estimated cost of providing ~~such~~ THE information, payment of
20 which shall be made prior to providing ~~such~~ THE information. Upon
21 providing ~~such~~ THE information, the assessor may include a bill for the
22 reasonable cost above the estimated cost and up to the statutory maximum
23 which shall be due and payable upon receipt by the taxpayer or agent.

24 **SECTION 4. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly; except
27 that, if a referendum petition is filed pursuant to section 1 (3) of article V

1 of the state constitution against this act or an item, section, or part of this
2 act within such period, then the act, item, section, or part will not take
3 effect unless approved by the people at the general election to be held in
4 November 2024 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.