

## CHAPTER 131

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**MILITARY AND VETERANS**


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**HOUSE BILL 23-1052**

BY REPRESENTATIVE(S) Marshall, Evans, Armagost, Bacon, Bird, Boesenecker, Bradley, Daugherty, deGruy Kennedy, Dickson, Duran, Epps, Froelich, Garcia, Gonzales-Gutierrez, Hamrick, Hartsook, Herod, Jodeh, Joseph, Lieder, Lindsay, Lindstedt, Lynch, Mabrey, Martinez, McCormick, McLachlan, Ortiz, Parenti, Ricks, Sharbini, Sirota, Snyder, Story, Taggart, Titone, Valdez, Velasco, Vigil, Weinberg, Weissman, Willford, Wilson, Winter T., Woodrow, Young, McCluskie;  
also SENATOR(S) Fields, Buckner, Cutter, Danielson, Exum, Ginal, Gonzales, Hinrichsen, Marchman, Moreno, Mullica, Priola, Roberts, Rodriguez, Winter F.

**AN ACT**

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

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

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

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

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

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

**28-5-104. State veterans benefits - effect of individual unemployability**

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*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.*

**status.** FOR THE PURPOSE OF DETERMINING ELIGIBILITY FOR ANY VETERANS BENEFIT OFFERED BY THE STATE, A VETERAN WHO HAS INDIVIDUAL UNEMPLOYABILITY STATUS, AS DETERMINED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS, SHALL BE TREATED EQUIVALENTLY TO A VETERAN WHO HAS A SERVICE-CONNECTED DISABILITY THAT HAS BEEN RATED AS ONE HUNDRED PERCENT PERMANENT DISABILITY BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS.

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

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

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

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

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

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

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

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

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

(a.5) For property tax years commencing on or after January 1, 2015, fifty percent

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

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

**39-3-204. Notice of property tax exemption.** No later than May 1, 2013, and no later than May 1 of each year thereafter in which an assessor sends a notice of valuation pursuant to section 39-5-121 (1)(a) that is not included with the tax bill, each assessor shall mail to each residential real property address in the assessor's county notice of the exemption allowed by section 39-3-203 (1). As soon as practicable after January 1, 2014, and as soon as practicable after January 1 of each year thereafter, each county treasurer shall, at the treasurer's discretion, mail or electronically send to each person whose name appears on the tax list and warrant as an owner of residential real property notice of the exemption allowed by section 39-3-203 (1). The treasurer must mail or electronically send the notice in each year on or before the date on which the treasurer mails the property tax statement for the previous property tax year pursuant to section 39-10-103. No later than May 1, 2008, and no later than each May 1 thereafter, each assessor also shall mail to each residential property address in the assessor's county notice of the exemption allowed by section 39-3-203 (1.5). No later than May 1, 2007, the division shall mail to the residential property address of each person residing in the state who the division believes is a qualifying ~~disabled~~ veteran WITH A DISABILITY notice of the exemption allowed by section 39-3-203 (1.5) for the 2007 property tax year. However, the sending of notice to a person by the division does not constitute a determination by the division that the person sent notice is entitled to an exemption. The notice shall be in a form prescribed by the administrator, who shall consult with the division before prescribing the form of the notice of the exemption allowed by section 39-3-203 (1.5), and shall include a statement of the eligibility criteria for the exemptions and instructions for obtaining an exemption application. To reduce mailing costs, an assessor may coordinate with the treasurer of the same county to include notice with the tax statement for the previous property tax year mailed pursuant to section 39-10-103 or may include notice with the notice of valuation mailed pursuant to section 39-5-121 (1)(a).

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

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

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

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

**39-3-206. Notice to individuals returning incomplete or nonqualifying exemption applications - denial of exemption - administrative remedies.**

(1.5) (a) Except as otherwise provided in ~~paragraph (a.7) of subsection (2)~~ SUBSECTION (2)(a.7) of this section, the division shall only accept an application for the exemption allowed to qualifying ~~disabled~~ veterans WITH A DISABILITY under section 39-3-203 (1.5) if the applicant timely returned the exemption application in accordance with section 39-3-205 (1)(b), and an assessor shall only grant the exemption if the division verifies that the applicant is a qualified ~~disabled~~ veteran WITH A DISABILITY and the exemption application forwarded by the division to the assessor pursuant to section 39-3-205 (2.5) establishes that the applicant meets the other requirements to be entitled to the exemption.

(b) If the information provided on or with an application for the exemption allowed to qualifying ~~disabled~~ veterans WITH A DISABILITY under section 39-3-203 (1.5) that is forwarded by the division to an assessor pursuant to section 39-3-205 (2.5) indicates that the applicant is not entitled to the exemption, or is insufficient to allow the assessor to determine whether or not the applicant is entitled to the exemption, the assessor shall deny the application and mail to the applicant a statement providing the reasons for the denial and informing the applicant of the applicant's right to contest the denial pursuant to subsection (2) of this section. The assessor shall mail the statement no later than August 1 of the property tax year for which the exemption application was filed.

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

(a.7) An individual who wishes to claim the exemption for qualifying ~~disabled~~ veterans WITH A DISABILITY allowed by section 39-3-203 (1.5), but who has not timely filed an exemption application with the division, may request that the division waive the application deadline and allow the individual to file a late

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

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

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

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

**39-21-113. Reports and returns - rule - repeal.** (24) Notwithstanding any other provision of this section, the executive director, after receiving from the property tax administrator a list of individuals who are claiming the property tax exemptions for qualifying seniors and ~~disabled~~ QUALIFYING veterans WITH A DISABILITY allowed under part 2 of article 3 of this ~~title~~ TITLE 39, shall provide to the property tax administrator information pertaining to the listed individuals, including their names, social security numbers, marital and income tax filing status, and residency status, needed by the administrator to verify that the exemption is allowed only to applicants who satisfy legal requirements for claiming it. The administrator and the administrator's agents, clerks, and employees shall keep all information received from the executive director confidential, and any individual who fails to do so is guilty of a misdemeanor and subject to punishment as specified in subsection (6) of this section.

**SECTION 11. Act subject to petition - effective date - applicability.**

(1) Except as otherwise provided in subsections (2) and (3) of this section, this act takes effect on January 1, 2025.

(2) 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 January 1, 2025.

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

Approved: April 28, 2023