

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

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

1 WRITTEN DECLARATION CERTIFYING THE TRUTH AND ACCURACY OF THE
2 INFORMATION BUT WHICH IS NOT TRUE AND CORRECT AS TO EVERY
3 MATERIAL MATTER, IS SUBJECT TO A CIVIL PENALTY AS FOLLOWS:

4 (I) FOR A FIRST VIOLATION, A PENALTY OF NOT MORE THAN ONE
5 THOUSAND DOLLARS;

6 (II) FOR A SECOND VIOLATION, A PENALTY OF NOT MORE THAN
7 FIVE THOUSAND DOLLARS; AND

8 (III) FOR A THIRD OR SUBSEQUENT VIOLATION, A PENALTY OF NOT
9 MORE THAN TEN THOUSAND DOLLARS.

10 (b) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
11 JANUARY 1, 2026, ANY PERSON WHO, IN CONNECTION WITH
12 NONRESIDENTIAL PROPERTY, WILLFULLY AIDS OR ASSISTS IN, OR
13 PROCURES, COUNSELS, OR ADVISES THE PREPARATION OR PRESENTATION
14 OF ANY INFORMATION REQUIRED BY THIS SECTION, WHICH IS FRAUDULENT
15 OR FALSE AS TO ANY MATERIAL MATTER, IS SUBJECT TO THE CIVIL
16 PENALTIES SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION.

17 (c) A TAXPAYER IS NOT SUBJECT TO THE CIVIL PENALTIES SET
18 FORTH IN THIS SECTION (3) IF, WITHIN THIRTY DAYS AFTER RECEIVING
19 WRITTEN NOTICE FROM THE ASSESSOR OF AN ERROR, OMISSION, OR
20 DEFICIENCY IN THE INFORMATION PROVIDED, THE TAXPAYER PROVIDES
21 THE REQUIRED INFORMATION OR CORRECTS THE MATERIAL MATTER IN
22 QUESTION. THIS CURE PERIOD DOES NOT APPLY IF THE ASSESSOR
23 DETERMINES THE INITIAL FILING WAS MADE WITH THE SPECIFIC INTENT TO
24 DEFRAUD THE COUNTY.

25 **SECTION 2.** In Colorado Revised Statutes, 39-8-107, **amend** (1),
26 (5)(a), and (5)(b)(I) introductory portion; and **add** (5)(g) as follows:

27 **39-8-107. Hearings on appeal.**

1 (1) At the hearing upon a petition, the assessor or the assessor's
2 authorized representative shall be present and shall produce information
3 to support the basis and amount of the assessor's valuation of the
4 property. The board shall hear and consider all testimony and examine all
5 exhibits produced or introduced by either the petitioner or the assessor,
6 with no presumption in favor of any pending valuation, and may
7 subpoena witnesses to testify. The costs of producing the petitioner's
8 witnesses ~~shall be~~ ARE paid by the petitioner, and the costs of producing
9 the assessor's witnesses ~~shall be~~ ARE paid by the county. On the basis of
10 the testimony produced and the exhibits introduced, the board shall grant
11 or deny the petition, in whole or in part, and shall notify the petitioner and
12 the assessor in writing. If the board denies the petition, in whole or in
13 part, ~~such~~ THE written notice shall inform the petitioner of the right to
14 appeal within the thirty-day period following the denial to the district
15 court or the board of assessment appeals pursuant to the provisions of
16 section 39-8-108 (1) or within the thirty-day period following the denial
17 to submit the case to arbitration pursuant to the provisions of section
18 39-8-108.5. ~~Such~~ THE notice shall state that, if the appeal is to the board
19 of assessment appeals, the hearing before the board of assessment appeals
20 ~~shall be~~ IS the last hearing at which testimony, exhibits, or any other type
21 of evidence may be introduced by either party, UNLESS THE CASE IS
22 REGARDING NONRESIDENTIAL PROPERTY AND THE BOARD OF ASSESSMENT
23 APPEALS OR GOVERNING BODY OF THE COUNTY HAS REMOVED THE CASE
24 TO A DISTRICT COURT PURSUANT TO SECTION 39-8-108 (1)(b), and that, if
25 there is an appeal to the court of appeals pursuant to section 39-8-108 (2),
26 the record from the hearing before the board of assessment appeals and
27 no new evidence shall be the basis for the court's decision. The phone

1 number and address of the board of assessment appeals shall also be
2 included on the notice. The notice shall also state, in general terms, how
3 to pursue arbitration and that, if a taxpayer submits the case to arbitration,
4 the decision reached under such process shall be IS final and not subject
5 to review. If a referee heard the case, the board shall, at the written
6 request of any taxpayer or any agent of such taxpayer within seven
7 working days after receipt of said request, make available to the taxpayer
8 or agent the referee's findings and recommendations. At the board's
9 election, the board may either mail, fax, or send by electronic
10 transmission such THE findings and recommendations OF THE REFEREE to
11 the address, phone number, or electronic address supplied by said
12 taxpayer or agent. Upon receipt of such request, the board shall notify the
13 taxpayer or agent of the estimated cost of providing such THE findings
14 and recommendations OF THE REFEREE, payment of which shall be made
15 prior to providing such findings and recommendations. Upon providing
16 such THE findings and recommendations OF THE REFEREE, the board may
17 include a bill for the reasonable cost above the estimated cost and up to
18 the statutory maximum which shall be due and payable upon receipt by
19 the taxpayer or agent.

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

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

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

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

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

12 (II) The petitioner shall provide the information required by
13 subsection (5)(a)(I) of this section within ninety days after the appeal has
14 been filed with the board of assessment appeals, UNLESS THE CASE IS
15 REGARDING NONRESIDENTIAL PROPERTY AND THE BOARD OF ASSESSMENT
16 APPEALS OR GOVERNING BODY OF THE COUNTY HAS REMOVED THE CASE
17 TO A DISTRICT COURT PURSUANT TO SECTION 39-8-108 (1)(b); except that
18 a petitioner who has already provided information to an assessor in
19 accordance with section 39-5-122 (2.5) is not required to provide any
20 additional information under this subsection (5)(a).

21 (b) (I) The assessor, the county board of equalization, or the board
22 of county commissioners of the county, as applicable, shall, upon request
23 made by the petitioner, provide to a petitioner who has filed an appeal
24 with the board of assessment appeals, UNLESS THE CASE IS REGARDING
25 NONRESIDENTIAL PROPERTY AND THE BOARD OF ASSESSMENT APPEALS OR
26 GOVERNING BODY OF THE COUNTY HAS REMOVED THE CASE TO A DISTRICT
27 COURT PURSUANT TO SECTION 39-8-108 (1)(b), not more than ninety days

1 after receipt of the petitioner's request, the following information:

2 (g) (I) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
3 JANUARY 1, 2026, ANY PERSON WHO, IN CONNECTION WITH
4 NONRESIDENTIAL PROPERTY, WILLFULLY FAILS TO PROVIDE INFORMATION
5 REQUIRED BY THIS SECTION OR WHO WILLFULLY MAKES AND SUBSCRIBES
6 ANY INFORMATION REQUIRED BY THIS SECTION, WHICH IS VERIFIED BY A
7 WRITTEN DECLARATION CERTIFYING THE TRUTH AND ACCURACY OF THE
8 INFORMATION BUT WHICH IS NOT TRUE AND CORRECT AS TO EVERY
9 MATERIAL MATTER, IS SUBJECT TO A CIVIL PENALTY AS FOLLOWS:

10 (A) FOR A FIRST VIOLATION, A PENALTY OF NOT MORE THAN ONE
11 THOUSAND DOLLARS;

12 (B) FOR A SECOND VIOLATION, A PENALTY OF NOT MORE THAN
13 FIVE THOUSAND DOLLARS; AND

14 (C) FOR A THIRD OR SUBSEQUENT VIOLATION, A PENALTY OF NOT
15 MORE THAN TEN THOUSAND DOLLARS.

16 (II) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
17 JANUARY 1, 2026, ANY PERSON WHO, IN CONNECTION WITH
18 NONRESIDENTIAL PROPERTY, WILLFULLY AIDS OR ASSISTS IN, OR
19 PROCURES, COUNSELS, OR ADVISES THE PREPARATION OR PRESENTATION
20 OF ANY INFORMATION REQUIRED BY THIS SECTION, WHICH IS FRAUDULENT
21 OR FALSE AS TO ANY MATERIAL MATTER, IS SUBJECT TO THE CIVIL
22 PENALTIES SET FORTH IN SUBSECTION (5)(g)(I) OF THIS SECTION.

23 (III) A TAXPAYER IS NOT SUBJECT TO THE CIVIL PENALTIES SET
24 FORTH IN SUBSECTION (5)(g)(I) OF THIS SECTION IF, WITHIN THIRTY DAYS
25 AFTER RECEIVING WRITTEN NOTICE FROM THE COUNTY BOARD OF
26 EQUALIZATION OR BOARD OF COUNTY COMMISSIONERS OF AN ERROR,
27 OMISSION, OR DEFICIENCY IN THE INFORMATION PROVIDED, THE TAXPAYER

1 PROVIDES THE REQUIRED INFORMATION OR CORRECTS THE MATERIAL
2 MATTER IN QUESTION. THIS CURE PERIOD DOES NOT APPLY IF THE COUNTY
3 BOARD OF EQUALIZATION OR BOARD OF COUNTY COMMISSIONERS
4 DETERMINES THE INITIAL FILING WAS MADE WITH THE SPECIFIC INTENT TO
5 DEFRAUD THE COUNTY.

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

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

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

1 specified in section 39-2-125 (1)(h). In addition, any request by a
2 taxpayer for a hearing before the board of assessment appeals shall be
3 stamped with the date on which such request was received by the board.
4 All such requests shall be presumed to be on time unless the board can
5 present evidence to show otherwise.

6 (b) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
7 JANUARY 1, 2026, IF, PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION,
8 A NONRESIDENTIAL PROPERTY OWNER APPEALS THE DECISION OF THE
9 COUNTY BOARD OF EQUALIZATION PURSUANT TO SECTION 39-8-108 OR
10 THE DECISION OF THE BOARD OF COUNTY COMMISSIONERS PURSUANT TO
11 SECTION 39-10-114.5 TO THE BOARD OF ASSESSMENT APPEALS, THEN THE
12 BOARD OF ASSESSMENT APPEALS OR THE GOVERNING BOARD OF THE
13 COUNTY MAY REMOVE THE APPEAL TO THE APPROPRIATE DISTRICT COURT
14 IF THE BOARD OF ASSESSMENT APPEALS OR THE GOVERNING BODY
15 DETERMINES THAT ANY NUMBER OF THE FOLLOWING CRITERIA ARE MET:

16 (I) THE VALUATION SET BY THE ASSESSOR OR, IF THE VALUATION
17 IS ADJUSTED AS A RESULT OF A DECISION OF THE COUNTY BOARD OF
18 EQUALIZATION, THE ADJUSTED VALUATION, IS GREATER THAN OR EQUAL
19 TO TEN MILLION DOLLARS;

20 (II) THE APPEAL INVOLVES LEGAL DISPUTES OR QUESTIONS THAT
21 REQUIRE THE INTERPRETATION OF LAW UNDER THE COLORADO REVISED
22 STATUTES OR THE COLORADO CONSTITUTION;

23 (III) RESOLUTION OF THE ISSUES ON APPEAL WILL REQUIRE
24 EXTENSIVE DISCOVERY; OR

25 (IV) THE APPEAL IS BASED IN PART ON A VALUATION
26 METHODOLOGY OR CLASSIFICATION DISPUTE.

27 (5) In any appeal authorized by this section or by section

1 39-5-122, 39-5-122.7, or 39-10-114:

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

9 (e) In using the market approach to determine the value of
10 residential real property, if the assessor has knowledge of the conversion
11 from one residential use to a different residential use, such conversion
12 shall create a rebuttable presumption that the sale of such property is not
13 a comparable sale for purposes of establishing the value of a property
14 having a similar prior residential use; AND

15 (f) WITHOUT ALTERING THE DE NOVO NATURE OF A
16 NONRESIDENTIAL APPEAL, IN WEIGHING EVIDENCE AND ASSESSING
17 CREDIBILITY, THE BOARD OF ASSESSMENT APPEALS OR DISTRICT COURT
18 SHALL CONSIDER AS RELEVANT EVIDENCE IN REACHING ITS HOLDING ANY
19 CHANGES IN THE VALUATION INFORMATION SUBMITTED BY A PETITIONER
20 TO THE COUNTY ASSESSOR, COUNTY BOARD OF EQUALIZATION, OR BOARD
21 OF COUNTY COMMISSIONERS REGARDING THE PROPERTY AT ISSUE.

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

24 **39-10-104.5. Payment dates - optional payment dates - failure**
25 **to pay - delinquency.**

26 (3) (d) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY,
27 FOR NONRESIDENTIAL PROPERTY AND FOR PROPERTY TAX YEARS

1 COMMENCING ON OR AFTER JANUARY 1, 2026:

2 (I) IF THE BOARD OF ASSESSMENT APPEALS OR THE DISTRICT
3 COURT FINDS THAT THE TAXPAYER'S PROPERTY-SPECIFIC INCOME,
4 EXPENSES, OR OTHER DISCLOSURES TO THE ASSESSOR, THE COUNTY BOARD
5 OF EQUALIZATION, OR THE BOARD OF COUNTY COMMISSIONERS HAS
6 CHANGED DURING THE APPEAL PROCESS, THE TAXPAYER IS NOT ENTITLED
7 TO PENALTY INTEREST PURSUANT TO THIS SUBSECTION (3).

8 (II) IF THE BOARD OF ASSESSMENT APPEALS OR THE DISTRICT
9 COURT FINDS THAT A PROPERTY OWNER INTENTIONALLY DELAYED
10 RESOLUTION OF AN APPEAL OR PROVIDED FALSE INFORMATION TO THE
11 BOARD OR THE COURT, THE TAXPAYER IS NOT ENTITLED TO PENALTY
12 INTEREST PURSUANT TO THIS SUBSECTION (3).

13 **SECTION 5. Safety clause.** The general assembly finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, or safety or for appropriations for
16 the support and maintenance of the departments of the state and state
17 institutions.