



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1233: PROPERTY TAX PROCEDURES FOR NONRES PROP

Prime Sponsors:

Rep. Lukens; Zokaie
Sen. Roberts

Fiscal Analyst:

Josh Abram, 303-866-3561
josh.abram@coleg.gov

Published for: House Finance**Drafting number:** LLS 26-0387**Version:** Initial Fiscal Note**Date:** March 11, 2026**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill imposes civil penalties for taxpayers failing to provide accurate information, or willfully providing false information, concerning the value of nonresidential property; the bill allows for appeals of property valuation to be considered in district court under certain circumstances.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- State Revenue
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, a county may request information from a property owner in order to determine the actual value of the property for taxation. Beginning January 1, 2026, any person who, in connection with nonresidential property, willfully fails to provide requested information, or makes a written declaration certifying that untrue or incorrect information is true and accurate, will be subject to the following civil penalties:

- for the first violation, a penalty of not more than \$1,000;
- for a second violation, a penalty of not more than \$5,000; and
- for a third or subsequent violation, a penalty of not more than \$10,000.

A person who willfully aids or assists in the provision of inaccurate or untrue information is also subject to these penalties. A taxpayer is not subject to the penalties if within 30 days of notice from the county, the taxpayer cures any error, omission, or deficiency in the information, and the county determines the initial filing was not made with the specific intent to defraud.

Beginning January 1, 2026, if a nonresidential property owner appeals the decision of the county board of equalization or of the board of county commissioners to the state Board of Assessment Appeals (BAA) in the Department of Local Affairs (DOLA), either the state board of appeals or the governing board of the county may remove the appeal to the appropriate district court if:

- the valuation of the property is at least \$10.0 million;
- the appeal involves legal disputes or questions that require the interpretation of state law;
- resolution of the issue on appeal will require extensive discovery; or
- the appeal is based in part on a valuation methodology or classification dispute.

If the BAA or the district court finds that taxpayer's property-specific income, expenses, or other disclosures has changed during the appeals process, or if the property owner intentionally delayed resolution of an appeal or provided false information, the taxpayer is not entitled to penalty interest payments.

State Revenue and Expenditures

The bill allows for certain appeals to the BAA in DOLA to be removed to district court, decreasing workload for the BAA, and increasing revenue from filing fees and workload for the courts to adjudicate the appeal. The policy is limited to specific types of appeals involving a high valuation, legal disputes, extensive discovery, or disputes on a valuation methodology or classification. Given the limited number of appeals removed to district courts, the revenue and workload impacts are assumed minimal and no change in appropriations is required.

The bill may also increase state revenue from civil penalties charged to nonresidential property owners or their representatives who intentionally provide false or inaccurate information. Any penalty revenue received is subject to TABOR.

Finally, the bill minimally increases workload in the Division of Property Taxation in DOLA to update procedures, forms, manuals, and training materials to reflect legislative changes. These updates are done in the normal course of business and do not require additional appropriations.

Local Government

Similar to the state impacts, a county board of equalization may remove a property tax appeal to the appropriate district court under certain circumstances, and therefore reducing workload for a county board of equalization to determine the appeal of complicated valuations.

Local governments that secure civil penalty awards for violations by nonresidential property owners increase their district revenue.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Counties

Local Affairs

County Assessors

Property Tax Division

Judicial

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).