

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

INTRODUCED

LLS NO. 25-0626.01 Megan McCall x4215

HOUSE BILL 25-1095

HOUSE SPONSORSHIP

Story and Clifford,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REQUIREMENTS OF A PETITIONER, INCLUDING THEIR**
102 **AGENT OR REPRESENTATIVE, IN CERTAIN PROPERTY TAX**
103 **APPEALS.**

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>.)

The bill requires that, for protests to the county assessor and at hearings for property tax appeals concerning nonresidential real property that is not agricultural property, the requested valuation that is set forth by a petitioner or a petitioner's agent or representative for that property be made in compliance with the uniform standards of professional appraisal

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.*

practice.

Current law requires that any petitioner appealing either a valuation of rent-producing commercial real property to the board of assessment appeals or a denial of an abatement of taxes provide certain documentation and data regarding the property. The bill requires that, in addition to these existing requirements, the petitioner also provide full copies of all leases that are in place as of the date of valuation and any market data that the petitioner has relied on in determining the valuation that the petitioner is requesting in their appeal.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-5-122, **add** (2.7)
3 as follows:

4 **39-5-122. Taxpayer's remedies to correct errors - definition.**

5 (2.7) FOR ANY PROTEST CONCERNING NONRESIDENTIAL REAL PROPERTY
6 THAT IS NOT AGRICULTURAL PROPERTY, THE REQUESTED VALUATION THAT
7 IS SET FORTH BY A PROTESTER OR A PROTESTER'S AGENT OR
8 REPRESENTATIVE FOR THAT PROPERTY MUST BE MADE IN COMPLIANCE
9 WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.
10 AS USED IN THIS SUBSECTION (2.7), "UNIFORM STANDARDS OF
11 PROFESSIONAL APPRAISAL PRACTICE" HAS THE SAME MEANING AS SET
12 FORTH IN SECTION 12-10-602 (10).

13 **SECTION 2.** In Colorado Revised Statutes, 39-8-107, **amend** (1)
14 and (5)(a)(I)(C); and **add** (5)(a)(I)(E) and (5)(a)(I)(F) as follows:

15 **39-8-107. Hearings on appeal - definition.** (1) (a) (I) At the
16 hearing upon a petition, the assessor or the assessor's authorized
17 representative shall be present and shall produce information to support
18 the basis and amount of the assessor's valuation of the property. The
19 board shall hear and consider all testimony and examine all exhibits
20 produced or introduced by either the petitioner or the assessor, with no

1 presumption in favor of any pending valuation, and may subpoena
2 witnesses to testify. The costs of producing the petitioner's witnesses shall
3 be paid by the petitioner, and the costs of producing the assessor's
4 witnesses shall be paid by the county.

5 (II) AT ANY HEARING ON A PETITION CONCERNING
6 NONRESIDENTIAL REAL PROPERTY THAT IS NOT AGRICULTURAL PROPERTY,
7 THE REQUESTED VALUATION THAT IS SET FORTH BY A PETITIONER OR A
8 PETITIONER'S AGENT OR REPRESENTATIVE FOR THAT PROPERTY MUST BE
9 MADE IN COMPLIANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL
10 APPRAISAL PRACTICE. AS USED IN THIS SUBSECTION (1)(a)(II), "UNIFORM
11 STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE" HAS THE SAME
12 MEANING AS SET FORTH IN SECTION 12-10-602 (10).

13 (b) On the basis of the testimony produced and the exhibits
14 introduced IN ACCORDANCE WITH SUBSECTION (1)(a) OF THIS SECTION, the
15 board shall grant or deny the petition, in whole or in part, and shall notify
16 the petitioner and the assessor in writing. If the board denies the petition,
17 in whole or in part, such written notice shall inform the petitioner of the
18 right to appeal within the thirty-day period following the denial to the
19 district court or the board of assessment appeals pursuant to section
20 39-8-108 (1) or within the thirty-day period following the denial to submit
21 the case to arbitration pursuant to section 39-8-108.5. Such notice shall
22 state that, if the appeal is to the board of assessment appeals, the hearing
23 before the board of assessment appeals shall be the last hearing at which
24 testimony, exhibits, or any other type of evidence may be introduced by
25 either party and that, if there is an appeal to the court of appeals pursuant
26 to section 39-8-108 (2), the record from the hearing before the board of
27 assessment appeals and no new evidence shall be the basis for the court's

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

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

27 (C) Itemized expenses for two full years including the base year

1 for the relevant property tax year; ~~and~~

2 (E) FULL COPIES OF ALL LEASES THAT ARE IN PLACE AS OF THE
3 DATE OF VALUATION; AND

4 (F) ANY MARKET DATA THAT THE PETITIONER HAS RELIED ON IN
5 DETERMINING THE VALUATION THAT THE PETITIONER IS REQUESTING IN
6 THEIR APPEAL.

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

9 **39-8-108. Decision - review - opportunity to submit case to**
10 **arbitration - definition.** (5) In any appeal authorized by this section or
11 by section 39-5-122, 39-5-122.7, or 39-10-114:

12 (d) Upon request, the respondent shall make available to the
13 taxpayer two working days prior to any appeal hearing data supporting the
14 assessor's valuation. Such request shall be accompanied by data
15 supporting the taxpayer's valuation. Nothing in this ~~paragraph (d) shall be~~
16 ~~construed to prohibit~~ SUBSECTION (5)(d) PROHIBITS the introduction at
17 such appeal hearing of any data discovered as a result of the exchange of
18 data required by this ~~paragraph (d); and~~ SUBSECTION (5)(d);

19 (e) In using the market approach to determine the value of
20 residential real property, if the assessor has knowledge of the conversion
21 from one residential use to a different residential use, such conversion
22 shall create a rebuttable presumption that the sale of such property is not
23 a comparable sale for purposes of establishing the value of a property
24 having a similar prior residential use; AND

25 (f) IF THE APPEAL IS CONCERNING NONRESIDENTIAL REAL
26 PROPERTY THAT IS NOT AGRICULTURAL PROPERTY, THE REQUESTED
27 VALUATION THAT IS SET FORTH BY A PETITIONER OR A PETITIONER'S AGENT

1 OR REPRESENTATIVE FOR THAT PROPERTY MUST BE MADE IN COMPLIANCE
2 WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.
3 AS USED IN THIS SUBSECTION (5)(f), "UNIFORM STANDARDS OF
4 PROFESSIONAL APPRAISAL PRACTICE" HAS THE SAME MEANING AS SET
5 FORTH IN SECTION 12-10-602 (10).

6 **SECTION 4. Act subject to petition - effective date -**
7 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
8 the expiration of the ninety-day period after final adjournment of the
9 general assembly; except that, if a referendum petition is filed pursuant
10 to section 1 (3) of article V of the state constitution against this act or an
11 item, section, or part of this act within such period, then the act, item,
12 section, or part will not take effect unless approved by the people at the
13 general election to be held in November 2026 and, in such case, will take
14 effect on the date of the official declaration of the vote thereon by the
15 governor.

16 (2) This act applies to notices of objection and protest as set forth
17 in section 39-5-121 (1)(a)(I), C.R.S., petitions for appeals to the county
18 boards of equalization as set forth in section 39-8-106 (1), C.R.S., and
19 petitions for appeals to the state board of assessment appeals, district
20 court, or arbitration as set forth in 39-8-108 (1), C.R.S., that are received
21 on or after the applicable effective date of this act.