



Fiscal Note

Legislative Council Staff

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HB 25-1095: PETITIONER REQUIREMENTS IN CERTAIN PROPERTY TAX APPEALS

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Published for: House Finance
Drafting number: LLS 25-0626

Version: Initial Fiscal Note
Date: February 10, 2025

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill requires most nonresidential property taxpayers protesting property valuations to request valuations determined in compliance with uniform standards of professional appraisal, and for certain nonresidential properties, the bill requires additional information to be submitted when making an appeal.

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

- State Expenditure
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
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

The bill requires that petitioners, or their agent or representative, who bring protests to county assessors and to hearings for property tax appeals for nonresidential real property, except agricultural property, must make valuation requests that comply with the uniform standards of professional appraisal practice, as defined in statute.

The bill also requires petitioners to provide additional information when appealing a valuation of rent-producing commercial real property or a denial of an abatement of taxes including:

- 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.

State Expenditures

State Workload

Workload in the Division of Property Taxation in the Department of Local Affairs will increase to update manuals and informational materials. Workload will also increase to provide training and guidance to assessors. The increased workload can be accomplished within existing appropriations.

School District Contingency Reserve Cash Fund

Under current law, a school district may request supplemental assistance from the State Board of Education from a contingency reserve fund if district property taxes are insufficient for abating or refunding property taxes. To the extent the bill increases the amount of property tax abatements or refunds, it may increase expenditures from the contingency reserve fund depending on need, decisions by the State Board of Education, and available funds.

Local Government

The bill has bidirectional effects on local government revenue and expenditures. Revenue impacts are expected to vary based on the characteristics of nonresidential property classes impacted by the bill in each taxing jurisdiction. On net, the bill is expected to increase local expenditures. Local impacts are assumed to begin in FY 2025-26.

Assumptions

The bill is expected to decrease the number of property tax protests. It is also expected to increase petitions for abatements and refunds, since some taxpayers who would file protests under current law will instead file petitions for abatements and refunds in conjunction with obtaining the information required in the bill. Taxpayers have up to a two-year time limit in

which to petition for an abatement or refund of their tax bill. The effect is expected to be larger and occur more often in larger counties with higher volumes of nonresidential and commercial properties.

The process for an abatement or refund is lengthier and requires more workload for county staff, on average, than a protest. Additionally, local governments are liable for interest on property tax payments and refunds for the time that elapses while petitions are processed. Each year, taxing jurisdictions may impose an abatement mill levy in a year subsequent to the payment of abatements and refunds to generate revenue they would have collected otherwise.

Local Revenue

The bill is expected to bidirectionally impact local revenues for counties, school districts, and other taxing jurisdictions. Increases or decreases in revenue will depend on characteristics in each jurisdiction including the volume and value of nonresidential property, utilization of appeals and protests, availability of qualified appraisers, and imposition of abatement mill levies. Some taxing jurisdictions may experience a net increase in property tax revenue due to fewer appeals and protests. Larger counties with higher volumes of nonresidential property may experience a net decrease in property tax revenue if greater interest liability through higher abatements and refunds outweighs the effect of fewer appeals and protests and compensation through abatement mill levies.

Local Expenditures

The bill is expected to increase local expenditures for counties on net, and will increase costs for assessors' offices, county treasurers, and potentially other county offices and functions related to property valuation protests, abatements, and refunds. The bill will likely increase staffing needs in county assessors' offices due to the more personnel intensive abatements and refunds process. The timing of increased costs is uncertain and partly depends on taxpayer behavior.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and only applies to notices of objection and protest and petitions for appeals received on or after the applicable effective date of the bill.

State and Local Government Contacts

Counties

Local Affairs

County Assessors

Property Tax Division - Local Affairs

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](#).