



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 19-1175

FISCAL NOTE

Drafting Number: LLS 19-0703
Prime Sponsors: Rep. Gray, Sen. Gonzales

Date: February 11, 2019
Bill Status: House Trans. & Local Govt
Fiscal Analyst: Chris Creighton | 303-866-5834, Chris.Creighton@state.co.us

Bill Topic: PROPERTY TAX VALUATION APPEAL PROCESS

- Summary of Fiscal Impact: State Revenue, State Expenditure (minimal), State Transfer, TABOR Refund, Local Government (minimal), Statutory Public Entity

This bill changes certain property valuation appeal deadlines and modifies the information rent-producing property owners must provide when appealing his or her valuation. This bill increases state government workload in the current FY 2018-19 by a minimal amount and decreases local government workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill modifies the information property owners and county assessors must exchange when the valuation or denial of an abatement of rent-producing properties is being appealed, and changes the appeals deadlines for property in certain counties.

The bill specifies that owners of rent-producing property must provide two years of rental information to the county assessor including actual rental income for the relevant property, tenant reimbursements, itemized expenses, and renter data. The county assessor or the County Board of Equalization must provide the property owner with the primary method used by the county to value the property, including any rates used to value the property.

In addition, the bill modifies the deadlines for the appeals process for counties that have elected to use the alternate protest and appeals calendar. For these counties, it will extend the deadline for taxpayers to file an appeal from June 30 to July 15 each year. The bill also requires county assessors to notify taxpayers of the determination of the appeal by August 15, rather than the last working day of August.

## **Background**

Under current law, a county may, at the request of the county assessor, use an alternate protest and appeal procedure which allows for extended time to evaluate and determine property valuation protests and objections received for that year. Between 4 and 10 counties use the alternate schedule per year. This number will vary year-to-year and is typically higher in odd-numbered years following completion of the property reappraisal process and distribution of notices of valuation by the county assessor.

## **State Expenditures**

In the current FY 2018-19 only, this bill increases workload for the Division of Property Taxation in the Department of Local Affairs to update training materials, conduct training, and respond to inquiries regarding the deadline and information requirement changes made by this bill. This workload increase can be accomplished within existing appropriations.

## **Local Government**

It is assumed that by allowing rent producing property owners in counties using the alternate protest and appeal procedure additional time to file a valuation appeal this bill will reduce the number of appeals filed by a minimal amount. This will reduce county assessor workload to evaluate and issue a notice of determination. This reduction in appeals is not expected to result a change in assessed value; therefore, no change in property tax revenue is projected.

## **Effective Date**

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

## **State and Local Government Contacts**

Counties

County Assessors

Property Tax Division - Local Affairs