

CHAPTER 332

TAXATION

HOUSE BILL 16-1175

BY REPRESENTATIVE(S) Primavera and Nordberg, Ryden, Saine, Becker K., Brown, Carver, Ginal, Lebsock, Lontine, McCann, Moreno, Pettersen, Priola, Rankin, Salazar, Windholz, Young;
also SENATOR(S) Jahn and Neville T., Cooke, Heath, Aguilar, Carroll, Kefalas, Kerr, Merrifield, Newell, Roberts, Scott, Tate, Todd, Woods.

AN ACT

CONCERNING THE ADMINISTRATION OF THE PROPERTY TAX EXEMPTIONS FOR QUALIFYING SENIORS AND DISABLED VETERANS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 25-2-103, **add** (4.5) as follows:

25-2-103. Centralized registration system for all vital statistics - appointment of registrar - rules. (4.5) NOTWITHSTANDING ANY OTHER PROVISION OF LAW THAT LIMITS THE SHARING OF VITAL STATISTICS, AFTER RECEIVING THE LIST OF NAMES AND SOCIAL SECURITY NUMBERS OF INDIVIDUALS WHO RECEIVED PROPERTY TAX EXEMPTIONS AS EITHER QUALIFYING SENIORS OR DISABLED VETERANS FOR THE PRIOR YEAR THAT IS PROVIDED BY THE PROPERTY TAX ADMINISTRATOR PURSUANT TO SECTION 39-3-207, C.R.S., THE STATE REGISTRAR SHALL IDENTIFY ALL INDIVIDUALS ON THE LIST WHO HAVE DIED AND TRANSMIT A LIST OF THE NAMES AND SOCIAL SECURITY NUMBERS OF SUCH INDIVIDUALS TO THE ADMINISTRATOR.

SECTION 2. In Colorado Revised Statutes, 39-3-205, **add** (4) (a) (III) as follows:

39-3-205. Exemption applications - penalty for providing false information - confidentiality. (4) (a) Completed exemption applications shall be kept confidential; except that:

(III) THE ADMINISTRATOR MAY SHARE INFORMATION CONTAINED IN AN EXEMPTION APPLICATION, INCLUDING ANY SOCIAL SECURITY NUMBER SET FORTH IN THE APPLICATION, WITH THE DEPARTMENT OF REVENUE TO THE EXTENT NECESSARY

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

TO ENABLE THE ADMINISTRATOR TO VERIFY THAT THE APPLICANT SATISFIES LEGAL REQUIREMENTS FOR CLAIMING THE EXEMPTION.

SECTION 3. In Colorado Revised Statutes, 39-3-206, **amend** (1) (b), (1.5) (b), (2) (a), (2) (a.5), and (2) (a.7) as follows:

39-3-206. Notice to individuals returning incomplete or nonqualifying exemption applications - denial of exemption - administrative remedies.

(1) (b) If the information provided on or with an application for the exemption allowed to qualifying seniors under section 39-3-203 (1) indicates that the applicant is not entitled to the exemption, or is insufficient to allow the assessor to determine whether or not the applicant is entitled to the exemption, the assessor shall deny the application and mail to the applicant a statement providing the reasons for the denial and informing the applicant of the applicant's right to contest the denial pursuant to subsection (2) of this section. The assessor shall mail the statement no later than ~~August 15~~ AUGUST 1 of the property tax year for which the exemption application was filed.

(1.5) (b) If the information provided on or with an application for the exemption allowed to qualifying disabled veterans under section 39-3-203 (1.5) that is forwarded by the division to an assessor pursuant to section 39-3-205 (2.5) indicates that the applicant is not entitled to the exemption, or is insufficient to allow the assessor to determine whether or not the applicant is entitled to the exemption, the assessor shall deny the application and mail to the applicant a statement providing the reasons for the denial and informing the applicant of the applicant's right to contest the denial pursuant to subsection (2) of this section. The assessor shall mail the statement no later than ~~August 15~~ AUGUST 1 of the property tax year for which the exemption application was filed.

(2) (a) An applicant whose exemption application has been denied pursuant to paragraph (b) of subsection (1) or paragraph (b) of subsection (1.5) of this section may contest the denial by requesting a hearing before the county commissioners sitting as the county board of equalization no later than ~~September~~ AUGUST 15 of the property tax year for which the exemption application was filed. The hearing shall be held on or after ~~September~~ AUGUST 1 and no later than ~~October~~ SEPTEMBER 1 of the property tax year for which the exemption application was filed, and the decision of the county board of equalization ~~shall not be~~ IS NOT subject to further administrative appeal by either the applicant or the assessor. An applicant may not contest a determination by the division that the applicant is not a qualifying disabled veteran at a hearing requested pursuant to this paragraph (a).

(a.5) An individual who wishes to claim the exemption for qualifying seniors allowed by section 39-3-203 (1), but who has not timely filed an exemption application with the assessor by July 15, may file a late exemption application no later than the ~~September~~ AUGUST 15 that immediately follows that deadline. The assessor shall accept any such application but may not accept any late application filed after ~~September~~ AUGUST 15. The assessor shall grant an exemption if an accepted late application establishes that the applicant is entitled to the exemption. A decision of an assessor to disallow the filing of a late application after ~~September~~ AUGUST 15 or to grant or deny an exemption to an applicant who has filed a late application after July 15 but no later than ~~September~~ AUGUST 15 is final, and an

applicant who is denied late filing or an exemption may not contest the denial.

(a.7) An individual who wishes to claim the exemption for qualifying disabled veterans allowed by section 39-3-203 (1.5), but who has not timely filed an exemption application with the division, may request that the division waive the application deadline and allow the individual to file a late exemption application no later than the ~~September~~ AUGUST 1 that immediately follows the original application deadline. The division may accept an application if, in the division's sole discretion, the applicant shows good cause for not timely filing an application. If the division accepts a late application, it shall determine whether the applicant is a qualifying disabled veteran and shall mail notice of its determination to the applicant no later than the ~~September~~ AUGUST 25 that immediately follows the late application deadline. If the division determines that a veteran is a qualifying disabled veteran, it shall mail a copy of the notice of its determination to the assessor for the county in which the property for which the applicant has claimed the exemption is located and shall include with the notice a copy of the applicant's exemption application. The assessor shall grant an exemption if the notice and application forwarded by the division to the assessor establish that the applicant is entitled to the exemption. A decision of the division to allow or disallow the filing of a late application or of an assessor to grant or deny an exemption to an applicant who has filed a late application is final, and an applicant who is denied late filing or an exemption may not contest the denial.

SECTION 4. In Colorado Revised Statutes, 39-3-207, **amend** (1) introductory portion, (2), (3) introductory portion, and (4) (a); and **add** (3.5), (3.7), and (4.5) as follows:

39-3-207. Reporting of exemptions - reimbursement to local governmental entities - transfer of unencumbered balances. (1) No later than October 10, 2002, and no later than each October 10 thereafter THROUGH OCTOBER 10, 2016, AND NO LATER THAN SEPTEMBER 10, 2017, AND NO LATER THAN EACH SEPTEMBER 10 THEREAFTER, each assessor shall forward to the administrator a report on the exemptions allowed in his or her county for the current property tax year. The report shall include:

(2) (a) (I) The administrator shall examine the reports sent by each assessor pursuant to subsection (1) of this section to ensure that no applicant has claimed ~~more than one~~ AN EXEMPTION WITHOUT MEETING ALL LEGAL REQUIREMENTS FOR CLAIMING THE EXEMPTION. No later than November 1, 2002, and no later than each November 1 thereafter, if the administrator determines that an applicant has claimed more than one exemption, the administrator shall provide written notice to the applicant that the applicant has claimed more than one exemption and is therefore not entitled to any exemption. NO LATER THAN NOVEMBER 1, 2016, AND NO LATER THAN EACH NOVEMBER 1 THEREAFTER, IF THE ADMINISTRATOR DETERMINES THAT THE APPLICANT AND THE APPLICANT'S SPOUSE HAVE CLAIMED SEPARATE EXEMPTIONS IN VIOLATION OF SECTION 39-3-203 (5), THAT THE APPLICANT HAS CLAIMED AN EXEMPTION FOR RESIDENTIAL REAL PROPERTY THAT THE APPLICANT DOES NOT OWN AND OCCUPY AS THE APPLICANT'S PRIMARY RESIDENCE AS REQUIRED BY SECTION 39-3-203 (1), OR THAT THE APPLICANT IS OTHERWISE INELIGIBLE TO CLAIM AN EXEMPTION, THE ADMINISTRATOR SHALL PROVIDE WRITTEN NOTICE TO THE APPLICANT THAT THE APPLICANT IS INELIGIBLE FOR THE EXEMPTION AND

SPECIFY THE REASONS FOR THE DETERMINATION OF INELIGIBILITY. The notice shall also include a statement specifying the deadline and procedures for protesting the denial of the EXEMPTION OR exemptions claimed.

(II) An applicant whose claims for exemption are denied by the administrator pursuant to subparagraph (I) of this paragraph (a) may file a written protest with the administrator no later than November 15 of the year in which the EXEMPTION OR exemptions were denied. IF THE GROUND FOR THE DENIAL IS THAT THE APPLICANT, OR THE APPLICANT AND THE APPLICANT'S SPOUSE, CLAIMED MULTIPLE EXEMPTIONS, the sole ground for a protest shall be is that the applicant, OR THE APPLICANT AND THE APPLICANT'S SPOUSE, filed only one claim for an exemption and the protest shall specify property or properties identified by the administrator in the notice denying exemptions for which no exemption was claimed. The administrator shall request that any appropriate assessor check the assessor's records of exemption applications to determine whether the applicant filed a disputed exemption application and shall decide the protest accordingly. IF THE GROUND FOR THE DENIAL IS THAT THE APPLICANT IS NOT AN OWNER-OCCUPIER OF THE RESIDENTIAL REAL PROPERTY FOR WHICH AN EXEMPTION IS CLAIMED, THE SOLE GROUNDS FOR A PROTEST ARE THAT THE APPLICANT ACTUALLY IS AN OWNER-OCCUPIER OR THAT THE APPLICANT QUALIFIES FOR AN EXEMPTION FOR THE PROPERTY UNDER SECTION 39-3-203 (6). If a protest is denied, the administrator shall mail the applicant a written statement of the basis for the denial and a copy of each exemption application filed with an assessor that the applicant claimed had not been filed.

(b) No later than December 1, 2002, and no later than each December 1 thereafter, and after examining the reports sent by each assessor, denying claims for exemptions, and deciding protests in accordance with paragraph (a) of this subsection (2), the administrator shall provide written notice to the assessor of each county in which an exemption application has been denied because the applicant filed multiple exemption applications with the identity of the applicant who filed multiple exemption applications and the denial of the exemption. NO LATER THAN DECEMBER 1, 2016, AND NO LATER THAN EACH DECEMBER 1 THEREAFTER, AND AFTER EXAMINING THE REPORTS SENT BY EACH ASSESSOR, DENYING CLAIMS FOR EXEMPTIONS, AND DECIDING PROTESTS IN ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (2), THE ADMINISTRATOR SHALL ALSO PROVIDE WRITTEN NOTICE TO THE ASSESSOR OF EACH COUNTY IN WHICH AN EXEMPTION APPLICATION HAS BEEN DENIED FOR ANY OTHER REASON WITH THE IDENTITY OF THE APPLICANT AND THE DENIAL OF THE EXEMPTION, SPECIFYING THE REASON FOR THE DENIAL. NO LATER THAN JANUARY 10, 2017, AND NO LATER THAN EACH JANUARY 10 THEREAFTER, EACH ASSESSOR SHALL FORWARD TO THE ADMINISTRATOR A PARTIAL COPY OF THE TAX WARRANT FOR THE ASSESSOR'S COUNTY THAT INCLUDES ONLY PROPERTY FOR WHICH THE ASSESSOR HAS GRANTED AN EXEMPTION. THE ADMINISTRATOR SHALL EXAMINE THE TAX WARRANTS TO ENSURE THAT NO ADDITIONAL EXEMPTIONS HAVE BEEN ALLOWED SINCE THE ADMINISTRATOR EXAMINED THE REPORTS PREVIOUSLY RECEIVED FROM THE ASSESSORS AND THAT EACH ASSESSOR HAS REMOVED FROM THE TAX WARRANT ALL EXEMPTIONS THAT THE ADMINISTRATOR PREVIOUSLY DENIED. NO LATER THAN JANUARY 17, 2017, AND NO LATER THAN EACH JANUARY 17 THEREAFTER, THE ADMINISTRATOR SHALL NOTIFY EACH ASSESSOR AND EACH TREASURER OF ANY EXEMPTIONS TO BE REMOVED FROM THE TAX WARRANT.

(3) No later than April 1, 2003, and no later than each April 1 thereafter

THROUGH APRIL 1, 2016, to enable the state treasurer to issue a reimbursement warrant to each treasurer in accordance with subsection (4) of this section, each treasurer shall forward to the state treasurer a report on the exemptions allowed in his or her county for the previous property tax year. NO LATER THAN MARCH 1, 2017, AND NO LATER THAN MARCH 1 OF EACH YEAR THEREAFTER, EACH TREASURER SHALL FORWARD THE REPORT TO THE ADMINISTRATOR, WHO SHALL CROSS-CHECK IT AS SPECIFIED IN SUBSECTION (3.5) OF THIS SECTION BEFORE CORRECTING IT, IF NECESSARY, AND FORWARDING IT TO THE STATE TREASURER TO ENABLE THE STATE TREASURER TO ISSUE A REIMBURSEMENT WARRANT TO EACH TREASURER IN ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION. The report shall include:

(3.5) AFTER RECEIVING REPORTS FROM EACH TREASURER PURSUANT TO SUBSECTION (3) OF THIS SECTION, THE ADMINISTRATOR SHALL CROSS-CHECK THE REPORTS TO IDENTIFY ANY EXEMPTION ALLOWED IN A COUNTY THAT MUST BE DENIED DUE TO A FAILURE OF THE INDIVIDUAL ALLOWED THE EXEMPTION TO SATISFY ALL LEGAL REQUIREMENTS FOR CLAIMING THE EXEMPTION. THE ADMINISTRATOR SHALL REMOVE ANY EXEMPTION THAT MUST BE DENIED FROM THE REPORT IN WHICH IT APPEARS AND SHALL FORWARD ALL REPORTS TO THE STATE TREASURER NO LATER THAN THE APRIL 1 IMMEDIATELY FOLLOWING THE RECEIPT OF THE REPORTS BY THE ADMINISTRATOR. IN ADDITION, IF THE ADMINISTRATOR IDENTIFIES ANY EXEMPTION IMPROPERLY ALLOWED FOR A PRIOR PROPERTY TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2016, FOR WHICH THE STATE TREASURER REIMBURSED A TREASURER PURSUANT TO SUBSECTION (4) OF THIS SECTION OR IDENTIFIES ANY EXEMPTION PROPERLY ALLOWED FOR SUCH A PRIOR PROPERTY TAX YEAR FOR WHICH THE STATE TREASURER DID NOT REIMBURSE A TREASURER, THE ADMINISTRATOR SHALL ADVISE THE STATE TREASURER TO ADJUST THE CURRENT YEAR REIMBURSEMENT TO THE TREASURER TO CORRECT THE ERROR. NO LATER THAN THAT APRIL 1, THE ADMINISTRATOR SHALL ALSO NOTIFY THE TREASURER AND ASSESSOR OF EACH COUNTY OF THE EXEMPTIONS REMOVED FROM THE REPORT FOR THE COUNTY AND ANY RESULTING AND OTHER ADJUSTMENTS TO THE AMOUNT OF CURRENT YEAR REIMBURSEMENT TO BE PAID BY THE STATE TREASURER TO THE TREASURER.

(3.7) IN ACCORDANCE WITH SECTION 25-2-103(4.5), C.R.S., THE ADMINISTRATOR SHALL ANNUALLY PROVIDE TO THE STATE REGISTRAR OF VITAL STATISTICS OF THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT A LIST, BY NAME AND SOCIAL SECURITY NUMBER, OF EVERY INDIVIDUAL WHO RECEIVED AN EXEMPTION FOR THE IMMEDIATELY PRECEDING YEAR SO THAT THE REGISTRAR CAN PROVIDE TO THE ADMINISTRATOR A LIST OF ALL SUCH INDIVIDUALS WHO HAVE DIED. NO LATER THAN APRIL 1, 2017, AND NO LATER THAN EACH APRIL 1 THEREAFTER, THE ADMINISTRATOR SHALL FORWARD TO THE ASSESSOR OF EACH COUNTY, THE NAME AND SOCIAL SECURITY NUMBER OF EACH DECEASED INDIVIDUAL WHO RECEIVED AN EXEMPTION FOR THE IMMEDIATELY PRECEDING YEAR FOR RESIDENTIAL REAL PROPERTY LOCATED WITHIN THE COUNTY SO THAT THE ASSESSOR CAN TERMINATE THE EXEMPTION FOR THE PROPERTY.

(4) (a) (I) In accordance with section 3.5 of article X of the state constitution, no later than April 15, 2003, and NO LATER THAN each April 15 thereafter, the state treasurer shall issue a warrant to each treasurer for the amount needed to fully reimburse all local governmental entities within the treasurer's county for the amount of property tax revenues lost as a result of the application of the exemption

to property taxes that accrued during the previous property tax year and are payable during the year in which the state treasurer issues the warrant. The reimbursement shall be paid from the state general fund and shall not be subject to the statutory limitation on state general fund appropriations set forth in section 24-75-201.1, C.R.S.

(II) AS USED IN THIS PARAGRAPH (a), WITH RESPECT TO EXEMPTIONS ALLOWED FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2016, "PROPERTY TAX REVENUES LOST AS A RESULT OF THE APPLICATION OF THE EXEMPTION" INCLUDES ONLY THOSE REVENUES LOST AS A RESULT OF EXEMPTIONS PROPERLY ALLOWED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS PART 2 AND DOES NOT INCLUDE ANY REVENUES LOST AS A RESULT OF AN EXEMPTION BEING ERRONEOUSLY ALLOWED.

(4.5) IN ACCORDANCE WITH SUBSECTION (3.5) OF THIS SECTION, FOR ANY PROPERTY TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2016, THE STATE TREASURER SHALL NOT REIMBURSE A TREASURER FOR PROPERTY TAX REVENUES LOST AS A RESULT OF AN EXEMPTION ERRONEOUSLY ALLOWED IN THE TREASURER'S COUNTY. IF, PURSUANT TO SUBSECTION (3.5) OF THIS SECTION, THE ADMINISTRATOR ADVISES THE STATE TREASURER THAT THE STATE TREASURER HAS PROVIDED EITHER TOO MUCH OR TOO LITTLE REIMBURSEMENT TO A TREASURER FOR EXEMPTIONS ALLOWED IN THE TREASURER'S COUNTY FOR ANY PRIOR PROPERTY TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2016, THE STATE TREASURER SHALL ADJUST THE REIMBURSEMENT FOR THE CURRENT PROPERTY TAX YEAR AS DIRECTED BY THE ADMINISTRATOR IN ORDER TO CORRECT THE ERROR.

SECTION 5. In Colorado Revised Statutes, 39-8-104, **amend** (2) (b) as follows:

39-8-104. Notice of meeting. (2) (b) Prior to ~~September 1, 2002~~ AUGUST 1, 2017, and prior to each ~~September~~ AUGUST 1 thereafter, the county clerk and recorder shall give notice in at least one issue of a newspaper published in his or her county of any date or dates between ~~September~~ AUGUST 1 and ~~October~~ SEPTEMBER 1 on which the county commissioners, sitting as the county board of equalization, shall hear contests of property tax exemption denials as required by section 39-3-206 (2).

SECTION 6. In Colorado Revised Statutes, 39-21-113, **add** (24) as follows:

39-21-113. Reports and returns - rule. (24) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE EXECUTIVE DIRECTOR, AFTER RECEIVING FROM THE PROPERTY TAX ADMINISTRATOR A LIST OF INDIVIDUALS WHO ARE CLAIMING THE PROPERTY TAX EXEMPTIONS FOR QUALIFYING SENIORS AND DISABLED VETERANS ALLOWED UNDER PART 2 OF ARTICLE 3 OF THIS TITLE, SHALL PROVIDE TO THE PROPERTY TAX ADMINISTRATOR INFORMATION PERTAINING TO THE LISTED INDIVIDUALS, INCLUDING THEIR NAMES, SOCIAL SECURITY NUMBERS, MARITAL AND INCOME TAX FILING STATUS, AND RESIDENCY STATUS, NEEDED BY THE ADMINISTRATOR TO VERIFY THAT THE EXEMPTION IS ALLOWED ONLY TO APPLICANTS WHO SATISFY LEGAL REQUIREMENTS FOR CLAIMING IT. THE ADMINISTRATOR AND THE ADMINISTRATOR'S AGENTS, CLERKS, AND EMPLOYEES SHALL KEEP ALL INFORMATION RECEIVED FROM THE EXECUTIVE DIRECTOR CONFIDENTIAL, AND ANY INDIVIDUAL WHO FAILS TO DO SO IS GUILTY OF A MISDEMEANOR AND SUBJECT TO

PUNISHMENT AS SPECIFIED IN SUBSECTION (6) OF THIS SECTION.

SECTION 7. Appropriation. For the 2016-17 state fiscal year, \$29,270 is appropriated to the department of local affairs for use by the division of property taxation. This appropriation is from the general fund and is based on an assumption that the division will require an additional 0.5 FTE. The division may use this appropriation to implement this act.

SECTION 8. Effective date. This act takes effect upon passage; except that sections 3 and 5 of this act take effect January 1, 2017.

SECTION 9. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 10, 2016