

CHAPTER 345

TAXATION

SENATE BILL 23-036

BY SENATOR(S) Pelton B. and Cutter, Bridges, Exum, Gardner, Ginal, Gonzales, Hansen, Hinrichsen, Jaquez Lewis, Kirkmeyer, Kolker, Liston, Lundeen, Marchman, Mullica, Pelton R., Rich, Roberts, Sullivan, Van Winkle, Will, Winter F., Zenzinger; also REPRESENTATIVE(S) Armagost and Ortiz, Bottoms, Amabile, Bacon, Bird, Bradley, Brown, Duran, English, Epps, Frizell, Froelich, Garcia, Gonzales-Gutierrez, Hamrick, Herod, Joseph, Kipp, Lieder, Lindsay, Lindstedt, Lukens, Lynch, Marshall, Martinez, Mauro, McLachlan, Michaelson Jenet, Pugliese, Ricks, Sharbini, Story, Taggart, Valdez, Velasco, Weinberg, Weissman, Winter T., Young, McCluskie.

AN ACT

CONCERNING A CHANGE TO THE APPLICATION PROCESS FOR THE PROPERTY TAX EXEMPTION FOR VETERANS WITH A DISABILITY.

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

SECTION 1. In Colorado Revised Statutes, 39-3-201, **amend** (1)(a) as follows:

39-3-201. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) Section 3.5 of article X of the state constitution, which was approved by the registered electors of the state at the 2000 general election and amended by the registered electors of the state at the 2006 general election, provides property tax exemptions for a qualifying ~~seniors~~ SENIOR and FOR A qualifying ~~disabled veterans~~ "DISABLED VETERAN", DEFINED, IN ACCORDANCE WITH THE "PEOPLE FIRST LANGUAGE" REQUIREMENTS OF SECTION 2-2-802, IN SECTION 39-3-202 (3.5) AS A "QUALIFYING VETERAN WITH A DISABILITY" FOR PURPOSES OF THIS PART 2;

SECTION 2. In Colorado Revised Statutes, 39-3-202, **amend** (1.5) and (3.5); and **add** (3.3) as follows:

39-3-202. Definitions. As used in this part 2, unless the context otherwise requires:

(1.5) "Exemption" means the property tax exemptions for qualifying seniors and

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

qualifying ~~disabled~~ veterans WITH A DISABILITY allowed by section 39-3-203.

(3.3) "PROOF OF QUALIFYING VETERAN WITH A DISABILITY STATUS" MEANS DOCUMENTARY EVIDENCE FROM THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS THAT AN INDIVIDUAL IS A QUALIFYING VETERAN WITH A DISABILITY, AS DEFINED IN SUBSECTION (3.5) OF THIS SECTION. THE DIVISION SHALL DEVELOP GUIDELINES THAT SPECIFY THE DOCUMENTARY EVIDENCE FROM THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS THAT IS REQUIRED TO ESTABLISH PROOF OF QUALIFYING VETERAN WITH A DISABILITY STATUS.

(3.5) "Qualifying ~~disabled~~ veteran WITH A DISABILITY" means an individual who has served on active duty in the United States armed forces, including a member of the Colorado National Guard who has been ordered into the active military service of the United States, has been separated therefrom under honorable conditions, and has established a service-connected disability that has been rated by the ~~federal~~ UNITED STATES department of veterans affairs as a one hundred percent permanent disability through disability retirement benefits pursuant to a law or regulation administered by the department, the United States department of homeland security, or the department of the Army, Navy, or Air Force.

SECTION 3. In Colorado Revised Statutes, 39-3-203, **amend** (1.5)(a) introductory portion and (1.5)(a.5) as follows:

39-3-203. Property tax exemption - qualifications. (1.5) (a) For property tax years commencing on or after January 1, 2007, fifty percent of the first two hundred thousand dollars of actual value of residential real property that as of the assessment date is owner-occupied and is used as the primary residence of an owner-occupier who is a qualifying ~~disabled~~ veteran WITH A DISABILITY shall be exempt from taxation if:

(a.5) For property tax years commencing on or after January 1, 2015, fifty percent of the first two hundred thousand dollars of actual value of residential real property that as of the assessment date is owner-occupied and is used as the primary residence of an owner-occupier who is the surviving spouse of a qualifying ~~disabled~~ veteran WITH A DISABILITY who previously received an exemption under ~~paragraph (a) of this subsection (1.5)~~ SUBSECTION (1.5)(a) OF THIS SECTION is exempt from taxation.

SECTION 4. In Colorado Revised Statutes, **amend** 39-3-204 as follows:

39-3-204. Notice of property tax exemption. No later than May 1, 2013, and no later than May 1 of each year thereafter in which an assessor sends a notice of valuation pursuant to section 39-5-121 (1)(a) that is not included with the tax bill, each assessor shall mail to each residential real property address in the assessor's county notice of the exemption allowed by section 39-3-203 (1). As soon as practicable after January 1, 2014, and as soon as practicable after January 1 of each year thereafter, each county treasurer shall, at the treasurer's discretion, mail or electronically send to each person whose name appears on the tax list and warrant as an owner of residential real property notice of the exemption allowed by section 39-3-203 (1). The treasurer must mail or electronically send the notice in each year on or before the date on which the treasurer mails the property tax statement for the

previous property tax year pursuant to section 39-10-103. No later than May 1, 2008, and no later than each May 1 thereafter, each assessor also shall mail to each residential property address in the assessor's county notice of the exemption allowed by section 39-3-203 (1.5). No later than May 1, 2007, the division shall mail to the residential property address of each person residing in the state who the division believes is a qualifying ~~disabled~~ veteran WITH A DISABILITY notice of the exemption allowed by section 39-3-203 (1.5) for the 2007 property tax year. However, the sending of notice to a person by the division does not constitute a determination ~~by the division~~ that the person sent notice is entitled to an exemption. The notice ~~shall~~ MUST be in a form prescribed by the administrator, who shall consult with the division before prescribing the form of the notice of the exemption allowed by section 39-3-203 (1.5), and ~~shall~~ MUST include a statement of the eligibility criteria for the exemptions, ~~and~~ instructions for obtaining an exemption application, AND, FOR APPLICATIONS FOR EXEMPTIONS FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2024, INSTRUCTIONS FOR OBTAINING PROOF OF QUALIFYING VETERAN WITH A DISABILITY STATUS. To reduce mailing costs, an assessor may coordinate with the treasurer of the same county to include notice with the tax statement for the previous property tax year mailed pursuant to section 39-10-103 or may include notice with the notice of valuation mailed pursuant to section 39-5-121 (1)(a).

SECTION 5. In Colorado Revised Statutes, 39-3-205, **amend** (1)(b), (4)(a)(I), and (4)(a)(II); **repeal** (2.5); and **add** (2)(c) as follows:

39-3-205. Exemption applications - penalty for providing false information - confidentiality. (1) (b) To claim the exemption allowed by section 39-3-203 (1.5), an individual shall file with the ~~division~~ ASSESSOR a completed exemption application AND PROOF OF QUALIFYING VETERAN WITH A DISABILITY STATUS no later than July 1 of the first property tax year for which the exemption is claimed. An application returned by mail shall be deemed filed on the date it is postmarked. AN INDIVIDUAL WHO FILED AN EXEMPTION APPLICATION WITH THE DIVISION RATHER THAN WITH THE ASSESSOR AS WAS REQUIRED BEFORE THIS SUBSECTION (1)(b) WAS AMENDED BY SENATE BILL 23-036, ENACTED IN 2023, AND WHO QUALIFIED FOR AND RECEIVED AN EXEMPTION FOR A PROPERTY TAX YEAR COMMENCING BEFORE JANUARY 1, 2024, RETAINS THE EXEMPTION AND IS NOT REQUIRED TO SUBMIT A NEW APPLICATION OR PROOF OF QUALIFYING VETERAN WITH A DISABILITY STATUS TO THE ASSESSOR.

(2) (c) FOR THE EXEMPTION ALLOWED BY SECTION 39-3-203 (1.5), THE EXEMPTION APPLICATION MUST INCLUDE PROOF OF QUALIFYING VETERAN WITH A DISABILITY STATUS.

(2.5) ~~For the purpose of verifying the eligibility of each applicant for the exemption allowed to qualifying disabled veterans under section 39-3-203 (1.5) efficiently and with minimal inconvenience to each applicant, the division shall determine whether an applicant for the exemption is a qualifying disabled veteran. With respect to any application timely filed by July 1 pursuant to paragraph (b) of subsection (1) of this section, the division shall, if possible, determine whether the applicant is a qualifying disabled veteran and send notice of its determination to the applicant on or before the immediately succeeding August 1. If the division determines that the applicant is a qualifying disabled veteran, it shall also send~~

notice of its determination and a copy of the exemption application to the assessor for the county where the property is located. If the division is unable to determine whether the applicant is a qualifying disabled veteran on or before said August 1, it shall send preliminary notice to both the applicant and the assessor that its determination is pending and shall follow up the preliminary notice by sending final notice of its ultimate determination to the applicant and, together with a copy of the exemption application, to the assessor as soon as possible thereafter.

(4)(a) Completed exemption applications shall be kept confidential; except that:

(I) (A) An assessor ~~or the division~~ may release statistical compilations or informational summaries of any information contained in exemption applications and shall provide a copy of an exemption application to the applicant who returned the application, the treasurer of the same county as the assessor, the administrator, the state treasurer, or the state auditor upon request or as otherwise required by this part 2.

(B) An assessor ~~or the division~~ may introduce a copy of an exemption application as evidence in any administrative hearing or legal proceeding in which the accuracy or veracity of the exemption application is at issue so long as neither the applicant's social security number nor any other social security number set forth in the application are divulged.

(II) A treasurer, the administrator, the state treasurer, or the state auditor shall keep confidential each individual exemption application that it may receive from an assessor ~~or the division~~ but may release statistical compilations or informational summaries of any information contained in exemption applications and may introduce a copy of an exemption application as evidence in any administrative hearing or legal proceeding in which the accuracy or veracity of the exemption application is at issue so long as neither the applicant's social security number nor any other social security number set forth in the application are divulged.

SECTION 6. In Colorado Revised Statutes, 39-3-206, **amend** (1.5), (2)(a), and (2)(a.7) as follows:

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

(1.5) (a) Except as otherwise provided in ~~paragraph (a.7) of subsection (2)~~ SUBSECTION (2)(a.7) of this section, the ~~division~~ ASSESSOR shall only accept an application for the exemption allowed to qualifying ~~disabled~~ veterans WITH A DISABILITY under section 39-3-203 (1.5) if the applicant timely returned the exemption application in accordance with section 39-3-205 (1)(b), and an assessor shall only grant the exemption if ~~the division verifies that the applicant is a qualified disabled veteran~~ THE APPLICANT SUBMITS PROOF OF QUALIFYING VETERAN WITH A DISABILITY STATUS AS REQUIRED BY SECTION 39-3-205 and the exemption application ~~forwarded by the division to the assessor pursuant to section 39-3-205 (2.5)~~ establishes that the applicant meets the other requirements to be entitled to the exemption.

(b) If the information provided on or with an application for the exemption allowed to qualifying ~~disabled~~ veterans WITH A DISABILITY 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 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)~~ SUBSECTION (1)(b) OR (1.5)(b) 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 August 15 of the property tax year for which the exemption application was filed. The hearing shall be held on or after August 1 and no later than September 1 of the property tax year for which the exemption application was filed, and the decision of the county board of equalization 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.7) An individual who wishes to claim the exemption for qualifying ~~disabled~~ veterans WITH A DISABILITY 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~~ ASSESSOR waive the application deadline and allow the individual to file a late exemption application no later than the August 1 that immediately follows the original application deadline. The ~~division~~ ASSESSOR may accept an application if, in the ~~division's~~ ASSESSOR'S sole discretion, the applicant shows good cause for not timely filing an application. If the ~~division~~ ASSESSOR accepts a late application, it THE ASSESSOR shall determine whether the applicant is a qualifying disabled veteran THE APPLICATION SHOULD BE GRANTED OR DENIED PURSUANT TO SUBSECTION (1.5) OF THIS SECTION and shall mail notice of its determination to the applicant no later than the 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 ASSESSOR 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 7. In Colorado Revised Statutes, 25-2-103, **amend** (4.5) as follows:

25-2-103. Centralized registration system for all vital statistics - office of the state registrar of vital statistics created - 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~~

QUALIFYING veterans WITH A DISABILITY 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 8. In Colorado Revised Statutes, 39-21-113, **amend** (24) as follows:

39-21-113. Reports and returns - rule - repeal. (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~~ QUALIFYING veterans WITH A DISABILITY allowed under part 2 of article 3 of this ~~title~~ TITLE 39 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 9. Effective date - applicability. (1) This act takes effect upon passage; except that sections 5 and 6 of this act take effect January 1, 2024.

(2) This act applies to exemption applications for property tax years commencing on or after January 1, 2024.

SECTION 10. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: June 5, 2023