



Colorado Property Taxes

2022 ASSESSMENT LEGISLATION

Colorado 2022 Assessment Legislation

The 73rd General Assembly of Colorado ended its Regular Session on May 11, 2022. The following summaries relate to changes affecting the administration of Property Tax laws and procedures and include the effective dates and the dates upon which the Governor acted.

HB 22-1416

This bill makes changes to procedures for property tax assessment appeals and amendments to property tax materials and requires that certain information be included on notices of valuation. Changes include:

- The current June 1 deadline for a property owner to file an assessment appeal is extended to June 8.
- Prohibits the Board of Assessment Appeals (BAA) from increasing the property's valuation by more than 5% from the valuation previously set by the County Board of Equalization.
- Allows the owner of a rent-producing commercial property to have their appeal prioritized before the BAA if they file a written letter of objection requesting prioritization and is determined by the assessor to have assembled the rental income, expenses, and tenant information currently required by law.
- The BAA may assess a fee to defray the cost of expediting a taxpayer's appeal.
- The Property Tax Administrator (PTA) will conduct a noticed public hearing prior to proposing any changes to property tax materials.
- The PTA will consider written and oral submissions of data, views, or arguments presented at the hearing.
- The PTA will accept and consider written petitions for the issuance, amendment, or repeal of any property tax materials.
- The PTA will notice meetings of the advisory committee and include proposed changes to property tax materials in the notice.
- The PTA may charge a fee for requested hard copies of proposed changes to property tax materials.
- County assessors are to include in the notice of valuation an estimate of the taxes (range) owed.
- County assessors must include in the notice of valuation the revised deadline date of June 8 and the option to file an abatement if the taxpayer misses the filing deadline.
- County assessors must include in the notice of valuation that the owner may contact the assessor to learn how the property was valued.
- Signed by the Governor — Effective January 1, 2023.

SB 22-238

Reduces property tax assessment rates and taxable valuations for 2023 and 2024 tax years and requires that the state reimburse local governments for a portion of the resulting property tax revenue reduction.

- The bill makes changes to property tax assessments for 2023, as indicated below.
- Signed by the Governor — Effective January 1, 2023.
- The bill makes the following changes to property tax assessments for 2024.

2024 Property Tax Year

<i>Residential Property (Multifamily)</i>	6.80%
<i>Nonresidential Property (Commercial)</i>	29%
<i>Residential Property (Single Family)</i>	TBD*
<i>Agricultural Property</i>	26.40%
<i>Renewable Energy Property</i>	26.40%

* The Colorado PTA will set the assessment rate at a level such that the projected total revenue reduction attributable to the change in the bill is \$700 million over the 2023 and 2024 property tax years. The single-family residential assessment rate is expected to be set at 6.922% for 2024 based on December 2021 LCS forecast.

Additionally, the valuation adjustment of \$15,000 and \$30,000 will no longer be applied to the 2024 Actual Value of the property.

Backfill

County Treasurers will be required to calculate the 2023 property tax revenue reduction to local governments other than school districts as a result of the changes in assessment. The State Treasurer will reimburse local governments according to county size (population), growth, and revenue reduction.

SB 22-238 Impact

2023 Property Tax Year

Residential Property (Multifamily) – from 6.80% to 6.765%. Also, for 2023, the assessment rate is applied to the Actual Value of the property less \$15,000. For example:

	2022	2023
<i>Property Actual Value</i>	\$5,000,000	\$5,000,000
<i>Adjustment</i>		(\$15,000)
<i>Adjusted Actual Value</i>		\$4,985,000
<i>Assessment Rate</i>	6.80%	6.765%
<i>Assessed Value</i>	\$340,000	\$337,235
<i>Tax Rate</i>	.075541	.075541
Property Tax	\$25,684	\$25,475

\$209 Projected Property Tax Savings

Nonresidential Property (Commercial), excluding Oil/Gas, Agricultural, and Renewable Energy – from 29% to 27.9%.

Also, for 2023, the assessment rate is applied to the Actual Value of the property less \$30,000. (Note: Value adjustments cannot result in a valuation to fall below \$1,000 per statute.) For example:

	2022	2023
<i>Property Actual Value</i>	\$5,000,000	\$5,000,000
<i>Adjustment</i>		(\$30,000)
<i>Adjusted Actual Value</i>		\$4,970,000
<i>Assessment Rate</i>	29%	27.9%
<i>Assessed Value</i>	\$1,450,000	\$1,386,630
<i>Tax Rate</i>	.075541	.075541
Property Tax	\$109,534	\$104,747

\$4,787 Projected Property Tax Savings

Residential Property (Single Family) – from 6.95% to 6.765%.

Also, for 2023, the assessment rate is applied to the Actual Value of the property less \$15,000. For example:

	2022	2023
<i>Property Actual Value</i>	\$500,000	\$500,000
<i>Adjustment</i>		(\$15,000)
<i>Adjusted Actual Value</i>		\$485,000
<i>Assessment Rate</i>	6.95%	6.765%
<i>Assessed Value</i>	\$34,750	\$32,810
<i>Tax Rate</i>	.075541	.075541
Property Tax	\$2,625	\$2,478

\$147 Projected Property Tax Savings

HB 22-1006

Expands an existing property tax exemption to include property that is rented or leased and is used as an integral part of a childcare center.

- The Division of Property Taxation will review, inspect, and approve property tax exemptions from property owners claiming the new exemption.
- Effective January 1, 2023.

HB 22-1223

A property tax exemption applies to certain mobile and manufactured homes that reduces the assessed value.

- Exempts from the property tax, mobile and manufactured homes with an Actual Value less than or equal to \$28,000.
- Eliminates the requirement that the treasurer provide notice in a newspaper of the sale of a mobile home due to property taxes owed.
- Effective January 1, 2022.

SB 22-1301

Defines controlled environmental agricultural (CEA) facilities as a nonresidential structure and related equipment combining engineering, horticultural science, and computerized management techniques to optimize hydroponics, plant quality, and food production efficiency. Also, specifies that:

- Facility will be valued for assessment purposes as all other agricultural property using the cost, market, and income approaches to value.
- The agricultural equipment used in a CEA facility is exempt from the property tax.
- The personal property used in the operation of a CEA facility is exempt from the property tax.
- The CEA facility may not be used to grow marijuana or any other nonfood crop agricultural products.
- Owner of a CEA facility must file an affidavit with the county assessor affirming that the facility's sole purpose is to derive profit from the wholesale of plant-based food for human or livestock consumption.
- Effective January 1, 2023.

SB 22-026

Affects oil and gas operator property tax notification and appeal procedures.

- Oil and gas fractional interest owners aren't entitled to separate valuation, notification, review, audit, protest, abatement, or appeal procedures by the assessors.
- Designates that the operator of each wellsite, or if there is not operator, the owner who filed the statement as the representative is the exclusive point of contact for all notification and appeal procedures.
- Signed by the Governor – Effective March 30, 2022.

HRC 22-1003

If approved by the voters in November, the resolution extends homestead exemption for seniors or veterans with a disability to the Gold Star spouse of a deceased serviceperson.

- The Colorado Constitution allows a qualifying senior or veteran who has a service-connected disability rated at 100% to claim a property tax exemption for 50% of the first \$200,000 of Actual Value of their primary residence. If approved, the resolution extends the eligibility to the surviving spouse whose death resulted from a service-related injury or disease.
- Effective (if approved) January 1, 2023.

HB 22-1296

Clarifies definition of nursing home as:

- Licensed by the Colorado Department of Public Health and Environment (CDPHE).
- Meets the definition of a nursing care facility in CDPHE regulations, including those that provide convalescent care or rehabilitation services.
- Adds nursing homes to the definition of residential real property regardless of a patient's length of stay.
- Beginning in 2023, land on which a nursing home is situated, and its improvements are to be assessed as residential property.
- Effective January 1, 2023.

HB 22-1392

Extends and expands income tax credit and extends property tax exemptions for certain low-income housing developments. Current law allows for a 15-year property tax exemption for certain low-income housing developments. (Summary is limited to bill's impact on property taxes.)

- Low-income housing developments to include housing for disabled seniors and transitional housing.
- Extends current exemption to 30 years for properties that qualify for an extended use period income tax credit under the federal internal revenue code.
- Effective January 1, 2023.