



Fiscal Summary

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Measure: Initiative 49 – FULL PROPERTY TAX EXEMPTION FOR DISABLED VETERANS

Analyst: David Hansen, david.hansen@coleg.gov, 303-866-2633

Date: April 14, 2025

Fiscal Summary of Initiative 49

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at leg.colorado.gov/bluebook. This fiscal summary identifies the following impact.

Local Government

A property tax exemption for the primary residences of veterans with a 100 percent disability rating or total disability individual unemployability rating will reduce property tax revenue to local governments, including school districts, by an estimated \$79.5 million in property tax year 2027, for which taxes are paid in 2028, and by larger amounts in later years assuming rising property values and a growing number of eligible veteran homeowners. For school districts only, reduced property tax revenue will be partially offset by increased state aid payments to school districts. Net of state aid payments, revenue to all local governments is expected to decrease by \$56.1 million for property tax year 2027, and larger amounts in later years.

State Expenditures

The measure increases state expenditures by an estimated \$23.4 million in FY 2027-28, and by larger amounts in later years, for the state aid obligation for school finance as required under current law. The measure will also increase state expenditures by about \$16,000 for software system updates. Requiring the General Assembly to enact legislation to implement the measure's provisions may increase state expenditures further, but will depend on the exact details of this future legislation.

Economic Impacts

The property tax exemption will increase the amount of after-tax income available for eligible veteran homeowners to spend, save, or invest elsewhere in the economy. The measure will decrease property tax revenue collected by local governments, including school districts, lowering the amount of funds available for local services. Increased state expenditures for school finance may impact funds available for other state services. Any overall change in economic activity will depend on the net economic impacts of higher after-tax household and business income and reduced investment in public services.