



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

***Fiscal Note
Memorandum***

April 16, 2024

TO: Members of the House Finance Committee

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SUBJECT: Fiscal Assessment of Proposed Amendment **L.003 to SB 24-111**

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.003 to SB 24-111. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment L.003

The amendment changes who is eligible for the qualified-senior primary residence real property classification, from those who previously qualified for the senior homestead exemption in 2016 or later years but are currently ineligible, to those who qualified in 2020 or later years.

Fiscal Impact of Amendment L.003

The amendment reduces the number of taxpayers that would benefit from lower assessed values under the bill, thereby reducing the expected decrease in property tax revenue. A smaller decrease in property tax revenue reduces the amount of TABOR refunds paid for reimbursements to local governments, and reduces the corresponding decrease in the six-tier sales tax refund mechanism. With the amendment, the bill would increase property tax refunds by \$34.1 million in FY 2025-26 and \$43.3 million in FY 2026-27, down from \$65.8 million and \$75.0 million under the reengrossed bill. The amendment does not change the amount required to be refunded under TABOR. Refunds for the property tax reductions, paid via reimbursements to local governments for their losses, will continue ramp up by about \$9.3 million per year through FY 2030-31.

A forecast of TABOR revenue is not available beyond FY 2025-26. For future years when the state refunds a TABOR surplus, the bill as amended would continue increase the amount refunded to taxpayers via local reimbursements and decreases the amount refunded via the six-tier mechanism, as described above. For future years when the state does not refund a



TABOR surplus, the bill increases General Fund expenditures to reimburse local governments for lower property taxes, and reduces the amount otherwise available for the General Fund budget.

Bill’s Revised Fiscal Impact with Amendment L.003

The fiscal impact of the bill with Amendment L.003 is shown in Table 1.

**Table 1
State Fiscal Impacts Under SB 24-111**

		Budget Year FY 2024-25	Out Year FY 2025-26	Out Year FY 2026-27
Revenue		-	-	-
Expenditures	General Fund	-	\$151,832	\$54,642
	Centrally Appropriated	-	\$5,232	\$6,976
	Total Expenditures	-	\$157,064	\$61,618
	Total FTE	-	0.3 FTE	0.4 FTE
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	-	\$22,775	\$8,196
	TABOR Refunds – Property Tax Subtraction	-	\$34.1 million	\$43.3 million
	TABOR Refunds – Six-Tier Mechanism	-	(\$34.1 million)	(\$43.3 million)
	Net TABOR Refund Change	-	\$0	\$0