



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1289: METRO DISTRICT LEASES & PROPERTY TAX EXEMPTIONS

Prime Sponsors:

Rep. Zokaie; Richardson

Sen. Weissman; Frizell

Fiscal Analyst:

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Version: First Revised Note

Date: April 1, 2025

Fiscal note status: The fiscal note reflects the introduced bill, as amended by the House Finance Committee.

Summary Information

Overview. The bill requires metropolitan districts to file additional statements and disclosures when claiming a property tax exemption, which may necessitate referral to a governing body for approval. The bill states that privately owned interests that are leased to a public entity, and then leased back to private persons for private purposes, are taxable.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires metropolitan districts that are a party to a lease or rental agreement that was effective as of January 1, 2025, or later and was filed in support of a claim for a property tax exemption to submit additional statements and disclosures to the county assessor's office. This includes:

- the metropolitan district's use of the leased property;
- the metropolitan district's authority to use the leased property for the district's purposes;
- any use of the leased property by a private person for private purposes; and
- any disclosure filed by the member of the board of directors of the metropolitan district in accordance with certain laws that govern disclosures of conflicts of interest.

For disclosures related to conflicts of interest, the bill requires the county assessor to submit the statement to the governing body that approved the metropolitan district's service plan within 14 days. The governing body is then required to issue a written decision regarding the use of the leased property for a public purpose. If the leased property is not used for a public purpose, then the property is not exempt from property tax. A governing body may include the Board of County Commissioners or other entity that approved the metropolitan district's service plan, or its designees.

Relatedly, the bill clarifies that leasehold interests in privately owned real or personal property that has been leased to the state or political subdivision of the state, and that are leased back to private persons for private purposes, are taxable.

State Expenditures

The bill minimally increases workload in the Department of Local Affairs, Division of Property Taxation to update manuals, brochures, and training materials. This workload can be accomplished within existing appropriations.

Local Government

The bill minimally increases workload for county assessor's offices, metropolitan districts, and relevant governing bodies to file, process, and make determinations regarding the additional statements and disclosures required in the bill.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

County Assessors

Property Tax Division - Local Affairs

Local Affairs

Special District Association