SB 25-259

Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

SB 25-259: ELIMINATE DESTROYED PROP TAX REIMBURSEMENT PROG

Prime Sponsors:
Sen. Bridges; Kirkmeyer
Rep. Bird; Taggart

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Fiscal note status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2025-26 Long Bill budget package.

Summary Information

Overview. The bill repeals the property tax reimbursement program for properties destroyed by natural cause.

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

- State Expenditures

Appropriations. No appropriation is required. It is assumed that the required reduction in appropriations will be included in a Long Bill supplemental for FY 2024-25 and in the Long Bill for FY 2025-26.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	$0	$0	$0
State Expenditures (General Fund)	-$500,000	-$1,000,000	-$1,000,000
Transferred Funds	$0	$0	$0
Change in TABOR Refunds	$0	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, a property owner may be reimbursed by the state for property tax owed on property destroyed by natural causes. The bill repeals the reimbursement program beginning in the 2025 property tax year.

Background

House Bill 14-1001 created the Property Tax Reimbursement of Property Destroyed by Natural Causes program in the Department of Treasury. Since its inception, 16 counties have utilized the program, with total expenditures ranging from $2,019 in FY 2016-17 to $3.8 million in FY 2021-22 when Boulder County utilized the program after the Marshall Fire.

State Expenditures

By repealing the program, the bill reduces state General Fund expenditures in the Department of Treasury by $500,000 in FY 2024-25 and $1.0 million annually beginning in FY 2025-26. Repealing the program will eliminate reimbursements to property owners for property taxes paid on properties destroyed by natural causes. Actual savings may vary depending in future years depending on the number of properties destroyed in natural disasters.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill decreases required General Fund appropriations to the Department of Treasury by $500,000 in FY 2024-25 and $1.0 million in FY 2025-26. It is assumed that these reductions will be made in a Long Bill supplemental for FY 2024-25 and in the Long Bill for FY 2025-26, rather than this bill.

State and Local Government Contacts

Joint Budget Committee Staff

Treasury

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the General Assembly website.