



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

SCR 25-001: PROPERTY TAX EXEMPTION FIRST RESPONDERS

Prime Sponsors:

Sen. Baisley
Rep. Johnson

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Fiscal note status: The fiscal note reflects the introduced resolution.

Summary Information

Overview. The concurrent resolution refers a measure that, if approved by voters at the November 2026 general election, would create a new property tax exemption for first responders and surviving spouses based on their length of service, volunteer status, or service-ending injury, beginning with the 2026 property tax year.

Types of impacts. If approved by voters, the resolution is projected to affect the following areas on an ongoing basis:

- State Expenditures
- Local Government

Appropriations. No appropriation is required.

Table 1
Conditional State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	\$0
State Expenditures (School Finance) ¹	\$0	\$6.3 million	\$6.8 million
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

¹ The state share of school finance may be paid from the General Fund, State Education Fund, the Public School Fund, or a combination of these sources.

Summary of Legislation

The concurrent resolution refers a constitutional amendment to voters at the November 2026 statewide election. If approved by voters, the amendment creates a homestead property tax exemption for the primary residences of current or former emergency first responders and their surviving spouses beginning with the 2026 property tax year. Emergency first responders include peace officers, firefighters, and emergency medical service providers. The amendment exempts a portion of the actual value of the emergency first responder's home based on the owner's length of service and whether the person was a volunteer emergency first responder. For current or former first responders the amendment exempts:

- 50 percent of the home's actual value if the first responder served for at least 30 years, or served for at least one year and died or was critically injured on duty and can no longer serve;
- 40 percent of the home's actual value if the first responder served for at least 20 years; and
- 10 percent of the home's actual value if the first responder served for at least 10 years and remains in service at the close of the property tax year for which an exemption is claimed.

For current or former volunteer first responders the amendment exempts:

- 30 percent of the home's actual value if the volunteer first responder served for at least 30 years; and
- 20 percent of the home's actual value if the volunteer first responder served for at least 20 years.

Lastly, the amendment directs the General Assembly to enact laws to implement the new homestead exemption.

Assumptions

Property Tax Revenue Impacts

If approved by voters, the resolution affects property tax revenue through exempting a percentage of actual value from property taxes. This fiscal note assumes the LCS December 2024 Assessed Value forecast for assessment rates and values, and statewide weighted average mill levies for homeowners eligible for the existing homestead exemptions.

Eligible First Responders

The fiscal note estimates there will be about 22,100 exemption claims for property tax year 2026 and 22,500 claims for property tax year 2027. Estimates are based on peace officer, firefighter, and emergency medical service provider certifications provided by the Departments of Law, Public Safety, and Public Health and Environment. Certification counts for emergency medical service providers were reduced by estimated cross-certifications, which are common especially

among firefighters and emergency medical service providers. Claims for retired first responders were estimated based on the active certifications as a percent of the working age population applied to the retiree population. Estimates of volunteer firefighters are based on data provided by the Department of Public Safety from the U.S. Fire Department Census, and represent about 16 percent of estimated exemption claims. Length of service for retired first responders was based on data from PERA, and length of service for other first responders was based on estimates provided for the Colorado State Patrol.

Home Value and Homeownership

Estimates assume an average home value of about \$598,000 for property tax year 2026 and about \$634,000 for property tax year 2027. For active first responders, value was based on mean occupational wage data from the U.S. Bureau of Labor Statistics, home value and income data from the U.S. Census Bureau, and an estimate of home affordability. For retired first responders, value was based on the average value of homes under the existing senior homestead exemption, inflated for expected value growth. The homeownership rate among active first responders is assumed to match that of all households in Colorado at about 66 percent, and is 81 percent for retired first responders, equal to the rate for the retired-age population in Colorado based on Census data.

State Expenditures

If approved by voters, the resolution increases state expenditures by \$6.3 million in FY 2026-27 and by \$6.8 million in FY 2027-28, and larger amounts in later years as property values increase. Costs are for the state aid obligation for school finance and are detailed below.

Department of Local Affairs, Division of Property Taxation

If approved by voters, the resolution increases workload for the Division of Property Taxation in the Department of Local Affairs to update manuals, brochures, and training materials. Workload will also increase for training and taxpayer inquiries. The increased workload can be accomplished within existing appropriations.

For the existing senior and veterans homestead exemptions, the Division of Property Taxation is required to collect reports on the exemptions from county assessors and review these to ensure they meet legal requirements, are not duplicated among exemptions or are claimed for multiple homes, and that taxpayers are eligible for the exemptions. If the division is required to conduct similar work for the exemptions in the amendment, it will increase personnel and IT system costs. Preliminarily, based on legislation for senior homestead assessed value reductions, division workload may increase by 0.4 FTE with an estimated cost of about \$26,000 each year, along with one-time computer programming costs of \$130,000. Implementation costs will be estimated in fiscal notes that accompany any implementing legislation enacted by the General Assembly.

Departments of Law, Public Safety, and Public Health and Environment

The amendment requires implementing legislation by the General Assembly and, by itself, does not have specific impacts to the departments of Law, Public Safety, and Public Health and Environment as written. However, if the General Assembly requires the departments to verify service for peace officers, firefighters, and emergency medical service providers in the state, their length of service, or other criteria, and to coordinate with other state and local agencies, it will increase workload in these departments. This workload is currently expected to be able to be accomplished within existing appropriations, but will depend on the exact requirements and processes set by future implementing legislation.

The Department of Law's Peace Officer Standards and Training unit documents and manages the certification and training of all active peace officers in the state. The Department of Public Safety is home of the Colorado Bureau of Investigations and Colorado State Patrol. Additionally, the Division of Fire Prevention and Control within the department offers certifications for firefighters. The Department of Public Health and Environment certifies and registers emergency medical providers.

School Finance

The resolution decreases property tax collections from school district total program mills, requiring an equivalent increase in the state share of total program funding for school finance. The state aid obligation is expected to increase by \$6.3 million in FY 2026-27 and \$6.8 million in FY 2027-28, and larger amounts in future years as property values increase. The state aid obligation may be paid from the General Fund, the State Education Fund, the State Public School Fund, or a combination of these sources.

Election Expenditure Impact – Existing Appropriations

This resolution includes a referred measure that will appear before voters at the November 2026 general election. While no additional appropriation is required, certain election costs are incurred by the state when ballot measures are referred. These include reimbursing counties for certain election costs; publishing the text and title of the measure in newspapers across the state; and preparing and mailing the ballot information booklet.

Local Government

Local Government Revenue

If approved by voters, the resolution decreases revenue to local governments compared with current law, on net, beginning with 2026 property taxes payable in 2027. The bill decreases property tax revenue to all local governments that levy a property tax. Property tax reductions are estimated at \$21.3 million for property tax year 2026 and \$23.0 million for property tax year 2027. These revenue reductions are offset by state funds to school districts from state aid payments for school finance. Local government revenue impacts are summarized in Table 2 and discussed in more detail below.

Table 2
Local Government Revenue Impacts

Fund Source	Property Tax Year 2026	Property Tax Year 2027
Property Taxes – Local Gov’t Entities	-\$10.1 million	-\$10.9 million
Property Taxes – School Districts	-\$11.2 million	-\$12.1 million
State Aid for School Finance	\$6.3 million	\$6.8 million
Net Revenue	-\$15.0 million	-\$16.2 million

Property Tax Revenue

If approved by voters, the resolution decreases revenue from property taxes due to exempting a portion of the actual value of the residences of first responders. For property tax year 2026, the resolution reduces property tax revenue by an estimated \$10.1 million for non-school local government entities and by an estimated \$11.2 million for school districts. In property tax year 2027, the resolution reduces property tax revenue by an estimated \$10.9 million for non-school local government entities and an estimated \$12.1 million for school districts, as shown in Table 2. School district impacts reflect revenue impacts for total program mill levies and for other school district levies such as for mill levy overrides and bonds.

State Aid for School Districts

The School Finance Act requires the state government to pay the difference between a district’s property tax revenue collected from its total program mill levy, and the amount of the total program funding calculated for the district under state law. The resolution decreases school district property tax revenue, thereby increasing the state aid requirement as shown in Table 2. Other mill levies assessed by school districts, such as override mills, are not reimbursed.

Local Government Workload

If approved by voters, the amendment referred by the concurrent resolution will increase expenditures for county assessors for additional personnel to verify first responders, length of service, and exemption amounts. Larger counties would require at least 1.0 FTE for initial implementation, and 0.5 FTE for ongoing work. Smaller counties would require fewer personnel since they have fewer exemption claims. Assessors will also incur costs for software programming and updates if their systems are not designed to accommodate this type of exemption. For larger counties this will be up to an estimated \$100,000, and will be less based on software providers, contracts, and number of exemption claims in each county.

Technical Note

The amendment referred by the concurrent resolution is effective for the 2026 property tax year. If approved by voters at the November 2026 general election, there may not be enough time for the General Assembly to enact laws to implement the exemption, for local governments or state departments to process and verify service status, length of service, and exempted taxes prior to tax bills being mailed and due, thereby potentially necessitating refunds in later years.

The amendment also does not offer detail on how the new homestead exemption for first responders will interact with the existing homestead exemption for seniors, veterans, and gold-star spouses. The fiscal note assumes that multiple homestead exemptions may be claimed. If only one exemption may be claimed, it will decrease the impact estimated in this fiscal note.

Effective Date

If approved by voters at the November 2026 general election, the changes take effect upon proclamation of the Governor.

State and Local Government Contacts

County Assessors	Public Employees' Retirement Association
Fire and Police Pension Association	Public Health and Environment
Law	Public Safety
Local Affairs	Secretary of State
Property Tax Division	