

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING PROPERTY TAX.

Prime Sponsors: Reps. McCluskie and Pugliese
Sens. Hansen and Kirkmeyer

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund/TABOR Impact

Significant Cost Increase in Second Year

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 08/28/24.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to add a provision appropriating a total of \$109,426 General Fund to the Legislative Department for FY 2024-25. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.9 FTE.

Points to Consider*General Fund Impact*

The bill requires a General Fund appropriation of \$109,426 for FY 2024-25, reducing the amount of General Fund available for other purposes in FY 2024-25 or FY 2025-26 by the same amount.

Future Budget Processes/School Finance

The State is required to backfill decreases in local school finance revenues for total program funding that result from the bill, estimated at \$83.2 million in FY 2025-26, \$99.8 million in FY 2026-27, and greater amounts in later years. This amount can be paid from the General Fund, the State Education Fund, the State Public School Fund, or any combination of the three. The bill also increases administrative expenditures for the Department of Local Affairs in FY 2025-26 by \$39,932 General Fund, based on the assumption that the Department will require an additional 0.5 FTE. These expenditure requirements will be addressed during the annual budgeting process.

TABOR Impact

The bill does not change the amount required to be refunded under TABOR, but will shift the amount refunded through various refund mechanisms. The bill is estimated to require \$17.0 million that would otherwise be refunded via property tax reductions, and paid via reimbursements to local governments for their losses, to instead be refunded via the six-tier sales tax refund mechanism in FY 2025-26.

Local Fiscal Impact

The bill affects local property tax revenue through reduced assessed values and modification of a property tax revenue limit. The bill also increases expenditures for county treasurers and assessors to implement the property tax changes in the bill. A detailed discussion of the bill's impact on local governments can be found in the Legislative Council Staff Fiscal Note dated 08/28/24.