

# JOINT BUDGET COMMITTEE



## STAFF BUDGET BRIEFING FY 2017-18

## DEPARTMENT OF THE TREASURY

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# DEPARTMENT OF THE TREASURY

## DEPARTMENT OVERVIEW

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury consists of three sections: (1) Administration; (2) the Unclaimed Property Division; and (3) a Special Purpose unit, and is responsible for the following:

### PRIMARY FUNCTIONS

- Ensures the safekeeping and management of public funds by depositing and investing all funds received by state agencies.
- Ensures sufficient funds are maintained in cash accounts to pay outstanding warrants.
- Administers the Unclaimed Property Program.

### SCHOOL DISTRICTS AND CHARTER SCHOOLS

- Provides short-term financing to school districts by issuing tax and revenue anticipation notes.
- Assists charter schools with long-term financing by making direct bond payments.

### OTHER DISTRIBUTIONS AND LOANS

- Distributes Highway Users Tax Fund revenues to counties and municipalities.
- Distributes federal mineral leasing funds received for the state's share of sales, bonuses, royalties, and rentals of public lands within Colorado.
- Disburses reimbursements to local governments for the Senior Citizen and Disabled Veteran Property Tax Exemption.
- Makes loans to elderly individuals and military personnel through the Property Tax Deferral Program.
- Provides property tax reimbursements for property destroyed by a natural cause.
- Transmits moneys from the Unclaimed Property Trust Fund to the Adult Dental Fund.

### ADMINISTRATION

In addition to overall management of the Department, the Administration section is responsible for accounting, cash management, and investments. The Department is responsible for ensuring the safekeeping and management of public funds by maintaining sufficient funds in cash accounts to meet the state's daily cash needs and depositing all funds received by state agencies in statutorily authorized investments. In addition, the Department ensures that sufficient funds are maintained in cash accounts to meet the state's daily cash needs. The income earned on these investments augments the state's revenues from taxes and fees and decreases the tax burden on Colorado's citizens. The Department's three investment offices manage five investment portfolios with short, intermediate, and long-term fixed income goals. These portfolios include:

- **TCash:** a short-term portfolio including investments made in securities from one day to one year. Its purpose is to pay the state's bills, including payroll, education, Public Employees

Retirement Account, and redemption funding of the state's Tax and Revenue Anticipation Notes. The TCash and the TPool portfolios combined are referred to as the Treasury Pool.

- **TPool:** an intermediate portfolio including investments made in securities with maturities from one to five years. Its purpose is to take advantage of the yield curve to earn income and diversify investments. The TCash and the TPool portfolios combined are referred to as the Treasury Pool.
- **The Public School Permanent Fund:** a long-term portfolio made up of money earned from the sale or rental of lands and mineral royalties held in the school land trust; structured to preserve principal first, and then to maximize income. The State Public School Fund receives the first \$16 million of this fund's investment earnings.
- **The Major Medical Insurance Fund:** a long-term portfolio made up of money earned from a surcharge in the Division of Workers Compensation in the Department of Labor and Employment. The surcharge rate is established in order to ensure that anticipated obligations in each fiscal year can be met, as well as maintain a balance to cover one year's claims plus expected administrative costs. Currently, \$83.0 million of this fund is designated as a component of the state's Emergency Reserve.
- **The Unclaimed Property Tourism Promotion Trust Fund:** a long-term portfolio made up of proceeds collected through the sale of securities in the custody of the State Treasurer as the administrator of unclaimed property. The principal of the fund is expended to pay claims. Earned interest is credited to the Colorado State Fair Authority Cash Fund, the Agriculture Management Fund, and the Colorado Travel and Tourism Promotion Fund. Currently, \$5.0 million of this fund is designated as a component of the State's Emergency Reserve.

Aside from moneys invested in the Unclaimed Property Tourism Trust Fund, Colorado Public School Permanent Fund, and Colorado Major Medical Insurance Fund portfolios, all other funds identified for special purposes in statute are invested as part of the Treasury Pool (TCash or TPool) portfolios. Portfolio performance is provided in Appendix C of this document.

## UNCLAIMED PROPERTY DIVISION

The Unclaimed Property Division is established to take custody of dormant or abandoned property and return the property to the rightful owners or heirs. The value of intangible property, excluding securities, is held in the Unclaimed Property Trust Fund (UPTF); and the value of securities is held in the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF). Funds from the UPTF support the administration of the Unclaimed Property Program and a portion of the Administration division's personal services line item. The value of returned property is funded through the UPTF if it is intangible property or the UPTPTF if it results from the sale of securities.

As outlined above, the UPTPTF is managed separately from the four remaining investment accounts, and pursuant to Section 38-13-116.7, C.R.S., distribution for earned interest of this fund is allocated as follows: 25.0 percent to the Colorado State Fair Authority Cash Fund, 65.0 percent to the Agriculture Management Fund, and 10.0 percent to the Colorado Travel and Tourism Promotion Fund. In October 2015, \$12.2 million from the sales of securities was deposited in the UPTPTF. The Unclaimed Property Division returned nearly \$30.0 million from unclaimed property

to more than 13,000 claimants in FY 2015-16, and has returned more than \$600.0 million since the program's inception.

### SPECIAL PURPOSE DIVISION

The Special Purpose Division disburses moneys to local governments and other authorized recipients of state funds for the following programs:

- The Senior Citizen and Disabled Veteran Property Tax Exemption from the General Fund;
- Disbursements of Highway Users Tax Fund proceeds to counties and municipalities in the state; and
- Reimbursement of property taxes paid for property that has been destroyed in a natural disaster or by another cause beyond the control of the property owner.

These programs, which are created in the State Constitution or statute, are appropriated in the Department of the Treasury section of the Long Bill, but are pass-through programs in which the Treasury disburses or transfers moneys, but does not administer the programs. The programs are described in the General Factors Driving the Budget section.

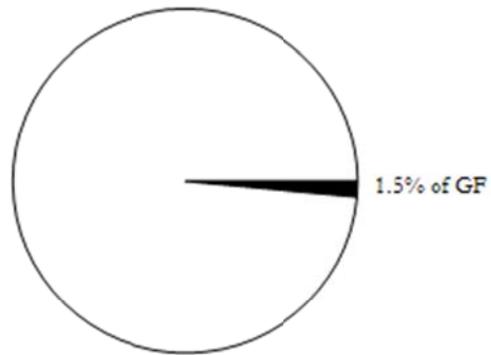
## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 *
General Fund	\$121,578,482	\$135,037,666	\$146,008,257	\$158,931,734
Cash Funds	317,200,922	346,610,762	354,252,675	354,813,979
Reappropriated Funds	0	0	17,775,175	17,773,025
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$438,779,404</b>	<b>\$481,648,428</b>	<b>\$518,036,107</b>	<b>\$531,518,738</b>
Full Time Equiv. Staff	31.9	31.9	32.9	32.9

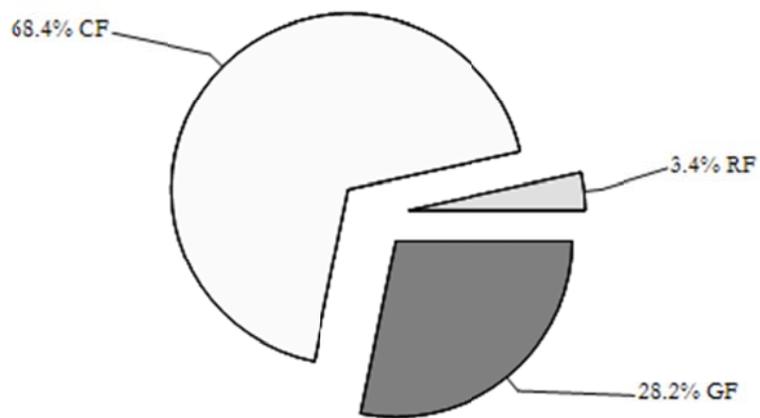
\*Requested appropriation.

# DEPARTMENT BUDGET: GRAPHIC OVERVIEW

Department's Share of Statewide General Fund

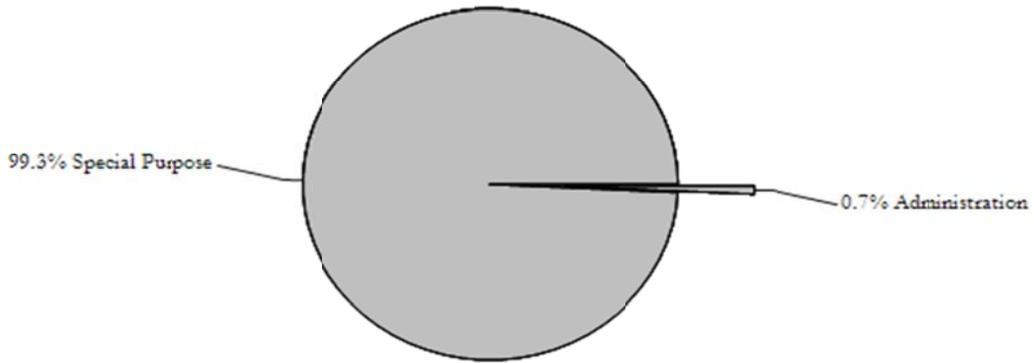


Department Funding Sources

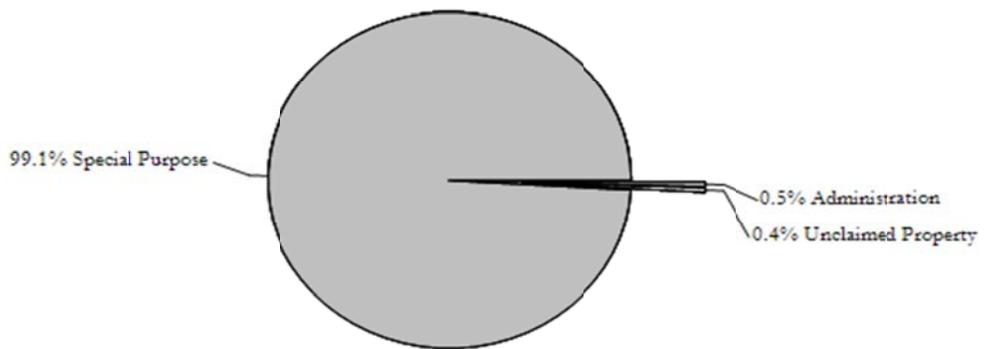


All charts are based on the FY 2016-17 appropriation.

**Distribution of General Fund by Division**



**Distribution of Total Funds by Division**



All charts are based on the FY 2016-17 appropriation.

## GENERAL FACTORS DRIVING THE BUDGET

The General Fund appropriation in the Department of the Treasury supports: (1) the senior citizen and disabled veteran property tax exemption, (2) tax reimbursements for property destroyed by a natural cause, and (3) a portion of the Department's administrative expenses. The Department's cash fund appropriation includes: (1) transaction fee revenue, which supports department administrative expenses; (2) moneys in the Unclaimed Property Trust Fund, which support the Unclaimed Property Program; and (3) distributions from the Highway Users Tax Fund to counties and municipalities. The Department's funding for FY 2016-17 consists of 28.2 percent General Fund, 68.4 percent cash funds, and 3.4 percent reappropriated funds.

### SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption. An honorably discharged disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability (as determined by the U.S. Department of Veterans Affairs) on the assessment date. Property tax is exempt on 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners. The State Treasurer is required to reimburse local governments for the resulting loss of property tax revenues. The Constitution grants the General Assembly the power to raise or lower the amount of residence value that is exempt from taxation.

For tax year 2002, the exemption was limited to the first \$200,000 of actual residence value. The General Assembly lowered this amount from \$200,000 to \$0 for tax years 2003, 2004, and 2005, thereby eliminating the associated state expenditures for corresponding fiscal years. State payments resumed in FY 2006-07. The General Assembly passed several bills during the 2009 and 2010 sessions that reduced the senior citizen exemption to \$0 for FY 2009-10, FY 2010-11 and FY 2011-12. These bills left in place the exemption for disabled veterans. No bills were passed during the 2016 session that reduced the exemption from those defined in statute.

State payments to local governments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on the State's fiscal year spending, but are not subject to the statutory restriction on General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (II) through (IV), C.R.S. Estimated General Fund expenditures for the property tax exemption are included in the Department of the Treasury's budget for informational purposes.

SENIOR CITIZEN AND DISABLED VETERAN HOMESTEAD PROPERTY TAX EXEMPTION					
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATED	FY 2017-18 PROJECTED
Senior Citizens	\$107,723,840	\$114,234,918	\$124,500,824	\$135,822,946	**
Disabled Veterans	2,083,129	2,646,365	\$2,637,206	\$2,877,054	**
<b>TOTAL</b>	<b>\$102,728,041</b>	<b>\$109,806,969</b>	<b>\$116,881,283</b>	<b>\$138,700,000</b>	<b>\$147,900,000</b>

<sup>1</sup> Estimates based on the September 2016 Legislative Council Staff Economic Forecast. Estimates in this table differ from JBC Staff projections found in subsequent tables in this document.

## PROPERTY TAX REIMBURSEMENTS FOR PROPERTY DESTROYED BY A NATURAL CAUSE

In the 2014 Session, the General Assembly passed H.B. 14-1001 providing a property tax reimbursement for real or business property listed on a single tax schedule that was destroyed by a natural cause. As defined in Section 39-1-102 (8.4), C.R.S., a natural cause includes a fire, explosion, flood, tornado, action of the elements, act of war or terror, or similar cause beyond the control of and not caused by the property owner. This property tax reimbursement is for tax years beginning on or after January 1, 2013, and is subject to reimbursement from the state in an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred. Upon receipt of a report from a county treasurer verifying the total amount of property tax in the county eligible for reimbursement, the State Treasurer shall issue a reimbursement warrant to the applicable county treasurer for the total amount. Funds made available for this property tax reimbursement are subject to annual appropriation by the General Assembly.

PROPERTY TAX REIMBURSEMENTS FOR PROPERTY DESTROYED BY A NATURAL CAUSE (H.B. 14-1001)		
COUNTY	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL
Boulder	\$380,580	\$6,561
El Paso	377,381	2,117
Huerfano	3,411	0
Jefferson	6,277	0
Larimer	84,473	0
Logan	50,945	15,463
Mesa	183	68
Weld	193,246	0
<b>TOTAL</b>	<b>\$1,096,496</b>	<b>\$24,209</b>

## HIGHWAY USERS TAX FUND DISBURSEMENTS

The Department distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities for use on local transportation projects pursuant to statutory formulas in Sections 43-4-207 and 208, C.R.S. The amounts anticipated to be distributed to counties and municipalities are reflected as cash funds appropriations within the Special Purpose section of the Long Bill for informational purposes. The following table details recent distributions of HUTF revenues, as well as projections for FY 2015-16 and FY 2016-17.

HIGHWAY USERS TAX FUND (HUTF) REVENUES AND DISTRIBUTIONS (\$ MILLIONS)						
	FY 12-13 ACTUAL <sup>1</sup>	FY 13-14 ACTUAL <sup>1</sup>	FY 14-15 ACTUAL <sup>1</sup>	FY 15-16 ACTUAL <sup>1</sup>	FY 16-17 ESTIMATED <sup>2</sup>	FY 17-18 PROJECTED <sup>2</sup>
Total Revenues	\$937.5	\$970.6	\$1,016.1	\$1,230.6 <sup>3</sup>	\$1,247.8	\$1,265.3
<i>Annual Percent Change</i>	(0.6%)	3.5%	4.7%	21.1%	0.1%	0.1%
Treasury Distributions						
Counties	\$184.7	\$190.6	\$200.6	\$204.0	\$206.9	\$209.8
Municipalities	126.4	130.4	\$136.9	139.2	141.1	143.1

<sup>1</sup> Values have been updated to correspond with the final general ledgers for the Department of Treasury's Fund 405.  
<sup>2</sup> Estimated based on Legislative Council Staff's forecasted percentage increase applied against the FY 2014-15 actual revenues and against Treasury's distributions to counties and municipalities.  
<sup>3</sup> H.B. 16-1416 transferred General Fund to HUTF for use by CDOT.

## TRANSFERS FROM THE UNCLAIMED PROPERTY TRUST FUND

Pursuant to the Unclaimed Property Act, Article 13 of Title 38, C.R.S., the Unclaimed Property Program in the Department of the Treasury is established to take custody of dormant or abandoned property and return the property to the rightful owners or heirs. In general, all intangible property, including any income derived therefrom, less any lawful charges, that is held, issued, or owing in the ordinary course of a holder's business and has remained unclaimed by the owner for more than five years after it became payable or distributable is presumed abandoned. Such intangible property is subject to the custody of the state as unclaimed property and is held in trust on behalf of the owners in the Unclaimed Property Trust Fund (UPTF). Aside from the payment of claims to owners and heirs, the fund balance is used to cover the costs of administering the program, including personal services, operating expenses, promotion and correspondence, leased space, and contract auditor services for the division. In addition, it is used to cover a portion of the Department of Treasury's administrative costs, and a percentage of the salaries paid to the Treasurer and Deputy Treasurer.

Although monies in the UPTF are held in trust by the state, since 1991 funds from the principal and interest of the UPTF have been authorized for use to fund programs that address medical or dental needs of Colorado residents. Upon transfer from the UPTF, funds are subject to the TABOR limitation on fiscal year spending pursuant to Section 20 of Article X of the Colorado Constitution. From 1991 through 2013 annual transfers from the UPTF were made to CoverColorado, a nonprofit entity created by the General Assembly to offer health insurance coverage to people unable to obtain insurance at a reasonable cost or without significant exclusions.<sup>1</sup> As a result of the passage of the federal Patient Protection and Affordable Care Act in 2010, and pursuant to H.B. 13-1115, CoverColorado was repealed and the transmission of monies to CoverColorado from the Unclaimed Property Trust Fund ended effective May 1, 2013. The legislation required the board to transmit \$15.0 million from CoverColorado to the State Treasurer for deposit into the UPTF on July 1, 2013. These funds were subsequently transferred from the UPTF to Connect for Health Colorado, the state's health benefit exchange. This was a one-time transfer.

Pursuant to S.B. 13-242, dental services for adults were added to the list of operational services provided by Medicaid and are funded through the creation of the Adult Dental Fund (ADF). Legislation directs that transfers from the UPTF be made into the ADF to cover the costs of the bill. During the 2016 legislative session, H.B. 16-1409 was passed requiring the estimated FY 2016-17 transfer in the amount of \$34.8 million to occur in June 2016. This transfer eliminated the transfer that would have occurred in FY 2016-17. The bill also required the State Treasurer to transfer \$8.0 million from the UPTF to the General Fund in FY 2015-16. This was a one-time transfer. The table below provides balance information for the UPTF.

FUND BALANCE PROJECTIONS FOR UNCLAIMED PROPERTY TRUST FUND (\$ MILLIONS)					
	FY 13-14 ACTUAL <sup>1</sup>	FY 14-15 ACTUAL <sup>1</sup>	FY 15-16 ACTUAL <sup>1</sup>	FY 16-17 ESTIMATED <sup>2</sup>	FY 17-18 PROJECTED <sup>2</sup>
Beginning balance	\$124.5	\$168.0	\$189.0	\$156.3	\$197.5
Net revenue	46.2	41.1	41.9	41.9	41.9
Interest income	1.5	2.0	1.5	2.0	2.0
Gross revenue	\$172.2	\$211.1	\$232.4	\$200.2	\$241.4
Unclaimed Property Program operating expenses	(2.6)	(2.5)	(2.7)	(2.7)	(2.7)
Transfers from CoverColorado (H.B. 13-1245)	15.0	n/a	n/a	n/a	n/a

<sup>1</sup> Section 10-5-502, C.R.S.

FUND BALANCE PROJECTIONS FOR UNCLAIMED PROPERTY TRUST FUND (\$ MILLIONS)					
	FY 13-14 ACTUAL <sup>1</sup>	FY 14-15 ACTUAL <sup>1</sup>	FY 15-16 ACTUAL <sup>1</sup>	FY 16-17 ESTIMATED <sup>2</sup>	FY 17-18 PROJECTED <sup>2</sup>
Transfers to Colorado Health Benefit Exchange (H.B. 13-1245)	(15.0)	n/a	n/a	n/a	n/a
Transfers to Adult Dental Fund (S.B. 13-242)	(1.6)	(19.6)	(30.6)	0.0	(34.8)
Transfer to Adult Dental Fund (16-1409)	n/a	n/a	(34.8)	n/a	n/a
Transfer to General Fund (H.B. 16-1409)	n/a	n/a	(8.0)	n/a	n/a
Total expenses	(\$4.2)	(\$22.1)	(\$76.1)	(\$2.7)	(\$37.5)
End balance	\$168.0	\$189.0	\$156.3	\$197.5	\$203.9
Required reserve	(106.5)	(109.9)	(115.4)	(121.2)	(121.2)
<b>Available fund balance</b>	<b>\$61.5</b>	<b>\$79.1</b>	<b>\$40.9</b>	<b>\$76.3</b>	<b>\$82.7</b>

Note: Unclaimed Property Trust Fund balance, revenue, expenses, and reserve information provided by the Department of the Treasury.

## TRANSFERS TO THE STATE EDUCATION FUND

Prior to FY 2013-14, Section 31-30.5-307, C.R.S., required the state to pay part of the unfunded liability of retirement plans that cover police and firefighters who were hired before 1978. These payments were made through annual transfers from the General Fund (Exempt) to the Fire and Police Pension Association (FPPA), the plan administrator. This annual General Fund transfer was included in the Long Bill for informational purposes and was not subject to the statutory limit on General Fund appropriations. The intended payoff of this liability was scheduled to terminate upon the retirement funds becoming fully funded based on an actuarially sound basis. Legislation resulting in payment reductions or suspensions shifted the targeted payoff from December 2009 to April 2019. As of May 31, 2013, the six remaining payments (April 2014 through April 2019) were calculated to total \$171,597,134. The total payoff as of May 31, 2013 was calculated at \$132,409,339.

Pursuant to S.B. 13-234, on May 31, 2013, the State Treasurer transferred \$132,409,339 from the General Fund to the FPPA in order to fully resolve the liability. This transfer served to satisfy all future payments to the fund; and upon this transfer, no other transfers will be made to the benefit plan. According to Section 24-75-200, C.R.S., the transfer reduced the amount of the General Fund surplus that would otherwise have been transferred to the State Education Fund. In order to reimburse this fund, the General Assembly established a repayment schedule for transfers from the General Fund to the State Education Fund. The first transfer was made in April 2014 in the amount of \$45,321,079. Annual transfers of \$25,231,070 were scheduled for April of each year from 2015 through 2018, with a final transfer of \$24,991,739 scheduled for April of 2019. Remaining transfers are outlined in the table below:

TRANSFERS TO STATE EDUCATION FUND SCHEDULE (S.B. 13-234)	
PAYMENT DATE	AMOUNT
April 2017 (FY 2016-17)	25,321,079
April 2018 (FY 2017-18)	25,321,079
April 2019 (FY 2018-19)	24,991,739

## SUMMARY: FY 2016-17 APPROPRIATION & FY 2017-18 REQUEST

DEPARTMENT OF THE TREASURY					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>					
HB 16-1405 (Long Bill)	518,036,107	146,008,257	354,252,675	17,775,175	32.9
<b>TOTAL</b>	<b>\$518,036,107</b>	<b>\$146,008,257</b>	<b>\$354,252,675</b>	<b>\$17,775,175</b>	<b>32.9</b>
<b>FY 2017-18 APPROPRIATION:</b>					
FY 2016-17 Appropriation	\$518,036,107	146,008,257	\$354,252,675	\$17,775,175	32.9
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	12,833,444	12,833,444	0	0	0.0
NP1 OIT Secure Colorado	3,378	3,378	0	0	0.0
NP2 OIT Deskside	1,351	1,351	0	0	0.0
Annualize prior year legislation	500,000	0	500,000	0	0.0
Centrally appropriated line items	144,458	85,304	61,304	(2,150)	0.0
<b>TOTAL</b>	<b>\$531,518,738</b>	<b>\$158,931,734</b>	<b>\$354,813,979</b>	<b>\$17,773,025</b>	<b>32.9</b>
<b>INCREASE/(DECREASE)</b>	\$13,482,631	\$12,923,477	\$561,304	(\$2,150)	0.0
Percentage Change	2.6%	8.9%	0.2%	(0.0%)	0.0%

**SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION ADJUSTMENT:** The request includes an increase of \$12.8 million General Fund for FY 2017-18 for reimbursement to local governments for lost property tax revenues; based on the Governor's Office of State Planning and Budgeting September 2016 forecast.

**NP1 OIT SECURE COLORADO:** The request includes an increase of \$3,378 General Fund for FY 2017-18 to cover the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities. *This request item will be addressed in a separate staff briefing for the Governor's Office of Information Technology on November 17, 2016.*

**NP2 OIT DESKSIDE:** The request includes an increase of \$1,351 General Fund for FY 2017-18 to cover the Department's share of the Office of Information Technology's implementation of Deskside support. *This request item will be addressed in a separate staff briefing for the Governor's Office of Information Technology on November 17, 2016.*

**ANNUALIZE PRIOR YEAR LEGISLATION:** The request includes an increase of \$500,000 cash funds spending authority for FY 2017-18. These funds are from interest earned on the investment of the Public School Fund and are to cover expenses incurred by the Public School Fund Investment Board created in S.B. 16-035.

**Centrally appropriated line items:** The request includes adjustments to centrally appropriated line items including the following: health, life, and dental; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; workers' compensation and payments to risk management; legal services; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

## ISSUE: SENIOR CITIZEN PROPERTY TAX EXEMPTION

The Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans, exempting 50.0 percent of the first \$200,000 of actual home value. The Senior Citizen and Disabled Veteran Property Tax Exemption is administered by the Department of Local Affairs; however, the estimated General Fund expenditures are included in the Department of the Treasury's budget for informational purposes.

### SUMMARY

- Current law provides a property tax exemption on 50.0 percent of the first \$200,000 of actual residence value to qualifying senior citizens and disabled veterans.
- The Senior Citizen and Disabled Veteran Property Tax Exemption line item is reflected in the Department of the Treasury's section of the budget for informational purposes only. The state is required to reimburse counties the total amount of exempted property regardless of the amount identified in the Long Bill.
- Current law requires that the funds identified in the Senior Citizen and Disabled Veteran Property Tax Exemption line item of the Long Bill that exceed total warrants reimbursed to counties in a given fiscal year be transferred to the Senior Services Account within the Older Coloradans Cash Fund (95.0 percent) and the Veterans Assistance Grant Program Cash Fund (5.0 percent).
- FY 2015-16 reimbursements to counties totaled \$127.1 million General Fund. Of this amount, \$124.5 million of the reimbursement was for senior property tax exemptions and \$2.6 million was for disabled veteran property tax exemptions.
- Historical data indicate an average increase in the number of senior exemptions granted at 5.7 percent per year. While the number of disabled veteran exemptions averages a slightly lower increase of 6.1 percent per year, it comprises approximately 2.0 percent of the total number of eligible exemptions.
- Based on projected population increases, Staff estimates that, under current law, the liability to the state for this reimbursement will be approximately \$143.1 million in FY 2017-18 – approximately \$140.0 million of which will be for senior citizens.

### RECOMMENDATION

**The information in this briefing is provided for informational purposes and does not include a Staff recommendation for Committee consideration.** Based on current data, JBC Staff estimates that in FY 2016-17 \$137.2 million (87.2 percent) in exemptions will be provided to eligible seniors who own homes with a taxable actual property value of \$400,000 or less; and \$20.1 million (12.8 percent) will be provided to eligible seniors who own homes with a taxable actual property value of over \$400,000. JBC Staff projects that by FY 2019-20, the cost to the State of Colorado for the Senior Citizen Property Tax Exemption will be approximately \$156.4 million.

## DISCUSSION

### BACKGROUND

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. Pursuant to Sections 39-3-201 to 208, C.R.S., this provision exempts 50.0 percent of the first \$200,000 of actual home value from property tax and requires the State Treasurer to reimburse local governments for the resulting lost property tax revenues. The exemption applies if (a) the property owner-occupier is sixty-five years of age or older as of the assessment date and has occupied the property as a primary residence for the past ten years; or (b) the owner-occupier is the spouse or surviving spouse of an owner-occupier who previously qualified for the exemption. The passage of Referendum E extended the exemption to honorably discharged veterans with a 100 percent permanent service-connected disability beginning in tax year 2007.

The constitution grants the General Assembly the power to raise or lower the maximum amount of residence value that is exempt from taxation. For tax year 2002, the first year this exemption was made available, the exemption was limited to the first \$200,000 of actual residence value. The General Assembly lowered this amount to \$0 for seniors for tax years 2003, 2004, and 2005, and again for tax years 2009 (S.B. 09-276), 2010, and 2011 (S.B. 10-190), thereby eliminating the associated state expenditures for fiscal years 2003-04 through 2005-06 and fiscal years 2009-10 through 2011-12. The exemption for disabled veterans remained intact. Warrants paid to counties each year since FY 2012-13 have continued to increase steadily as a greater percentage of the population age into the 65 and over age bracket. In FY 2012-13, \$102.7 million in warrants were paid to counties. Based on data from the Department of Local Affairs, Staff estimates warrants for FY 2016-17 to be nearly \$129.0 million – a 25.2 percent increase over five years.

SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION					
	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ESTIMATE <sup>1</sup>
<b>NUMBER OF EXEMPTIONS GRANTED</b>					
Senior Citizens	182,905	197,598	207,457	234,677	228,400
Disabled Veterans	3,649	3,829	4,235	4,429	5,046
<b>TOTAL</b>	<b>186,554</b>	<b>201,427</b>	<b>211,692</b>	<b>239,106</b>	<b>233,446</b>
<b>EXEMPTED ACTUAL VALUE</b>					
Senior Citizens	\$15,088,560,545	\$16,010,118,503	\$16,848,725,408	\$19,888,261,495	\$20,157,747,900
Disabled Veterans	288,938,096	307,559,717	423,531,944	450,978,284	433,689,336
<b>TOTAL</b>	<b>\$15,377,500,000</b>	<b>\$16,317,678,220</b>	<b>\$17,272,257,352</b>	<b>\$20,339,239,779</b>	<b>\$20,591,437,236</b>
<b>PERCENT OF RESIDENCES GRANTED EXEMPTION</b>					
Senior Citizens	9.90%	10.82%	11.15%	12.51%	13.14%
Disabled Veterans	0.20%	0.21%	0.23%	0.24%	0.24%
<b>TOTAL</b>	<b>10.09%</b>	<b>11.03%</b>	<b>11.38%</b>	<b>12.75%</b>	<b>13.38%</b>
<b>PROPERTY TAX EXEMPTED</b>					
Senior Citizens	\$100,821,732	\$107,723,840	\$114,234,918	\$124,500,824	\$125,848,400
Disabled Veterans	\$1,906,309	\$2,083,129	\$2,646,365	\$2,637,206	2,780,346
<b>TOTAL</b>	<b>\$102,728,041</b>	<b>\$109,806,969</b>	<b>\$116,881,283</b>	<b>\$127,138,030</b>	<b>\$128,628,746</b>
<b>AVERAGE VALUE OF EXEMPTION</b>					
	\$551	\$545	\$552	\$532	\$551

<sup>1</sup>JBC estimates based on actual eligible exemption data provided by the Department of Local Affairs. Number of exemptions granted may change after confirmation of eligibility.

## TABOR AND GENERAL FUND APPROPRIATION LIMITS

Section 3.5 (3) of Article X of the Colorado Constitution states that approval of this section by the voters statewide constitutes a voter-approved revenue change to allow the maximum amount of state fiscal year spending for the 2001-02 state fiscal year to increase by \$44.1 million. It also states that this amount is to be included in the state fiscal year spending for that year for the purpose of calculating subsequent state fiscal year spending limits, and as a result specifies that these payments are subject to the TABOR limitation on fiscal year spending. This section also states that these payments are not subject to any statutory limitation on General Fund appropriations because the enactment of this section constitutes voter approval of a weakening of any such limitation. The costs associated with the exemption are treated outside of the statutory limit and are not built into the funding base used to calculate the limit for subsequent fiscal years.

## TRANSFER OF FUNDS SPECIFIED IN LONG BILL NOT EXPENDED

Pursuant to Section 39-3-207 (4) (a), C.R.S., and in accordance with Section 3.5 of Article X of the State Constitution, no later than April 15<sup>th</sup> of each year the State Treasurer shall issue a warrant to each county treasurer for the amount needed to fully reimburse all local governmental entities within the county for the amount of property tax revenues lost as a result of the application of the property tax exemption. Because the state is required to fully reimburse local governmental entities within each county, the amount appropriated annually in the Senior Citizen and Disabled Veteran Property Tax Exemption line item of the Long Bill is provided for informational purposes only and is based on the March Economic Forecast. Amounts *exceeding* the total identified in the Long Bill appropriation are reimbursed to counties from the General Fund in their entirety.

Pursuant to H.B. 12-1326, as of June 30, 2013, if reimbursements to local entities total *less* than the amount specified in the Long Bill for each fiscal year, the excess funds were transferred to the Senior Services Account within the Older Coloradans Cash Fund. During the 2016 Legislative Session, the Joint Budget Committee sponsored H.B. 16-1161 to reduce the transfer to the Senior Services Account to 95.0 percent of the funds identified in the Long Bill in excess of the actual warrants paid. As of FY 2016-17, the remaining 5.0 percent is transferred into the Veterans Assistance Grant Program Cash Fund. In fiscal years 2012-13, 2013-14, and 2015-16 no transfer was required as the amount identified in the Long Bill exceeded the total amount of warrants issued. In FY 2014-15, \$1.5 million was transferred from the General Fund to the Senior Services Account because the total amount of actual warrants issued to counties was below the amount identified in the Long Bill. The following table provides information on these required transfers.

HB 12-1326 TRANSFERS FROM THE SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION LINE ITEM TO THE SENIOR SERVICES ACCOUNT IN THE OLDER COLORADOANS CASH FUND			
	SCDVTE LINE ITEM AMOUNT IN LONG BILL	ACTUAL WARRANTS ISSUED	NOTES
FY 2011-12	\$1,700,000	\$1,756,475	Only includes Disabled Veterans (prior to passage of HB 12-1326); data from FY 2013-14 Department of the Treasury budget request
FY 2012-13	\$98,500,000	\$102,728,041	Transfer is not required as the actual amount issued exceeds the amount in the annual general appropriations act by \$4.2 million; data from FY 2013-14 Department of the Treasury

**HB 12-1326 TRANSFERS FROM THE SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION LINE ITEM TO THE SENIOR SERVICES ACCOUNT IN THE OLDER COLORADOANS CASH FUND**

	SCDVTE LINE ITEM AMOUNT IN LONG BILL	ACTUAL WARRANTS ISSUED	NOTES
			budget request
FY 2013-14	\$105,200,000	\$109,806,969	Transfer is not required as the actual amount issued exceeds the amount in the annual general appropriations act by \$4.6 million; data from FY 2013-14 Department of Local Affairs, June 2014
FY 2014-15	\$118,400,000	\$116,880,518	Transfer is required. The amount identified in the Long Bill exceeds the actual amount of issued warrants by \$1.5 million; data from the Department of the Treasury
FY 2015-16	\$126,000,000	\$127,141,987	Transfer is not required as the actual amount issued exceeds the amount in the annual general appropriations act by \$1.1 million; data from FY 2017-18 Department of the Treasury budget request
FY 2016-17	\$142,700,000		

**WHO BENEFITS FROM THE SENIOR CITIZENS PROPERTY TAX EXEMPTION?**

As mentioned above, the Senior Citizen Property Tax Exemption is available to seniors 65 years of age and older who have owned and occupied their home as a primary residence for the past ten years; or who are the owner-occupier of a home and the surviving spouse of an owner-occupier who previously qualified for the exemption. Based on data provided by the Department of Local Affairs, 228,400 seniors will qualify for the exemption in tax year 2016.<sup>2</sup> Of this number 143,879 seniors (58.2 percent) own and occupy a home with an actual value of \$200,000 or less and receive an average exemption of \$508. Staff estimates the cost of these exemptions for the 2016 tax year to be approximately \$73.2 million. An additional 58,711 qualifying seniors (29.0 percent) own and occupy a home with an actual value of \$200,001 to \$400,000 and receive an average exemption of \$622. The estimated cost of this range of exemptions for the 2016 tax year is \$36.5 million. The remaining 25,810 qualifying seniors (12.8 percent) own and occupy a home with an actual value over \$400,000 and receive an average exemption of \$623. The estimated cost of this range of exemptions is \$16.1 million. Appendix E contains Joint Budget Committee Staff estimates for the cost of this exemption under current law.

The Colorado Constitution does not provide for means testing for the exemption or for the portability of the exemption should a senior choose to sell an eligible property and purchase a new residence. Section 6 of Article X of the Colorado Constitution states that “all laws exempting from taxation property other than that specified in this article shall be void,” therefore the General Assembly is prohibited from enacting property tax exemptions that are not already provided for in Article X of the constitution. As a result, means testing and portability can only be addressed through one of the following:

- Passage of a concurrent resolution by the General Assembly to refer to the voters a constitutional amendment that would add language allowing for the exemption to remain intact

<sup>2</sup> This value is subject to change pending verification of exemptions by the Department of Local Affairs.

if a qualifying senior purchases a new primary residence, and/or to include in the eligibility requirements an income provision; or

- Passage of a bill by the General Assembly that will: reduce the amount of the actual value of residential real property that is eligible for the exemption to zero; and create in statute a senior housing program.

Under current law, the option for cost savings associated with the Senior Citizen Property Tax Exemption is to reduce the amount of the actual value of residential real property that is eligible for the exemption to less than \$200,000.

### AUGUST 2015 AUDIT FINDINGS

In August of 2015, the Office of the State Auditor released its findings on the performance audit of the Senior Citizen and Disabled Veteran Property Tax Exemption Program. The audit included an evaluation of the process through which the Department of the Treasury reimbursed counties for lost property taxes as a result of this exemption. Briefly, after exemptions were approved by both the county assessor’s office and the Department of Local Affairs (DOLA), counties sent a report to the State Treasurer identifying the amount to be paid to each county by April 15<sup>th</sup> of each year. Auditors concluded that DOLA was unable to identify some non-qualifying exemptions because statute limited its review of applications to looking for multiple applications by the same person or couple. In addition, the State Treasurer had reimbursed counties for non-qualifying or possibly non-qualifying exemptions because there was no mechanism to determine whether or not the report sent to the Treasurer was accurate prior to warrants being issued. Finally, there was no mechanism for the State Treasurer to recover funds paid to counties for non-qualifying exemptions. The auditors determined that during tax year 2013 the state reimbursed counties a total of \$169,000 for non-qualifying exemptions; and \$25.3 million for exemptions that *may* not qualify. Necessary changes to statute were made by the General Assembly in H.B. 16-1175. These changes will allow DOLA to more closely monitor exemptions and the State Treasurer to recover funds paid for non-qualifying exemptions.

### SENIOR CITIZEN EXEMPTION PROJECTIONS FOR THE FUTURE

Though the state may experience a savings as a result of H.B. 16-1175, cost projections for this program continue to increase as the baby boomer population ages into the 65 and over demographic. This increase is expected to continue through 2029 until those individuals born in 1964 turn 65. Staff has prepared the following table containing population growth and cost projections for the senior citizen portion of this exemption. Projections differ from those provided in the September 2016 Legislative Council Economic and Revenue Forecast because the forecast contains projections for both the senior exemption and the disabled veteran exemption. Based on the historical average, Staff has assumed a 5.7 percent increase in reimbursements for senior citizen property tax exemptions.

SENIOR CITIZEN PROPERTY TAX EXEMPTION (JBC STAFF PROJECTIONS)					
	FY 15-16 ACTUAL	FY 16-17 ESTIMATE	FY 2017-18 PROJECTED /1	FY 2018-19 PROJECTED	FY 2019-20 PROJECTED
POPULATION					
Total Population, State of Colorado /a	5,555,751	5,655,405	5,751,727	5,848,903	5,945,319

**SENIOR CITIZEN PROPERTY TAX EXEMPTION (JBC STAFF PROJECTIONS)**

	FY 15-16 ACTUAL	FY 16-17 ESTIMATE	FY 2017-18 PROJECTED /i	FY 2018-19 PROJECTED	FY 2019-20 PROJECTED
Annual percent increase	1.8%	1.8%	1.7%	1.7%	1.6%
<b>65+ POPULATION</b>					
65+ Population, State of Colorado /a	746,558	782,659	820,032	857,885	896,461
Percent of total	13.4%	13.8%	14.3%	14.7%	15.1%
Annual percent increase /c	4.8%	4.8%	4.8%	4.6%	4.5%
<b>HOME OWNERSHIP</b>					
65+ population that owns/occupies home /d	595,753	621,953	650,468	682,273	712,144
Percent of 65+ home owners (estimate)	80%	79%	79%	80%	79%
<b>EXEMPTIONS GRANTED</b>					
Number of Exemptions Granted /e	234,677	228,400	241,876	256,146	271,259
Percent of senior population granted exemptions	31.4%	29.2%	29.5%	29.9%	30.3%
Annual percent increase	5.9%	5.9%	5.9%	5.9%	5.9%
Percent of owner/occupiers granted exemption	39.4%	36.7%	37.2%	37.5%	38.1%
Annual percent increase	6.4%	-6.8%	1.3%	1.0%	1.5%
<b>PERCENT OF RESIDENCES</b>					
Percent of Residences Granted Exemption /f	12.51%	13.14%	13.8%	14.5%	15.2%
Annual percent increase	12.2%	5.0%	5.0%	5.0%	5.0%
<b>ACTUAL VALUE</b>					
Exempted Actual Value	\$19,888,261,495	\$20,157,747,900	\$21,306,739,530	\$22,521,223,684	\$23,804,933,433
Annual percent increase /g	18.0%	1.4%	5.7%	5.7%	5.7%
<b>PROPERTY TAXES EXEMPTED</b>					
<b>Property Taxes Exempted /h</b>	<b>\$124,500,824</b>	<b>\$125,848,400</b>	<b>\$134,657,788</b>	<b>\$144,083,833</b>	<b>\$154,169,701</b>
Percent of actual value	0.6%	0.6%	0.6%	0.6%	0.6%
Annual percent increase	9.0%	1.1%	7.0%	7.0%	7.0%

/a Total Population and 65+ Population totals obtained from the Department of Local Affairs (DOLA) Demographers Office, [https://dola.colorado.gov/demog\\_webapps/pagCategory.jsf](https://dola.colorado.gov/demog_webapps/pagCategory.jsf)

/b Annual growth rates are based on DOLA projections identified in Aging in Colorado, July 2012.

/c Annual growth rates for 65+ population is estimated to be 7.0 percent through 2020.; however the State Demographer's website provided projected data that is lower than the 7.0 percent.

/d Percent of 65+ homeowners obtained from the U.S. Census Bureau. The national average is provided above.

/e Actual and estimated values for property tax exemptions in FY 12-13, FY 13-14, and FY 2014-15 provided by the DOLA, November 2014.

/f Percent of residences granted exemption provided by Department of Local Affairs

/g Staff has calculated a 5.7 percent increase in exempted actual value.

/h "Property Taxes Exempted" represents the amount of warrants issued by the state to reimburse counties for lost property taxes. The percent of actual value of this exemption is has consistently been 0.7 percent. Staff assumes the continuation of this percentage.

/i Legislative Council Economists project the FY 2016-17 exemptions to be \$139.3 million; and FY 2017-18 exemptions to be \$148.9 million.

As indicated in the above table, under current law projected tax reimbursements to counties are anticipated to increase approximately \$10.0 million each year over the next four years. The following table provides projected costs of future reimbursements for both the Senior Citizen and the Disabled Veterans Property Tax Exemption. For the purpose of comparison, Staff has included values for the reimbursement under current law, and for those that can be expected were the General Assembly to choose to reduce the amount of the actual value of residential real property that is eligible for the exemption to \$100,000.

**SENIOR CITIZEN AND DISABLED VETERANS PROPERTY TAX EXEMPTION (JBC STAFF PROJECTIONS)**

	FY 15-16 ACTUAL	FY 16-17 ESTIMATE	FY 2017-18 PROJECTED	FY 2018-19 PROJECTED	FY 2019-20 PROJECTED
<b>ELIGIBLE EXEMPTIONS UNDER CURRENT LAW (50.0 PERCENT OF FIRST \$200,000)</b>					
Senior Citizens	234,677	228,400	241,419	255,180	269,725
Disabled Veterans	4,429	5046	5354	5680	6027
Total Projected Eligible Exemptions	239,106	233,446	246,773	260,860	275,752
Projected Average Reimbursement per exemption	\$531.72	\$551.00	\$579.94	\$579.94	\$579.94
<b>PROPERTY TAXES EXEMPTED</b>	<b>\$127,138,030</b>	<b>\$128,628,746</b>	<b>\$143,113,868</b>	<b>\$151,283,778</b>	<b>\$159,920,131</b>
<b>ELIGIBLE EXEMPTIONS IF APPLIED TO 50.0 PERCENT OF FIRST \$100,000</b>					
Senior Citizens	n/a	228,400	241,419	255,180	269,725
Disabled Veterans	n/a	5046	5369	5713	6078
Total Projected Eligible Exemptions	n/a	233,446	246,773	260,860	275,752
Projected (Effective) Average Reimbursement per exemption	n/a	\$281.83	\$281.80	\$281.80	\$281.80
<b>PROPERTY TAXES EXEMPTED</b>	<b>N/A</b>	<b>\$65,792,086</b>	<b>\$69,544,786</b>	<b>\$73,519,430</b>	<b>\$77,721,306</b>

**JBC Staff Budget Briefing: FY 2017-18**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Number Pages**

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	Request vs. Appropriation
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**DEPARTMENT OF THE TREASURY**  
**Walker Stapleton, State Treasurer**

**(1) ADMINISTRATION**

ool Financing Administrative Cash Fund.

Personal Services	<u>1,343,341</u>	<u>1,279,297</u>	<u>1,399,784</u>	<u>1,399,784</u>	
FTE	14.3	14.0	17.4	17.4	
General Fund	332,005	359,869	446,828	446,828	
Cash Funds	1,011,336	919,428	952,956	952,956	
Health, Life, and Dental	<u>238,320</u>	<u>250,896</u>	<u>256,548</u>	<u>298,865</u>	**
General Fund	110,313	130,196	147,408	158,748	
Cash Funds	128,007	120,700	109,140	140,117	
Short-term Disability	<u>4,070</u>	<u>4,405</u>	<u>3,646</u>	<u>3,720</u>	**
General Fund	2,198	2,749	2,234	2,314	
Cash Funds	1,872	1,656	1,412	1,406	
S.B. 04-257 Amortization Equalization Disbursement	<u>75,617</u>	<u>88,094</u>	<u>93,898</u>	<u>102,427</u>	**
General Fund	40,833	54,955	57,537	63,699	
Cash Funds	34,784	33,139	36,361	38,728	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>70,891</u>	<u>85,092</u>	<u>92,920</u>	<u>102,427</u>	**
General Fund	38,281	53,082	56,938	63,699	
Cash Funds	32,610	32,010	35,982	38,728	

\*\* FY 2014-15 and FY 2015-16 values represent annual appropriation and not actual expenditures

**JBC Staff Budget Briefing: FY 2017-18**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	Request vs. Appropriation
Salary Survey	<u>50,822</u>	<u>21,842</u>	0	<u>55,081</u>	**
General Fund	27,444	13,631	0	33,997	
Cash Funds	23,378	8,211	0	21,084	
Workers' Compensation and Payment to Risk Management and Property Funds	<u>2,793</u>	<u>2,682</u>	<u>2,653</u>	<u>4,211</u>	
General Fund	2,793	2,682	2,653	4,211	
Operating Expenses	<u>174,364</u>	<u>140,469</u>	<u>162,444</u>	<u>162,444</u>	
General Fund	174,364	140,469	162,444	162,444	
Information Technology Asset Maintenance	<u>11,336</u>	<u>11,903</u>	<u>12,568</u>	<u>12,568</u>	
General Fund	5,123	5,619	6,284	6,284	
Cash Funds	6,213	6,284	6,284	6,284	
Legal Services	<u>9,760</u>	<u>21,222</u>	<u>54,654</u>	<u>57,073</u>	
General Fund	8,799	20,879	27,327	28,537	
Cash Funds	961	343	27,327	28,536	
Capitol Complex Leased Space	<u>53,766</u>	<u>76,324</u>	<u>57,670</u>	<u>66,982</u>	
General Fund	53,766	76,324	57,670	66,982	
Payments to OIT	<u>60,629</u>	<u>31,277</u>	<u>44,493</u>	<u>60,095</u>	*
General Fund	60,629	31,277	44,493	60,095	
CORE Operations	<u>96,537</u>	<u>85,635</u>	<u>154,696</u>	<u>163,609</u>	
General Fund	43,441	38,536	69,613	73,624	
Cash Funds	53,096	47,099	85,083	89,985	

\* Contains a decision item

\*\* FY 2014-15 and FY 2015-16 values indicate annual appropriation and not actual expenditures

**JBC Staff Budget Briefing: FY 2017-18**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	Request vs. Appropriation
Charter School Facilities Financing Services	<u>3,861</u>	<u>4,070</u>	<u>5,000</u>	<u>5,000</u>	
Cash Funds	3,861	4,070	5,000	5,000	
Discretionary Fund	<u>3,530</u>	<u>1,271</u>	<u>5,000</u>	<u>5,000</u>	
General Fund	3,530	1,271	5,000	5,000	
Merit Pay	<u>25,999</u>	<u>28,354</u>	<u>0</u>	<u>0</u>	
General Fund	14,040	17,110	0	0	
Cash Funds	11,959	11,244	0	0	
<b>TOTAL - (1) Administration</b>	2,225,636	2,132,833	2,345,974	2,499,286	6.5%
<i>FTE</i>	<u>14.3</u>	<u>14.0</u>	<u>17.4</u>	<u>17.4</u>	<u>0.0%</u>
General Fund	917,559	948,649	1,086,429	1,176,462	8.3%
Cash Funds	1,308,077	1,184,184	1,259,545	1,322,824	5.0%

**JBC Staff Budget Briefing: FY 2017-18**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Request	Request vs. Appropriation
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**(2) UNCLAIMED PROPERTY PROGRAM**

This program collects unclaimed property and attempts to locate and return it to the legal owners or heirs. Funding source is the Unclaimed Property Trust Fund.

Personal Services	<u>813,316</u>	<u>841,382</u>	<u>867,065</u>	<u>867,065</u>	
FTE	15.1	14.6	15.5	15.5	
Cash Funds	813,316	841,382	867,065	867,065	
Operating Expenses	<u>118,401</u>	<u>126,698</u>	<u>336,619</u>	<u>336,619</u>	
Cash Funds	118,401	126,698	336,619	336,619	
Promotion and Correspondence	<u>197,795</u>	<u>197,926</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	197,795	197,926	200,000	200,000	
Leased Space	<u>55,456</u>	<u>57,189</u>	<u>58,922</u>	<u>56,947</u>	
Cash Funds	55,456	57,189	58,922	56,947	
Contract Auditor Services	<u>945,848</u>	<u>1,039,859</u>	<u>800,000</u>	<u>800,000</u>	
Cash Funds	945,848	1,039,859	800,000	800,000	
<b>TOTAL - (2) Unclaimed Property Program</b>	2,130,816	2,263,054	2,262,606	2,260,631	(0.1%)
FTE	<u>15.1</u>	<u>14.6</u>	<u>15.5</u>	<u>15.5</u>	<u>0.0%</u>
Cash Funds	2,130,816	2,263,054	2,262,606	2,260,631	(0.1%)

**JBC Staff Budget Briefing: FY 2017-18**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Appropriation</b>	<b>FY 2017-18 Request</b>	<b>Request vs. Appropriation</b>
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**(3) SPECIAL PURPOSE**

Property destroyed in a natural disaster. The General Fund appropriation for the Senior Citizen and Disabled Veteran Property Tax Exemption is exempt from the statutory limits on General Fund appropriations.

Senior Citizen and Disabled Veteran Property Tax Exemption	<u>118,400,000</u>	<u>127,141,987</u>	<u>142,700,000</u>	<u>155,533,444</u>	
General Fund	118,400,000	127,141,987	142,700,000	155,533,444	
Highway Users Tax Fund - County Payments	<u>200,577,838</u>	<u>202,300,996</u>	<u>208,476,193</u>	<u>208,476,193</u>	
Cash Funds	200,577,838	202,300,996	208,476,193	208,476,193	
Highway Users Tax Fund - Municipality Payments	<u>136,864,866</u>	<u>138,347,924</u>	<u>142,254,331</u>	<u>142,254,331</u>	
Cash Funds	136,864,866	138,347,924	142,254,331	142,254,331	
Property Tax Reimbursement for Property Destroyed by Natural Cause	<u>1,096,496</u>	<u>24,209</u>	<u>2,221,828</u>	<u>2,221,828</u>	
General Fund	1,096,496	24,209	2,221,828	2,221,828	
Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.	<u>0</u>	<u>17,764,809</u>	<u>17,775,175</u>	<u>17,773,025</u>	
General Fund	0	5,772,834	0	0	
Cash Funds	0	11,991,975	0	0	
Reappropriated Funds	0	0	17,775,175	17,773,025	
Public School Fund Investment Board Pursuant to Section 22-41-102.5 C.R.S.	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>	
Cash Funds	0	0	0	500,000	

**JBC Staff Budget Briefing: FY 2017-18**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Appropriation</b>	<b>FY 2017-18 Request</b>	<b>Request vs. Appropriation</b>
<b>TOTAL - (3) Special Purpose</b>	456,939,200	485,579,925	513,427,527	526,758,821	2.6%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
General Fund	119,496,496	132,939,030	144,921,828	157,755,272	8.9%
Cash Funds	337,442,704	352,640,895	350,730,524	351,230,524	0.1%
Reappropriated Funds	0	0	17,775,175	17,773,025	(0.0%)
<b>TOTAL - Department of the Treasury</b>	461,295,652	489,975,812	518,036,107	531,518,738	2.6%
<i>FTE</i>	<u>29.4</u>	<u>28.6</u>	<u>32.9</u>	<u>32.9</u>	<u>0.0%</u>
General Fund	120,414,055	133,887,679	146,008,257	158,931,734	8.9%
Cash Funds	340,881,597	356,088,133	354,252,675	354,813,979	0.2%
Reappropriated Funds	0	0	17,775,175	17,773,025	(0.0%)

## APPENDIX B

### RECENT LEGISLATION AFFECTING DEPARTMENT BUDGET

#### 2015 SESSION BILLS

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-288 (COMPENSATION PAID TO ELECTED OFFICIALS):** Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The State Treasurer's salary will be equal to 58.0 percent of the salary paid to most county court judges. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

#### 2016 SESSION BILLS

**H.B. 16-1161 (ALLOCATE SENIOR PROPERTY TAX EXEMPTION MONEY):** Allocates the amount by which the value indicated in the Senior Citizen and Disabled Veteran Property Tax Exemption line item of the Long Bill exceeds the total amount of all warrants issued by the state treasurer to reimburse local governmental entities for property tax revenues lost as a result of the application of the exemption as follows: 95.0 percent to the Senior Services Account within the Older Coloradans Cash Fund, and 5.0 percent to the Veterans Assistance Grant Program Cash Fund.

**H.B. 16-1175 (PROPERTY TAX EXEMPTION ADMINISTRATION):** Makes various administrative changes to help identify applicants who do not meet the legal requirements for the Senior Citizen and Disabled Veteran Property Tax Exemption. Please see Recent Legislation in the Department of Local Affairs for additional information.

**H.B. 16-1251 (SUPPLEMENTAL APPROPRIATION DEPARTMENT OF THE TREASURY):** Modifies the FY 2015-16 Long Bill (S.B. 15-234) appropriation to the Department of the Treasury.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1444 (DEFINITION QUALIFYING DISABLED VETERAN PROPERTY TAX):** Aligns the statutory definition of "qualifying disabled veteran," as it relates to a property tax exemption for qualifying seniors and disabled veterans, with the language established in section 3.5 of article X of the Colorado Constitution.

## APPENDIX C FOOTNOTES AND INFORMATION REQUESTS

### UPDATE ON REQUESTS FOR INFORMATION

1. Department of the Treasury, Administration – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the State's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted as a part of the State Treasurer's annual budget request.

**COMMENT:** The State Treasurer included the requested report as part of the State Treasurer's annual budget request. The document includes data for a number of funds and portfolios, including: the Treasury Pool Combined as well as its constituent parts; the State Education Fund; the Major Medical Insurance Fund; the Public School Permanent Fund; and the Unclaimed Property Trust Fund. The report contains information concerning the value of each fund/portfolio, asset allocation, monthly yield, average maturity, and graphs that compare monthly performance against identified benchmarks. A copy of the reports for each of these funds is included at the back of this appendix.

2. Department of the Treasury, Unclaimed Property Program – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the Department's progress in implementing the new information systems (KAPS, LexisNexis) for which the Department has received funding; and on the workload measures these systems are intended to improve. The report should be submitted as a part of the State Treasurer's annual budget request and should include but need not be limited to annual comparisons of the following:

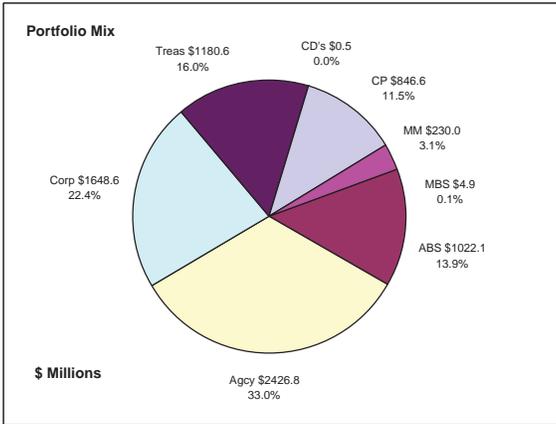
- Average number of claims processed per year, by claim type (A, B, C, and D);
- Average number of contacts per claim;
- Average time per contact; and
- Total value of each claim type (A, B, C, and D) per year.

**COMMENT:** The State Treasurer provided the following response to the request for information with its FY 2017-18 budget request:

*The implementation of the new KAPS information system for the Unclaimed Property program has been delayed somewhat due to extended contract negotiations which has subsequently pushed back the implementation of the system. The current timeline for implementation is to have the KAPS system up and running beginning April 1, 2017. The FY 2015-16 figures below were collected from our existing Unclaimed Property information system. Once the KAPS system is in place it will enable us to assess the efficiencies of the new system; and the Treasurer's goal is to provide the JBC with annual comparisons once enough data has been collected from the KAPS system.*

CLAIM TYPE	AVERAGE NUMBER OF CLAIMS PROCESSED	AVERAGE NUMBER OF CONTACTS PER CLAIM	AVERAGE TIME PER CONTACT (MINUTES)	TOTAL VALUE OF CLAIMS
A	4,658	1	7	\$316,761
B	7,453	2.5	7	\$3,555,176
C	5,590	3	8	\$9,083,588
D	932	5	10	\$15,394,585

## Colorado Treasury Pool Combined June 30, 2016



### Portfolio Value

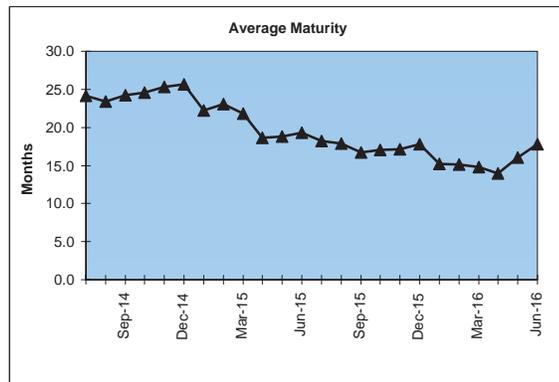
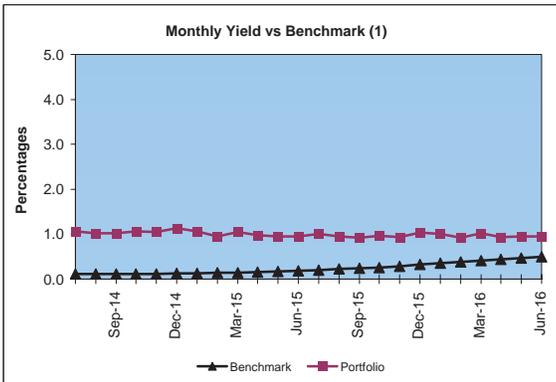
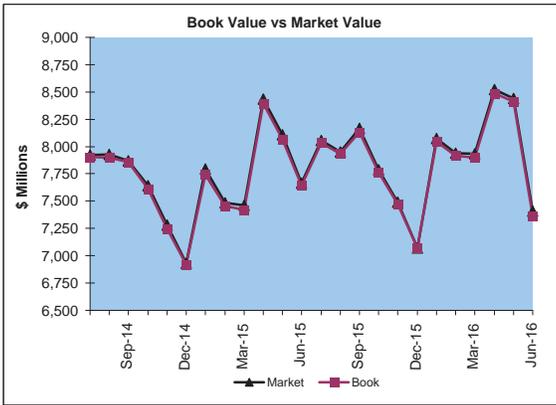
Market Value \$7,409.0 Million  
Book Value \$7,360.1 Million

### Yield and Average Maturity

Portfolio Book Yield 1.0%  
Portfolio Average Maturity 17.8 Months

### Portfolio Quality

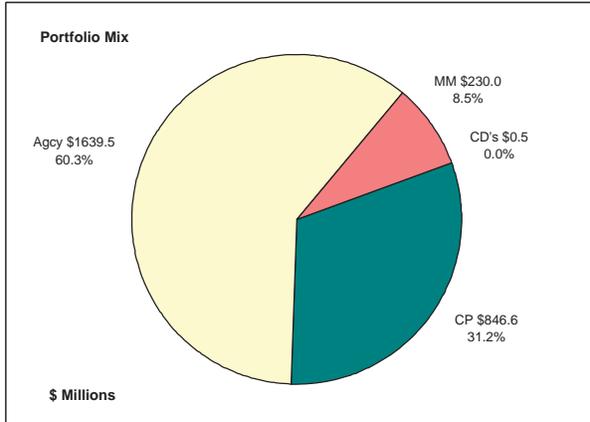
	A1 / P1	AAA	AA	A	BBB	BB	B	Other	Portfolio Percent
Asset Backed		100.0%							13.9%
Corporates		4.4%	40.8%	50.1%	4.7%				22.4%
Mortgage Securities			100.0%						0.1%
Commercial Paper	100.0%								11.5%
Treasuries			100.0%						16.0%
Federal Agencies			100.0%						33.0%
Certificates of Deposit								100.0%	0.0%
Money Market Funds								100.0%	3.1%
<b>Total Portfolio</b>	<b>11.5%</b>	<b>14.9%</b>	<b>58.2%</b>	<b>11.2%</b>	<b>1.1%</b>			<b>3.1%</b>	<b>100.0%</b>



	\$ Millions		Book Yield	Performance Benchmarks (2)
	Average Portfolio	Realized Income		
FY '16 YTD	7,972.4	77.0	1.0%	0.5%
Last 12 months	7,972.4	77.0	1.0%	0.5%
FY '15	7,661.9	79.2	1.0%	0.2%
FY '14	7,842.0	77.4	1.0%	0.1%
FY '13	7,157.7	78.3	1.1%	0.2%
FY '12	6,442.3	89.5	1.4%	0.2%
FY '11	5,718.6	113.0	2.0%	0.3%
Avg FY '11-15	6,964.5	87.5	1.3%	0.2%

(1) 12 month moving average of the constant maturity yield on the 1 year Treasury note  
(2) 12 month moving average of the constant maturity yield on the 1 year Treasury note at end of period

**Colorado Treasury Cash**  
*(0 - 1 year maturities)*  
**June 30, 2016**



**Portfolio Value**

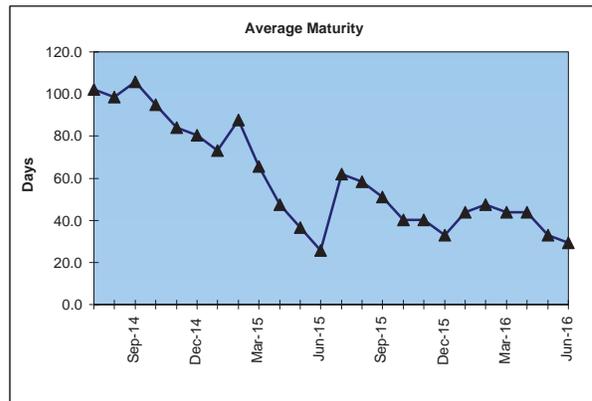
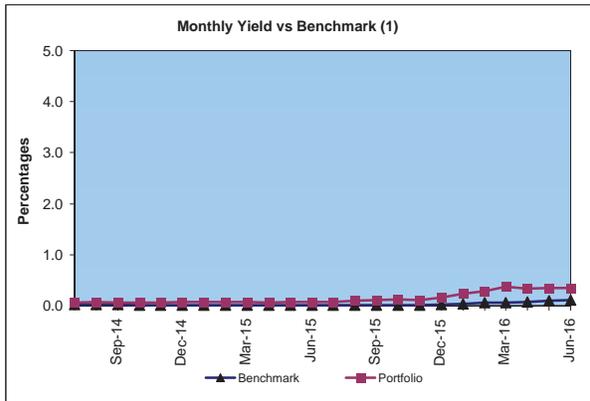
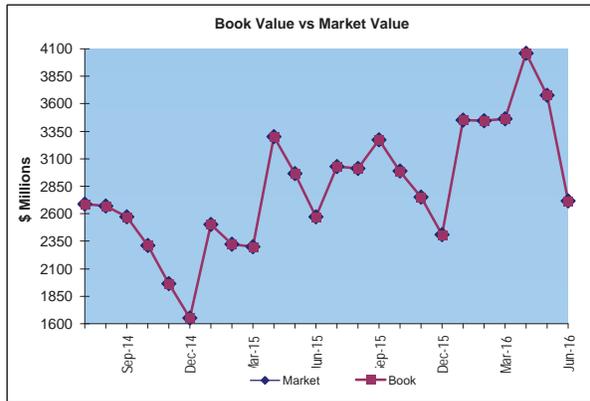
Market Value \$2,716.8 Million  
 Book Value \$2,716.6 Million

**Yield and Average Maturity**

Portfolio Book Yield 0.23%  
 Portfolio Average Maturity 29 Days

**Portfolio Quality**

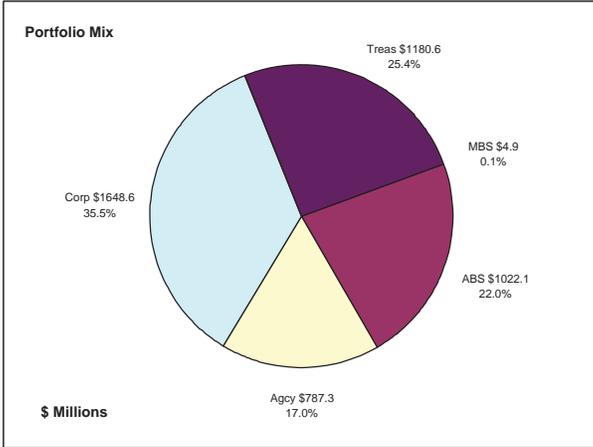
	A1 / P1	AA	Other	Portfolio Percent
Commercial Paper	100.0%			31.2%
Federal Agencies		100.0%		60.3%
Corporates				0.0%
Certificates of Deposit			100.0%	0.0%
Money Market Funds			100.0%	8.5%
<b>Total Portfolio</b>	<b>31.2%</b>	<b>60.3%</b>	<b>8.5%</b>	<b>100.0%</b>



	\$ Millions		Book Yield	Performance Benchmarks (2)
	Average Portfolio	Realized Income		
FY '16 YTD	3,276.6	7.5	0.23%	0.11%
Last 12 months	3,276.6	7.5	0.23%	0.11%
FY '15	2,467.4	1.8	0.07%	0.01%
FY '14	2,970.8	2.0	0.07%	0.03%
FY '13	3,223.2	3.5	0.11%	0.05%
FY '12	3,135.5	2.6	0.08%	0.03%
FY '11	2,355.2	3.2	0.14%	0.10%
Avg FY '11-'15	2,830.4	2.6	0.09%	0.04%

(1) 12 month moving average of the 30 day Treasury bill  
 (2) 12 month moving average of the 30 day Treasury bill at end of period

**Colorado Treasury Pool**  
**(1 - 5 year maturities)**  
**June 30, 2016**



**Portfolio Value**

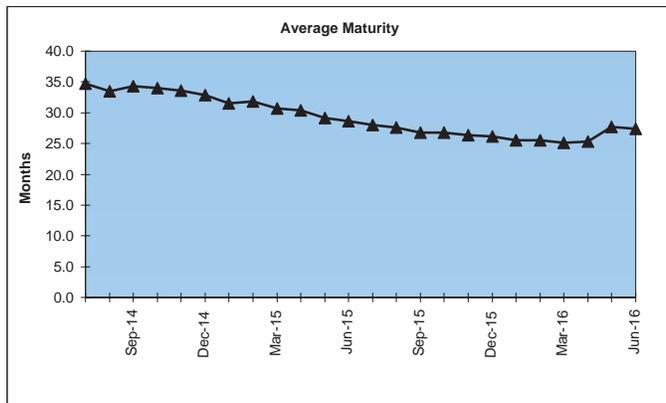
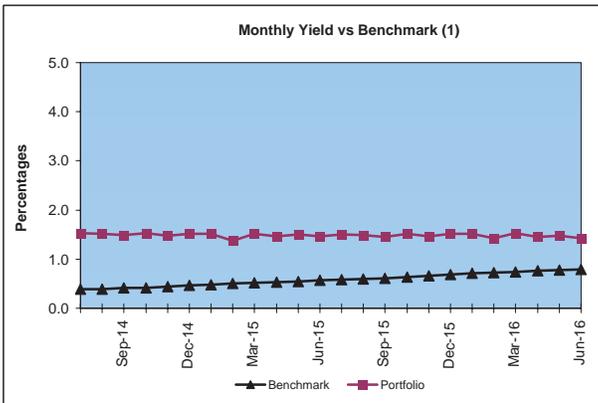
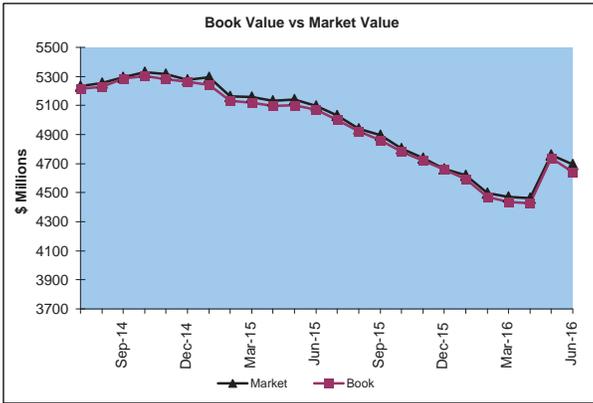
Market Value \$4,692.2 Million  
 Book Value \$4,643.5 Million

**Yield and Average Maturity**

Portfolio Book Yield 1.5%  
 Portfolio Average Maturity 27.4 Months

**Portfolio Quality**

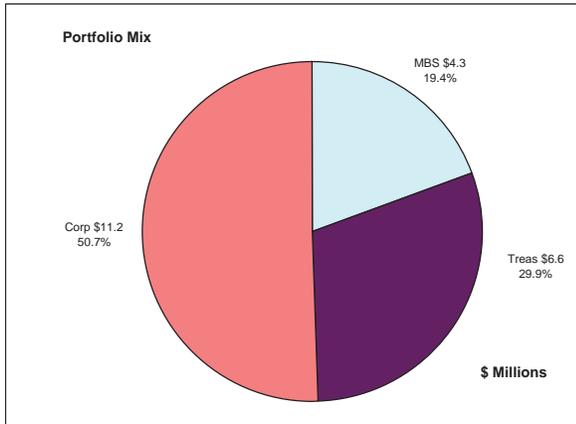
	AAA	AA	A	BBB	BB	B	Other	Portfolio Percent
Asset Backed	100.0%							22.0%
Corporates	4.4%	40.8%	50.1%	4.7%				35.5%
Mortgage Securities		100.0%						0.1%
Treasuries		100.0%						25.4%
Federal Agencies		100.0%						17.0%
<b>Total Portfolio</b>	<b>23.6%</b>	<b>57.0%</b>	<b>17.8%</b>	<b>1.6%</b>				<b>100.0%</b>



	Average Portfolio	Realized Income	Book Yield	Performance Benchmarks (2)
FY '16 YTD	4,695.9	69.4	1.5%	0.8%
Last 12 months	4,695.9	69.4	1.5%	0.8%
FY '15	5,194.5	77.4	1.5%	0.6%
FY '14	4,871.2	75.4	1.6%	0.4%
FY '13	3,934.5	74.8	1.9%	0.3%
FY '12	3,306.8	86.9	2.6%	0.3%
FY '11	3,363.5	109.8	3.3%	0.6%
Avg FY '11-'15	4,134.1	84.8	2.2%	0.4%

(1) 12 month moving average of the constant maturity yield on the 2 year Treasury note  
 (2) 12 month moving average of the constant maturity yield on the 2 year Treasury note at end of period

**Colorado Major Medical Insurance Fund**  
June 30, 2016



**Portfolio Value (1)**

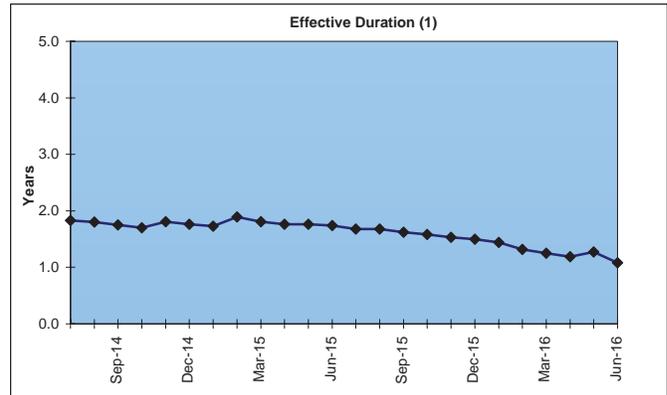
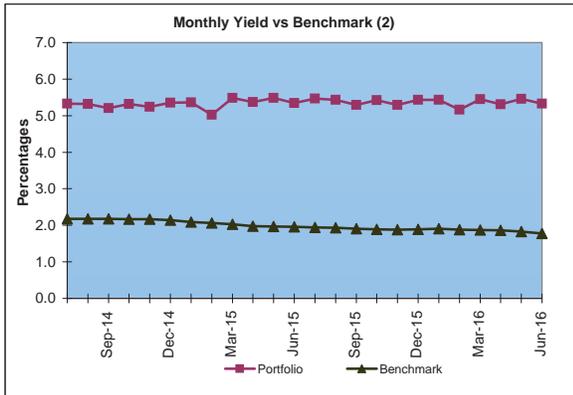
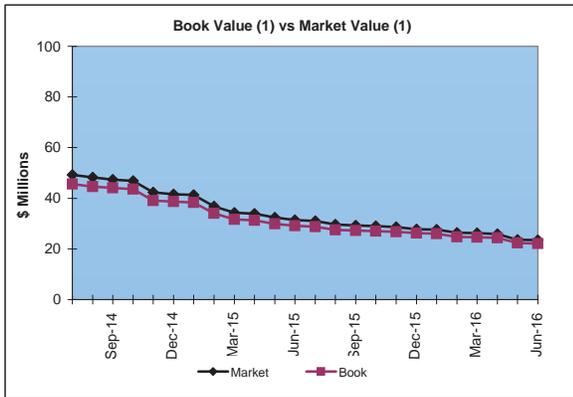
Market Value                   \$23.5 Million  
Book Value                     \$22.1 Million

**Yield and Effective Duration**

Portfolio Book Yield           2.3%  
Portfolio Effective Duration (1)   1.1 Yrs

**Portfolio Quality (1)**

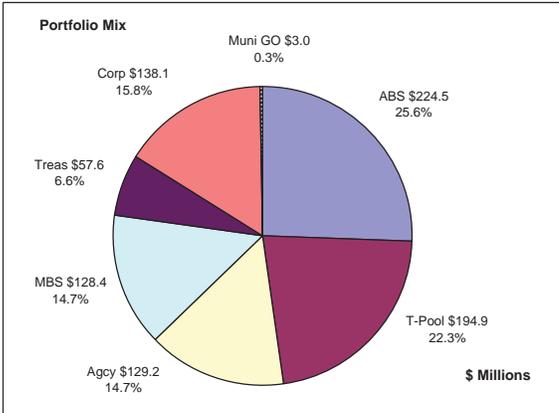
	AAA	AA	A	BBB	BB	Portfolio Percent
Asset Backed						0.0%
Corporates	17.9%	44.6%	28.6%	8.9%		50.7%
Federal Agencies						0.0%
Mortgage Securities		100.0%				19.4%
Treasuries		100.0%				29.9%
<b>Total Portfolio</b>	<b>9.1%</b>	<b>71.9%</b>	<b>14.5%</b>	<b>4.5%</b>		<b>100.0%</b>



	\$ Millions		Book Yield	Performance Benchmarks (3)
	Average Portfolio	Realized Income		
FY '16 YTD	84.3	2.0	2.3%	1.8%
Last 12 months	84.3	2.0	2.3%	1.8%
FY '15	87.7	2.5 <sup>4</sup>	2.9%	2.0%
FY '14	90.7	3.1	3.4%	2.2%
FY '13	89.7	3.9	4.3%	1.2%
FY '12	99.4	4.7	4.7%	1.5%
FY '11	120.5	5.5	4.5%	2.4%
Avg FY '11-'15	97.6	3.9	4.0%	1.9%

- (1) Does not include State Treasury Pool balances in calculation.
- (2) 12 month moving average of the constant maturity yield on the 7 year Treasury note
- (3) 12 month moving average of the constant maturity yield on the 7 year Treasury note at end of period
- (4) Excludes \$0.1 million in gain on an investment call in March 2015.

**Colorado Public School Permanent Fund**  
June 30, 2016



**Portfolio Value**

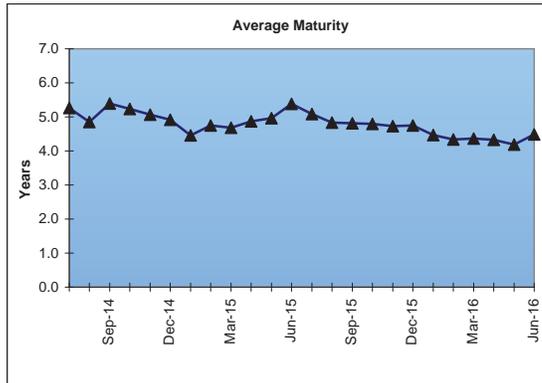
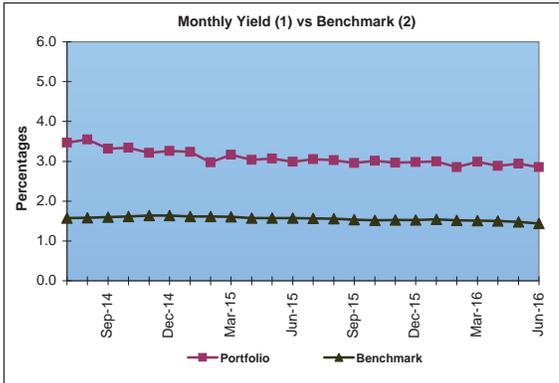
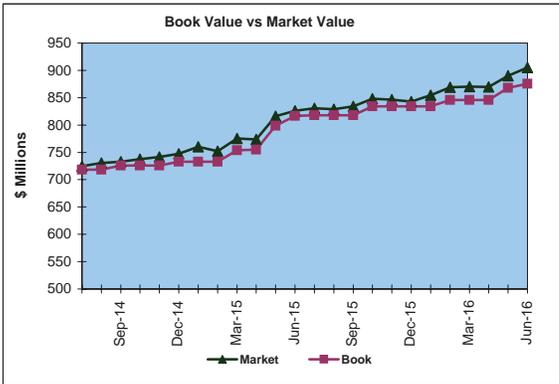
Market Value \$905.3 Million  
Book Value \$875.7 Million

**Yield and Average Maturity**

Portfolio Book Yield 2.6%  
Portfolio Average Maturity 4.5 Yrs

**Portfolio Quality**

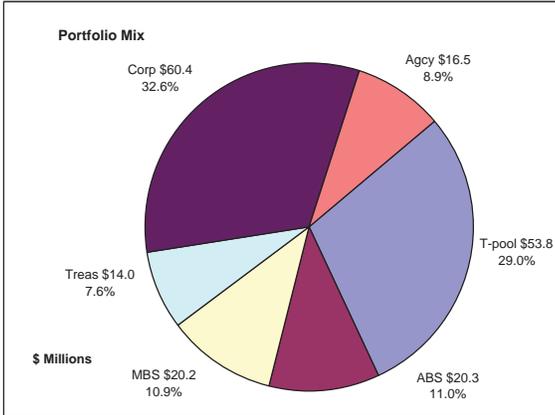
	A1 / P1	AAA	AA	A	BBB	BB	B	Other	Portfolio Percent
Asset Backed		100.0%							25.6%
Corporates		13.7%	71.5%	10.5%	4.3%				15.8%
Mortgage Securities			100.0%						14.7%
Treasuries			100.0%						6.6%
Federal Agencies			100.0%						14.7%
Muni GOs			100.0%						0.3%
T-Pool Combined	11.5%	14.9%	58.2%	11.2%	1.1%	0.0%	0.0%	3.1%	22.3%
Total Portfolio	2.6%	31.1%	60.6%	4.1%	0.9%			0.7%	100.0%



	\$ Millions			
	Average Portfolio	Realized Income	Book Yield	Performance Benchmarks (3)
FY '16 YTD	835.1	21.7	2.6%	1.4%
Last 12 months	835.1	21.7	2.6%	1.4%
FY '15	739.8	22.1	3.0%	1.6%
FY '14	668.8	21.6	3.2%	1.6%
FY '13	622.2	22.4	3.6%	0.8%
FY '12	582.2	24.1	4.1%	1.0%
FY '11	580.7	27.0	4.6%	1.8%
Avg FY '11-'15	638.8	23.4	3.7%	1.3%

- (1) Does not include State Treasury Pool balances in calculation.
- (2) Latest 12 month moving average of the constant maturity yield on the 5 year Treasury note
- (3) Latest 12 month moving average of the constant maturity yield on the 5 year Treasury note at end of period

## Unclaimed Property Tourism Fund June 30, 2016



### Portfolio Value

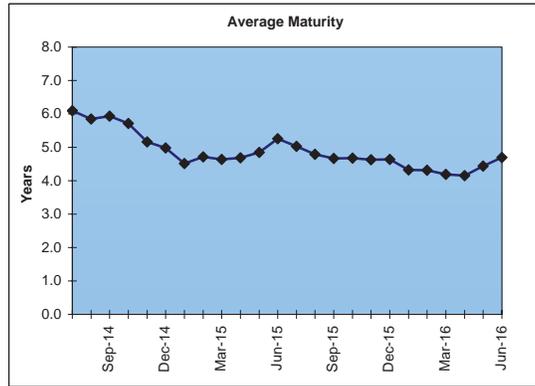
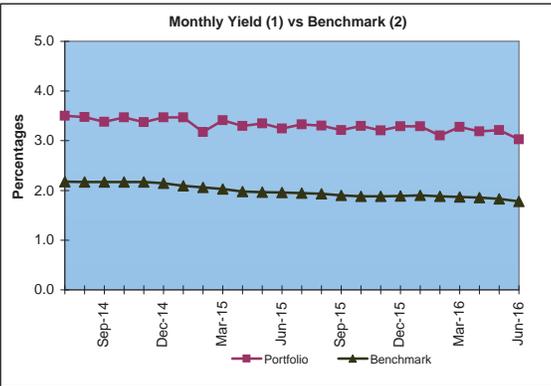
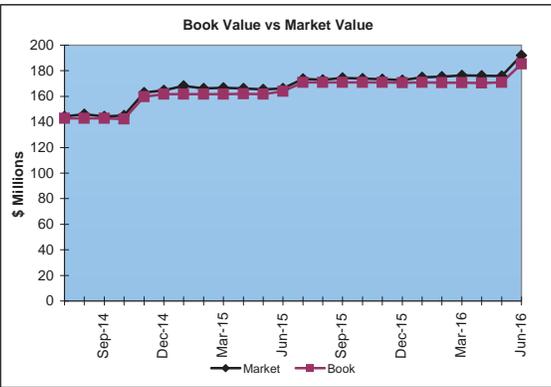
Market Value \$192.1 Million  
Book Value \$185.2 Million

### Yield and Average Maturity

Portfolio Book Yield 2.7%  
Portfolio Average Maturity 4.7 Yrs

### Portfolio Quality

	A1 / P1	AAA	AA	A	BBB	BB	B	Other	Portfolio Percent
Asset Backed			100.0%						11.0%
Corporates		3.3%	36.4%	45.4%	14.9%				32.6%
Federal Agencies			100.0%						8.9%
Mortgage Securities			100.0%						10.9%
Treasuries				100.0%					7.6%
T-Pool Combined	11.5%	14.9%	58.2%	11.2%	1.1%	0.0%	0.0%	3.1%	29.0%
Total Portfolio	3.3%	16.4%	56.2%	18.0%	5.2%			0.9%	100.0%



	\$ Millions		Book Yield	Performance Benchmarks (3)
	Average Portfolio	Realized Income		
FY '16 YTD	169.5	4.6	2.7%	1.8%
Last 12 months	169.5	4.6	2.7%	1.8%
FY '15	153.7	4.6	3.0%	2.0%
FY '14	136.9	4.3	3.1%	2.2%
FY '13	122.9	4.1	3.3%	1.2%
FY '12	114.3	3.8	3.3%	1.5%
FY '11	104.7	3.5	3.4%	2.4%
Avg FY '11-'15	126.5	4.0	3.2%	1.9%

- (1) Does not include State Treasury Pool balances in calculation.
- (2) 12 month moving average of the constant maturity yield on the 7 year Treasury note
- (3) 12 month moving average of the constant maturity yield on the 7 year Treasury note at end of period

## APPENDIX D

### DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1) (b), C.R.S., the Department of the Treasury is required to publish an Annual Performance Report by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation. The FY 2015-16 Annual Performance Report for the Department of the Treasury is unavailable as of the date of this briefing.

Pursuant to Section 2-7-204 (3) (a) (I), C.R.S., the Department of the Treasury is required to develop a performance plan and submit that plan to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year. The FY 2016-17 performance plan for the Department of the Treasury is unavailable as of the date of this briefing.

## APPENDIX E

### SENIOR CITIZEN PROPERTY TAX EXEMPTIONS

The following tables contain Joint Budget Committee Staff estimates of the cost by actual home value of the Senior Citizen Property Tax Exemption for tax year 2016. These estimates are based on by county data provided by the Department of Local Affairs and are subject to change upon verification of eligibility, and application of actual tax rates.

**SENIOR CITIZEN PROPERTY TAX EXEMPTION**  
(50.0 PERCENT OF FIRST \$200,000 OF ASSESSED VALUE OF HOME)

TAXABLE ACTUAL VALUE RANGE	NUMBER OF EXEMPTIONS	TAXABLE ACTUAL PROPERTY VALUE	PROPERTY TAX PRIOR TO EXEMPTION (CALCULATED AT AN AVERAGE EFFECTIVE TAX RATE OF 0.624%)	VALUE EXEMPT FROM PROPERTY TAX	TAXED VALUE AFTER EXEMPTION	PROPERTY TAX AFTER EXEMPTION (CALCULATED AT AN AVERAGE EFFECTIVE TAX RATE OF 0.624%)	LOST PROPERTY TAX AS A RESULT OF THE EXEMPTION	AVERAGE COST PER EXEMPTION	PERCENT OF TOTAL LOST TAX
\$0-\$100,000	79,255	\$5,334,932,766	\$33,289,980	\$5,334,932,766	0	\$0	\$33,289,980	\$420	26.5%
\$100,001-\$200,000	64,624	9,557,589,652	59,639,359	6,389,856,020	3,167,733,632	19,766,658	39,872,702	617	31.7%
\$200,001-\$300,000	39,358	9,610,248,016	59,967,948	3,922,322,665	5,687,925,351	35,492,654	24,475,293	622	19.5%
\$300,001-\$400,000	19,353	6,660,801,691	41,563,403	1,932,461,374	4,728,340,317	29,504,844	12,058,559	623	9.6%
\$400,001-\$500,000	9,916	4,423,054,022	27,599,857	990,218,129	3,432,835,893	21,420,896	6,178,961	623	4.9%
\$500,000-\$600,000	5,692	3,106,957,257	19,387,413	568,808,195	2,538,149,062	15,838,050	3,549,363	624	2.8%
\$600,001-\$700,000	3,441	2,220,521,748	13,856,056	343,672,836	1,876,848,912	11,711,537	2,144,518	623	1.7%
\$700,001-\$800,000	2,132	1,593,321,148	9,942,324	213,198,547	1,380,122,601	8,611,965	1,330,359	624	1.1%
\$800,001-\$900,000	1,335	1,130,440,171	7,053,947	133,337,644	997,102,527	6,221,920	832,027	623	0.7%
\$900,001-\$1.0 mil.	830	787,835,746	4,916,095	82,975,075	704,860,671	4,398,331	517,764	624	0.4%
\$1.0 million - \$1.5 mil.	1,567	1,860,908,306	11,612,068	156,382,657	1,704,525,649	10,636,240	975,828	623	0.8%
\$1.5 million - \$2.0 mil.	443	754,850,853	4,710,269	44,285,723	710,565,130	4,433,926	276,343	624	0.2%
\$2.0 million - \$2.5 mil.	187	416,954,121	2,601,794	18,599,999	398,354,122	2,485,730	116,064	621	0.1%
\$2.5 million - \$5.0 mil.	209	693,566,013	4,327,852	20,896,270	672,669,743	4,197,459	130,393	624	0.1%
\$5.0 million - \$10.0 mil.	50	315,383,891	1,967,995	5,000,000	310,383,891	1,936,795	31,200	624	0.0%
Over \$10.0 mil.	8	104,399,610	651,454	800,000	103,599,610	646,462	4,992	624	0.0%
<b>TOTAL</b>	228,400	\$48,571,765,011	\$303,087,814	\$20,157,747,900	\$28,414,017,111	\$177,303,467	\$125,784,347	\$551	100.0%

**SENIOR CITIZEN PROPERTY TAX EXEMPTION**  
(50.0 PERCENT OF FIRST \$100,000 OF ASSESSED VALUE OF HOME)

TAXABLE ACTUAL VALUE RANGE	NUMBER OF EXEMPTIONS	TAXABLE ACTUAL PROPERTY VALUE	PROPERTY TAX PRIOR TO EXEMPTION (CALCULATED AT AN AVERAGE EFFECTIVE TAX RATE OF 0.624%)	VALUE EXEMPT FROM PROPERTY TAX	TAXED VALUE AFTER EXEMPTION	PROPERTY TAX AFTER EXEMPTION (CALCULATED AT AN AVERAGE EFFECTIVE TAX RATE OF 0.624%)	LOST PROPERTY TAX AS A RESULT OF THE EXEMPTION	AVERAGE COST PER EXEMPTION	PERCENT OF TOTAL LOST TAX
\$0-\$100,000	79,255	\$5,334,932,766	\$33,289,980	\$3,605,938,300	\$1,728,994,466	\$10,788,925	\$22,501,055	\$284	32.6%
\$100,001-\$200,000	64,624	9,557,589,652	59,639,359	3,231,200,000	6,326,389,652	39,476,671	20,162,688	312	29.2%
\$200,001-\$300,000	39,358	9,610,248,016	59,967,948	1,967,900,000	7,642,348,016	47,688,252	12,279,696	312	17.8%
\$300,001-\$400,000	19,353	6,660,801,691	41,563,403	967,650,000	5,693,151,691	35,525,267	6,038,136	312	8.7%
\$400,001-\$500,000	9,916	4,423,054,022	27,599,857	495,800,000	3,927,254,022	24,506,065	3,093,792	312	4.5%
\$500,000-\$600,000	5,692	3,106,957,257	19,387,413	284,600,000	2,822,357,257	17,611,509	1,775,904	312	2.6%
\$600,001-\$700,000	3,441	2,220,521,748	13,856,056	172,050,000	2,048,471,748	12,782,464	1,073,592	312	1.6%
\$700,001-\$800,000	2,132	1,593,321,148	9,942,324	106,600,000	1,486,721,148	9,277,140	665,184	312	1.0%
\$800,001-\$900,000	1,335	1,130,440,171	7,053,947	66,750,000	1,063,690,171	6,637,427	416,520	312	0.6%
\$900,001-\$1.0 mil.	830	787,835,746	4,916,095	41,500,000	746,335,746	4,657,135	258,960	312	0.4%
\$1.0 million - \$1.5 mil.	1,567	1,860,908,306	11,612,068	78,350,000	1,782,558,306	11,123,164	488,904	312	0.7%
\$1.5 million - \$2.0 mil.	443	754,850,853	4,710,269	22,150,000	732,700,853	4,572,053	138,216	312	0.2%
\$2.0 million - \$2.5 mil.	187	416,954,121	2,601,794	9,350,000	407,604,121	2,543,450	58,344	312	0.1%
\$2.5 million - \$5.0 mil.	209	693,566,013	4,327,852	10,450,000	683,116,013	4,262,644	65,208	312	0.1%
\$5.0 million - \$10.0 mil.	50	315,383,891	1,967,995	2,500,000	312,883,891	1,952,395	15,600	312	0.0%
Over \$10.0 mil.	8	104,399,610	651,454	400,000	103,999,610	648,958	2,496	312	0.0%
<b>TOTAL</b>	<b>228,400</b>	<b>\$48,571,765,011</b>	<b>\$303,087,814</b>	<b>\$11,063,188,300</b>	<b>\$37,508,576,711</b>	<b>\$234,053,519</b>	<b>\$69,034,295</b>	<b>\$302</b>	<b>100.0%</b>