



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-129: MITIGATE IMPACTS OF TAX INCREMENT FINANCING

Prime Sponsors:

Sen. Marchman
Rep. Boesenecker

Fiscal Analyst:

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

Summary Information

Overview. The bill requires taxing entities subject to tax increment financing to file either a certification of, or a technical rebuttal to, an impact report within 45 days of submission or the impact report is presumed certified. The Legislative Council Staff is required to prepare a report or issue brief on the impact of tax increment financing on the state and local shares of education funding.

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

- Minimal State Workload
- Local Government

Appropriations. No appropriation required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, county revitalization, urban renewal, and downtown development authorities using tax increment financing (TIF) must receive approval for development plans and impact reports from the county commissioners following a public hearing. The bill requires the taxing entities whose revenue is allocated as part of a proposed or finalized plan to file either a certification of, or a technical rebuttal to, the plan within 45 days. If a taxing entity does not file either a certification or technical rebuttal, the applicable impact report is presumed certified.

By October 1, 2027, and annually thereafter, the Legislative Council Staff is required to prepare a report or issue brief on the impact of TIF on the state and local shares of education funding. The report or issue brief is required to quantify the amount of property tax revenue collected that would have been directed to funding education if not for TIF.

Background

TIF is a tax incentive for redevelopment projects in Colorado. TIF allows county revitalization authorities, urban renewal authorities, and downtown development authorities to divert future gains (the increment) in sales or property taxes collected from a project to pay for upfront investments. Investment gains are used to pay off debt balances or are reinvested in the area. For additional information on TIF, see [Tax Increment Financing and School Finance](#).

State Expenditures

This bill will minimally increase workload in the Department of Local Affairs and the Legislative Department, but these increases are expected to be accomplished within existing appropriations as described below.

Department of Local Affairs

The Division of Property Taxation in the Department of Local Affairs will update procedures, forms, manuals and training to reflect the changes in the bill. These updates can be accomplished within existing appropriations.

Legislative Department

The Economics team of the Legislative Council Staff will have an increase in workload to create an annual report or issue brief on the impact of TIF on state and local shares of education funding. This workload can be accomplished within existing appropriations.

Local Government – School District

Counties, municipalities, and school districts are all taxing entities that will be subject to the bill. Workload will increase for those entities that receive impact reports and choose to file a certification or technical rebuttal.

Effective Date

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

State and Local Government Contacts

Counties	Local Affairs
County Assessors	Special District Association
Legislative Council Staff	

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