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Fiscal Note

Drafting Number: LLS 23-0704 Date: February 6, 2023
Prime Sponsors: Sen. Baisley; Rep. Pugliese; Frizell Bill Status: Senate State Affairs
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Bill Topic: ALLOWING TEMPORARY REDUCTIONS IN PROPERTY TAX DUE

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill specifies that local governments may provide temporary property tax relief through temporary tax credits or mill levy reductions. Conditional upon future action by local governments, the bill may reduce local government revenue.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

The bill specifies that local governments may administer temporary tax credits or mill levy reductions for the purpose of providing temporary property tax relief.

Background and Assumptions

In Colorado, all property taxes are imposed by and paid to local governments. Mill levies for property taxes are determined by local governments. Property tax revenue is among the largest sources of local government tax revenue for counties, cities, and special districts, and is the first source of funding for local public school districts.

The bill is assumed not to grant authority to local governments beyond what is already included in the constitution. Additionally, the bill is assumed not to grant school districts the authority to reduce their total program mills below the mill levy floor defined in Article 54 of Title 22, C.R.S.¹

¹ §22-54-102, C.R.S

Local Government

The bill has no direct impact on local government revenue or spending. If a county, municipality, or special district decides to provide temporary tax relief from property taxation, then that government's revenue will decrease accordingly.

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

Property Tax Division

Special Districts