



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 23-0425
Prime Sponsors: Sen. Pelton B.
Rep. Pugliese

Date: May 15, 2023
Bill Status: Postponed Indefinitely
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Bill Topic: **PROPERTY TAX TASK FORCE**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill would have created a property tax task force to consider causes of rising property taxes and potential solutions. The bill would have increased state expenditures through no later than FY 2026-27.

Appropriation Summary: For FY 2023-24, the bill would have required an appropriation of \$53,841 to the Legislative Department.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was postponed indefinitely by the Senate Finance Committee on May 4, 2023; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 23-305

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$53,841	\$57,891
	Centrally Appropriated	\$10,781	\$11,161
	Total Expenditures	\$64,622	\$69,052
	Total FTE	0.6 FTE	0.6 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$8,076	\$8,684

Summary of Legislation

The bill creates the Property Tax Task Force to identify the causes of increasing property taxes, review best practices for short- and long-term property tax relief, and make recommendations. The Legislative Council Staff and the Office of Legislative Legal Services must assist the task force.

The bill outlines the membership of the task force, and includes legislators, the property tax administrator, and a variety of representatives of local governments, as well as business and real estate organizations. Legislative members receive compensation and reimbursement of expenses.

The task force must meet four times in 2023, and eight times per year beginning in 2024. It must report to Legislative Council by November 1, 2024, and each subsequent year through 2026, and after the first report, may vote to disband itself if a majority of members vote to affirm that the task force has fulfilled its purpose.

State Expenditures

The bill increases state expenditures in the Legislative Department by about \$65,000 in FY 2023-24 and \$69,000 from FY 2024-25 through FY 2025-26, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-305

	FY 2023-24	FY 2024-25
Legislative Department		
Personal Services	\$44,539	\$48,589
Operating Expenses	\$810	\$810
Legislator Per Diem & Travel	\$8,492	\$8,492
Centrally Appropriated Costs ¹	\$10,781	\$11,161
Total Cost	\$64,622	\$69,052
Total FTE	0.6 FTE	0.6 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Legislative Department. The Legislative Council Staff and the Office of Legislative Legal Services will require staff to support the task force and the General Assembly will incur additional costs for legislator travel and per diem.

- **Staff.** Legislative Council Staff requires 0.5 FTE, including 0.3 FTE for a research analyst and 0.2 FTE for an economist to support the task force. Duties include logistical support, research, presentations, and analysis of property tax relief proposals. The Office of Legislative Legal Services requires 0.1 FTE for an attorney to support the committee. Standard operating expenses are included and first-year costs are prorated for the General Fund pay date shift.

- **Legislator per diem and travel.** The General Assembly will incur legislator per diem and travel costs for six members to participate on the task force. The fiscal note assumes eight meetings will be held each year, beginning in FY 2023-24, of which two will occur during the legislative session and six will occur during the interim. Costs are based on standard per diem and interim committee travel reimbursements.

Department of Local Affairs. The Division of Property Taxation in the Department of Local Affairs will have increased workload for the property tax administrator to serve on the task force. No change in appropriations is required.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

The bill increase workload and costs for the local governments that have representatives serving on the task force, including representatives from municipalities, special districts, county assessors, school boards, and county commissioners.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2023-24, the bill requires the following General Fund appropriations to the Legislative Department:

- \$37,589 for Legislative Council Staff, and 0.5 FTE;
- \$7,760 for the Office of Legislative Legal Services, and 0.1 FTE; and
- \$8,492 for the General Assembly.

State and Local Government Contacts

Counties	LCS	Municipalities
OLLS	Property Tax Division - Local Affairs	Special Districts