



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 24-1078 Date: March 27, 2024
Prime Sponsors: Rep. Sirota; Taggart Bill Status: House Appropriations
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Bill Topic: INCREASE IN PROPERTY TAX EXEMPTION FILING FEES

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [] Local Government
[] State Expenditure [] TABOR Refund [] Statutory Public Entity

Budget package bill. The bill increases the amount of certain fees for filing forms and annual reports related to exemptions of real and personal property from taxation. It increases state revenue beginning in FY 2024-25.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2024-25 budget package.

Table 1
State Fiscal Impacts Under HB 24-1411

Table with 4 columns: Category, Fund, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue (Cash Fund), Expenditures, Transfers, and Other Budget Impacts (TABOR Refund).

Summary of Legislation

The bill increases the amount of certain fees for filing forms and annual reports related to exemptions of real and personal property from taxation. These fees are credited to the Property Tax Exemption Cash Fund in the Department of Local Affairs (DOLA). The new fees are as follows:

- The fee for claiming an initial exemption of real and personal property is increased from \$175 to \$200;
- The fee for filing an annual report containing information relating to property that has been granted exemption from taxation in previous years is increased from \$75 to \$100; and,
- The fee for filing a late annual report is increased from \$250 to \$300.

The bill requires that the fee is adjusted for inflation or deflation annually and rounded upward or downward to the nearest \$5 increment.

State Revenue

The bill increases revenue in the Property Tax Exemption Cash Fund in DOLA by \$381,000 in FY 2024-25 and \$388,000 in FY 2025-26 from the increase in property tax exemption filing fees.

Fee impact. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Fee amounts for FY 2025-26 are adjusted based on the inflation rate reported in the March 2024 Legislative Council Staff economic and revenue forecast, and rounded to the nearest \$5 increment. This revenue is subject to TABOR. The table below identifies the fee impact of this bill.

**Table 2
 Estimated Fee Impact of HB 24-1411**

	Type of Fee	Current Fee	Proposed Fee	Number of Applicants	Total Fee Impact
FY 2024-25	Application fee	\$175	\$200	600	\$15,000
	Annual report – timely	\$75	\$110	9,429	\$330,015
	Annual report – late	\$250	\$300	721	\$36,050
FY 24-25 Total					\$381,065
FY 2025-26	Application fee	\$175	\$205	600	\$18,000
	Annual report – timely	\$75	\$110	9,429	\$330,015
	Annual report – late	\$250	\$305	721	\$39,655
FY 25-26 Total					\$387,670

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

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

State and Local Government Contacts

Joint Budget Committee 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](#).