



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 24B-0015	<b>Date:</b>	September 16, 2024
<b>Prime Sponsors:</b>	Rep. Clifford	<b>Bill Status:</b>	Postponed Indefinitely
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**Bill Topic:** **ADDITIONAL PROPERTY TAX RELIEF FOR HOMEOWNERS**

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<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill would have made changes to the reduction in valuations for residential property in non-school local government entities starting in property tax year 2026. The bill may have decreased and increased local property tax revenue, depending on the area. The bill's statewide property tax revenue impacts would have been expected to be near zero on net.

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**Appropriation Summary:** No appropriation was required.

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**Fiscal Note Status:** The fiscal note reflects the introduced bill. The bill was postponed indefinitely by the House Finance Committee on August 26, 2024; therefore, the impacts identified in this analysis do not take effect.

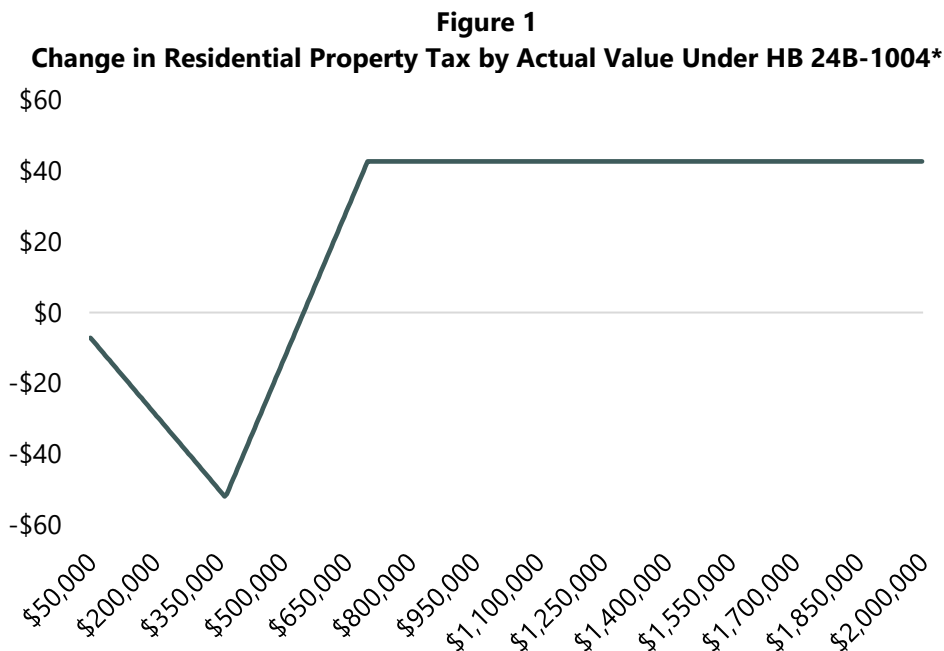
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## Summary of Legislation

The bill makes changes to value reductions for residential property starting with property tax year 2026. Under current law, for property tax year 2026 and all later years, for local government entities other than school districts, the residential assessment rate is 6.95 percent applied to the actual value of the property minus 10 percent of the property's actual value, up to \$70,000, or an amount that reduces assessed value to be \$1,000. Beginning with property tax year 2027, the \$70,000 maximum is increased annually by inflation.

The bill changes the subtraction from actual value to 15 percent of the property's actual value, up to \$55,000, or the amount that causes the assessed value to be \$1,000. Beginning in property tax year 2027, the \$55,000 maximum is increased annually by inflation.

Figure 1 shows the change in property taxes owed under HB 24B-1004 for residential properties of different values ranging from \$50,000 to \$2.0 million, for a representative non-school local government, assuming a combined school and non-school mill levy of 82, which is similar to the statewide average mill levy in 2023. Properties with actual values up to \$550,000 would experience property tax savings under the bill, while those valued at \$550,000 or above would experience property tax increases relative to current law under SB 24-233.



\* Assumes a total school and non-school mill levy of 82.

## Assumptions

**Senate Bill 24-233.** In 2024, [SB 24-233](#) was passed by the General Assembly in 2024 and signed by the Governor. It sets assessment rates for 2024 and future property tax years. The bill becomes law only if voters do not approve a measure at the 2024 general election that lowers assessment rates. Fiscal impacts are presented relative to current law, which is assumed to include SB 24- 233.

## Local Government

Beginning with property tax year 2026 taxes payable in 2027, the bill changes property tax revenue to local governments other than school districts compared with current law. The bill decreases property tax revenue to some local governments while increasing revenue to others. For estimated impacts by county, see Appendix A. Across the state, local government revenue impacts are expected to net to a near-zero amount. Appendix A shows a net revenue increase of about \$171,000 for all local governments across the state, but the exact amount could vary, and potentially be net-negative, depending on the assumptions used.

## Technical Note

The value subtraction allowed in the bill for senior primary residences for property tax year 2025 cannot be implemented by county assessors until property tax year 2026. The fiscal note assumes that current law will be modified such that the value subtraction for senior primary residences will conform with the value subtractions allowed for all other residential property such that no value subtractions will apply in property tax year 2025.

**Effective Date**

The bill takes effect only if SB 24-233 takes effect, in which case the bill takes effect upon the Governor’s proclamation of the results of the 2024 General Election. SB 24-233 takes effect only if voters do not approve ballot measures that either reduce valuations for assessment and/or require voter approval for retaining property tax revenue that exceeds a limit.

**State and Local Government Contacts**

Counties	County Assessors	Local Affairs
Property Tax Division		

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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](#).

**Appendix A  
Average Non-School Mill Levy, Change in Assessed Value, and Change in Property  
Taxes for Non-School Governments Under HB 24B-XXXX, Property Tax Year 2026**

<b>County</b>	<b>Average Non-School Mill Levy</b>	<b>Change in Assessed Value</b>	<b>Change in Property Tax Revenue</b>
Adams	42.8	-\$29,755,420	-\$1,273,177
Alamosa	40.4	-\$3,746,881	-\$151,362
Arapahoe	19.1	\$18,366,202	\$351,084
Archuleta	36.2	\$645,816	\$23,369
Baca	49.2	-\$433,996	-\$21,339
Bent	43.9	-\$661,073	-\$28,998
Boulder	39.0	\$50,165,720	\$1,956,249
Broomfield	31.3	\$9,726,874	\$304,387
Chaffee	22.8	\$3,947,255	\$89,994
Cheyenne	33.9	-\$288,648	-\$9,777
Clear Creek	46.3	-\$1,060,992	-\$49,073
Conejos	41.5	-\$1,764,004	-\$73,241
Costilla	23.0	-\$1,134,272	-\$26,050
Crowley	45.1	-\$566,541	-\$25,528
Custer	36.4	-\$1,538,198	-\$55,992
Delta	6.9	-\$8,868,991	-\$61,170
Denver	23.8	\$36,754,909	\$874,055
Dolores	32.8	-\$623,171	-\$20,466
Douglas	39.7	\$80,430,433	\$3,196,538
Eagle	20.1	\$21,921,414	\$439,941
Elbert	32.1	\$2,959,412	\$95,101
El Paso	7.8	-\$181,528,312	-\$1,414,892
Fremont	35.6	-\$13,177,464	-\$469,382
Garfield	26.4	\$717,623	\$18,957
Gilpin	18.6	-\$255,364	-\$4,757
Grand	29.7	\$7,093,732	\$210,666
Gunnison	33.6	\$2,415,019	\$81,178
Hinsdale	30.1	-\$881,226	-\$26,486
Huerfano	39.3	-\$2,328,873	-\$91,544
Jackson	16.7	-\$555,696	-\$9,280
Jefferson	36.8	\$52,101,562	\$1,916,183
Kiowa	69.8	-\$191,354	-\$13,364
Kit Carson	47.8	-\$1,613,540	-\$77,119
Lake	51.9	-\$3,101,758	-\$160,847
La Plata	20.2	-\$3,488,914	-\$70,412

**Appendix A (Cont.)  
Average Non-School Mill Levy, Change in Assessed Value, and Change in Property  
Taxes for Non-School Governments Under HB 24B-XXXX, Property Tax Year 2026**

<b>County</b>	<b>Average Non-School Mill Levy</b>	<b>Change in Assessed Value</b>	<b>Change in Property Tax Revenue</b>
Larimer	37.9	-\$3,774,965	-\$143,252
Las Animas	18.3	-\$4,766,080	-\$87,157
Lincoln	54.6	-\$1,161,518	-\$63,442
Logan	38.8	-\$4,578,976	-\$177,757
Mesa	15.7	-\$44,823,652	-\$701,750
Mineral	35.0	-\$901,776	-\$31,602
Moffat	28.8	-\$3,592,506	-\$103,484
Montezuma	26.0	-\$7,084,751	-\$184,406
Montrose	34.7	-\$8,922,840	-\$309,852
Morgan	40.9	-\$7,307,915	-\$298,738
Otero	30.9	-\$2,740,647	-\$84,666
Ouray	26.3	\$1,270,400	\$33,461
Park	9.2	-\$1,988,963	-\$18,272
Phillips	40.1	-\$1,431,654	-\$57,448
Pitkin	23.1	-\$8,665,621	-\$199,809
Prowers	37.6	-\$1,867,372	-\$70,299
Pueblo	22.9	-\$57,146,649	-\$1,307,121
Rio Blanco	31.2	-\$1,973,511	-\$61,536
Rio Grande	27.0	-\$4,133,235	-\$111,636
Routt	11.6	\$6,833,568	\$79,485
Saguache	42.4	-\$1,886,616	-\$79,908
San Juan	26.9	-\$288,718	-\$7,775
San Miguel	19.5	\$651,143	\$12,671
Sedgwick	51.0	-\$490,049	-\$25,009
Summit	13.3	\$20,634,092	\$273,819
Teller	24.1	-\$6,267,012	-\$150,819
Washington	36.3	-\$1,118,149	-\$40,533
Weld	21.6	-\$58,578,199	-\$1,264,146
Yuma	34.8	-\$2,059,507	-\$71,606
<b>Total</b>		<b>-\$178,480,399</b>	<b>\$170,859</b>