



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HCR 25-1001: SENIOR PROPERTY TAX EXEMPTION PORTABILITY

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**Prime Sponsors:**

Rep. DeGraaf

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**Fiscal note status:** The fiscal note reflected the introduced bill.

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### Summary Information

**Overview.** Conditional upon voter approval at the November 2026 general election, the concurrent resolution allows seniors to continue to claim the homestead exemption beginning in 2027 if they qualified for the exemption in 2016 or a later year and later moved.

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

- State Expenditures
- TABOR Refunds
- Local Government

**Appropriations.** No appropriation is required.

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**Table 1**  
**Conditional State Fiscal Impacts**

<b>Type of Impact</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$0	up to \$64.5 million
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	not estimated
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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The concurrent resolution refers a constitutional amendment to voters at the November 2026 statewide election. The Colorado constitution currently allows a senior who has owned and occupied the same primary residence for at least 10 years, or the surviving spouse of a qualifying senior, to claim an exemption for property taxes on 50 percent of the first \$200,000 of the home's value. If approved by voters, beginning with property tax year (PTY) 2027, the amendment allows seniors or their surviving spouses who qualified for the exemption in 2016 or later years to continue to claim the exemption for their primary residences if they moved.

## Background

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### Homestead Exemption

The homestead exemption is available for owner-occupied primary residences for qualifying seniors, veterans with certain service-connected disabilities, surviving spouses of veterans with a disability who previously qualified for the exemptions, and Gold Star surviving spouses. Under current law, the homestead exemption applies to taxes that would be assessed on 50 percent of the first \$200,000 of the home's value. For example, a \$150,000 residence is taxed as if it were worth \$75,000, and a \$500,000 residence is taxed as if it were worth \$400,000. For seniors, the homeowner is eligible to claim the exemption if they are 65 years old as of January 1 of the tax year, occupied the home as a primary residence for at least 10 years, and submit an exemption application with the county assessor.

### Local Government Reimbursements

The state is required to reimburse local governments for the property tax revenue reduction attributable to homestead exemptions. These reimbursements are made as expenditures from the state General Fund via the Department of Treasury.

### TABOR Refund Mechanisms

Reimbursements to local governments for homestead property tax exemptions are the first of three TABOR refund mechanisms under current law. A TABOR surplus collected in one fiscal year is set aside to fund these reimbursements in the following fiscal year.

## Assumptions

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Based on data from the Colorado State Demography Office on senior households in Colorado, demographic trends from the U.S. Census Bureau's American Community Survey, and the December 2024 Legislative Council Staff forecast for assessed values and homestead exemptions, the fiscal note estimates that about 115,000 seniors who qualified for the homestead exemption from 2016 to 2027 but moved at least once during that period will

requalify for the senior homestead exemption under the resolution for PTY 2027. Based on data from the Colorado State Demography Office, the fiscal note assumes that about 81 percent of Colorado's projected 705,000 senior households will live in owner-occupied homes, and that about 258,000 senior owner-occupied households will not qualify for the existing exemption. The fiscal note estimates about 44 percent of senior owner-occupied households not qualifying for the current exemption will qualify under the resolution.

Based on the December 2024 assessed values forecast and projected actual value growth by county, the average property tax benefit is an estimated \$562 beginning in PTY 2027 assuming households requalifying for the exemption have the same geographic dispersion and home values as households qualifying for the existing senior homestead exemption.

## State Expenditures

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### Local Government Reimbursements

Conditional upon voter approval, the resolution increases General Fund expenditures to reimburse local governments for exempted property taxes. For future years when the state does not refund a sufficient TABOR surplus, the resolution reduces the amount otherwise available for the General Fund budget. In FY 2027-28, local reimbursements are expected to increase by \$64.5 million, as described in the TABOR Refunds section. However, a forecast of TABOR revenue is not available beyond FY 2026-27, therefore the impact on General Fund expenditures is not estimated.

Additionally, the bill minimally increases workload for the Department of Local Affairs, Division of Property Taxation to update manuals and guidance related to the senior property tax exemption. The increased workload is similar to workload already required under Senate Bill 24-111, which reduced assessed value for qualified-senior primary residence real property, and can be accomplished within existing appropriations. There will also be minimal workload for the Office of Information Technology.

### Election Expenditure Impact — Existing Appropriations

This bill includes a referred measure that will appear before voters at the November 2026 general election. While no additional appropriation is required, certain election costs are incurred by the state when ballot measures are referred. These include reimbursing counties for certain election costs; publishing the text and title of the measure in newspapers across the state; and preparing and mailing the ballot information booklet.

## TABOR Refunds

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If approved by voters, the resolution has no impact on the amount required to be refunded under TABOR beginning in FY 2027-28; however, it may increase the amount refunded via

homestead exemptions by \$64.5 million in FY 2027-28 if there is sufficient surplus revenue. However, a forecast of TABOR revenue is not available beyond FY 2026-27. In FY 2026-27, the amount of TABOR surplus refunded for senior homestead exemptions is projected to be \$171.4 million under current law.

In years with sufficient surplus revenue, an increase in the amount refunded via homestead exemptions will in turn decrease the amount required to be refunded by the six-tier sales tax refund mechanism.

## Local Government

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### Local Revenue

The bill has offsetting impacts on local government revenue that will not change net revenue to any jurisdiction. It decreases property tax revenue with offsetting increased state reimbursements to local governments. In FY 2027-28, reimbursements are expected to total \$64.5 million. The bill may affect local government TABOR refunds if local voters have exempted one of, but not both of, property tax revenue and revenue received from the state government.

### Local Expenditures

Workload for county assessors will increase to administer more exemptions under the resolution.

## Effective Date

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If approved by voters at the November 2026 general election, the changes take effect upon proclamation of the Governor.

## State and Local Government Contacts

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Counties	Local Affairs
County Assessors	Property Tax Division - Local Affairs
Information Technology	Treasury

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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](#).