



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-180: POPULATION GROWTH CALCULATION

Prime Sponsors:

Sen. Kirkmeyer; Amabile
Rep. Taggart; Sirota

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Fiscal note status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee.

Summary Information

Overview. When calculating the TABOR limit population growth factor, the bill requires that the State Controller use the base year population estimate published in that year, rather than the revised estimate published in the following year.

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

- TABOR Refunds

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

Type of Impact	Current Year FY 2024-25	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$0	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	-\$18.1 million	-\$95.2 million	Indeterminate
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The state TABOR limit is adjusted each fiscal year for inflation and the percentage change in the state's population in the most recent calendar year. For example, the FY 2024-25 TABOR limit is adjusted for inflation and population growth that occurred in 2023, and the FY 2025-26 TABOR limit will be adjusted for inflation and population growth that occurred in 2024.

Under current law, population growth is calculated by comparing the U.S. Census Bureau's estimate of the state's population for the growth year to its revised estimate of the state's population for the base year. For example, under current law, 2024 population growth is calculated by comparing the Census Bureau's 2024 estimate of the 2024 population to its 2024 estimate of the 2023 population.

Beginning for FY 2024-25, the bill changes the population growth calculation to use the estimate of the base year population produced in the base year. For example, under the bill, 2024 population growth would be calculated by comparing the Census Bureau's 2024 estimate of the 2024 population to its 2023 estimate of the 2023 population.

Background

The calculation of the TABOR limit under current law uses the most recent estimate of population for both the base year and the growth year. As a result, the calculation does not incorporate changes to the population estimate that occur between the initial estimate used to set one fiscal year's limit, and the revised estimate used to set the next fiscal year's limit. This means that revised population estimates trigger either an undercount (in the case of an upward revision) or a double-count (in the case of a downward revision) in the level of the next fiscal year's limit. This effect is discussed in more detail in a January 28, 2025, Legislative Council Staff research [memorandum](#).¹

TABOR Refunds

The bill has a bidirectional effect on the level of the TABOR limit and, in years when state revenue exceeds the limit, on TABOR refunds. In fiscal years that follow calendar years when the population estimate is revised up, the bill increases the limit and decreases refunds. In fiscal years that follow calendar years when the population estimate is revised down, the bill decreases the limit and increases refunds.

¹ <https://leg.colorado.gov/publications/population-component-tabor-limit-growth-factor>

The bill is expected to result in a higher limit and decrease refunds by \$18.1 million in the current FY 2024-25 (Table 2A) and by \$95.2 million in FY 2025-26 (Table 2B). The bill's impact for FY 2026-27 and later years depends on the direction in which population estimates are revised. Additionally, in future years when revenue falls below the TABOR limit, the bill will have no impact on TABOR refunds. TABOR refunds are paid from the General Fund, and decreased refunds increase the amount available for the General Fund budget.

Table 2A
FY 2024-25 TABOR Limit Calculation Under Current Law and SB 25-180

Value	Current Law	SB 25-180
2022 Population Used for Growth Factor	5,841,039	5,839,926
2023 Population Used for Growth Factor	5,877,610	5,877,610
Population Component of Growth Factor	0.63%	0.65%
Inflation Component of Growth Factor	5.22%	5.22%
TABOR Limit Growth Factor (rounded to nearest tenth)	5.8%	5.9%
FY 2023-24 TABOR Limit (Referendum C Cap)	\$18,073.2 million	\$18,073.2 million
FY 2024-25 TABOR Limit (Referendum C Cap)	\$19,121.4 million	\$19,139.5 million
Change in TABOR Refunds from Current Law	\$0	-\$18.1 million

Table 2B
FY 2025-26 TABOR Limit Calculation Under Current Law and SB 25-180

Value	Current Law	SB 25-180
2023 Population Used for Growth Factor	5,901,339	5,877,610
2024 Population Used for Growth Factor	5,957,493	5,957,493
Population Component of Growth Factor	0.95%	1.36%
Inflation Component of Growth Factor	2.27%	2.27%
TABOR Limit Growth Factor (rounded to nearest tenth)	3.2%	3.6%
FY 2024-25 TABOR Limit (Referendum C Cap)	\$19,121.4 million	\$19,139.5 million
FY 2025-26 TABOR Limit (Referendum C Cap)	\$19,731.5 million	\$19,826.7 million
Change in TABOR Refunds from Current Law	\$0	-\$95.2 million

Effective Date

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

State and Local Government Contacts

Legislative Council Staff Economics Section
Personnel

State Auditor