



**Colorado
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MEMORANDUM

February 1, 2017

TO: Senator Crowder
FROM: Larson Silbaugh, (303-866-4720)
SUBJECT: Fiscal Assessment of Proposed Amendment **SB009_L.001**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **SB17-009**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Amendment L.001 reduces the personal property tax exemption in the bill from \$21,900 to \$10,000. The exemption is still indexed for inflation every two years.

Fiscal Impact of Amendment

Personal property assessed values will be reduced 0.2 percent with Amendment L.001, compared with a 1.0 percent reduction in the introduced version of the bill. This will reduce the impact on property taxes paid, resulting in less new revenue to the state and a smaller expenditure for school finance. Table 1 shows the change in the fiscal impact.

Table 1. Change in Fiscal Impact of Amendment L.001				
Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue		(\$210,398)	(\$424,261)	(\$431,461)
General Fund		(\$210,398)	(\$424,261)	(\$431,461)
State Expenditures		(\$2,451,000)	(\$2,621,000)	(\$4,377,000)
General Fund		(\$2,451,000)	(\$2,621,000)	(\$4,377,000)
TABOR Impact		(\$210,398)	(\$424,261)	Not estimated.
Appropriation Required: \$2,451,000 - Department of Education (FY 2017-18).				
Future Year Impacts: Ongoing state revenue increase, local government revenue decrease, and school financing impact.				

Bill's Revised Fiscal Impact with Amendment

The revised fiscal impact of SB 17-009 with L.001 is shown in Table 2. The new local property tax impact is shown in Table 3.

Table 2. Fiscal Impact of SB 17-009 with Amendment L.001				
Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue		<u>\$137,614</u>	<u>\$276,285</u>	<u>\$324,475</u>
General Fund		\$137,614	\$276,285	\$324,475
State Expenditures	<u>Workload increase.</u>	<u>\$765,000</u>	<u>\$803,000</u>	<u>\$845,000</u>
General Fund		\$765,000	\$803,000	\$845,000
TABOR Impact		\$137,614	\$276,285	Not estimated.
Appropriation Required: \$765,000 - Department of Education (FY 2017-18).				
Future Year Impacts: Ongoing state revenue increase, local government revenue decrease, and school financing impact.				

Table 3: Total Reduction in Local Property Tax Revenue			
	FY 2017-18	FY 2018-19	FY 2019-20
Direct Impact from Personal Property	(\$2,779,000)	(\$2,916,000)	(\$3,065,000)
Secondary Impact from Residential Property			\$0
Total Change in Property Tax Revenue	(\$2,779,000)	(\$2,916,000)	(\$3,065,000)

SB009_L.001

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

SB17-009 be amended as follows:

- 1 Amend printed bill, page 2, line 15, strike "TWENTY-ONE THOUSAND NINE
- 2 HUNDRED" and substitute "TEN THOUSAND".

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