

Support HB19-1317: The Senior Housing Security Act of 2019

Representatives Chris Kennedy & Mike Weissman • Senator Lois Court • Updated March 12, 2019

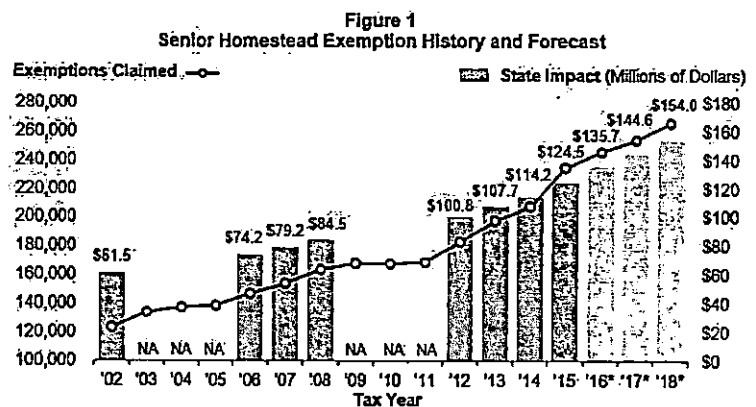
Colorado's high cost of housing is making it more difficult for low-to-middle income seniors to afford to rent or own a home. The Senior Property Tax Exemption (SPTEx), established in 2000, is not providing enough support to the seniors homeowners who need help the most and is giving no support at all to senior renters.

Furthermore, its growing share of the state budget makes it vulnerable to future cuts as Colorado's 65+ population grows from 13.9% to 20.4% between now and 2050.

We have an opportunity to replace the existing SPTEx with a new, refundable income tax credit in statute. The Senior Housing Security Act intends to give more support to the seniors who need help the most with property taxes or rent, allow seniors to downsize their homes and still receive a tax credit, and set aside dollars to plan ahead for the future growth of the senior population and prevent future cuts.

What does the bill do?

- Lowers to zero the maximum amount of residential property that is subject to the SPTEx, as authorized by Colorado Constitution Article X Section 3.5(2).
- Establishes a means-tested, refundable income tax credit for seniors to help them afford the high cost of housing.
- Establishes the Credit Stabilization Trust Fund to hold money saved in the initial years of the new tax credit and pay for future growth of the tax credit as senior population growth outpaces overall population growth.



Source: Colorado Division of Property Taxes. *September 2016 Legislative Council Staff projections. NA = the exemption was reduced to zero in these years.

How does the new tax credit work?

- Full-year Colorado residents who are at least 65 years old (or surviving spouses who are at least 58 years old) and have annual incomes below \$65,000 are eligible, regardless of whether they rent or own their home. There is no multi-year residency requirement.
- Qualifying seniors will receive the new tax credit after filing their income taxes and can use it to pay their property tax bills. Because the multi-year residency requirement is gone, seniors can move and take their tax credit with them.
- Low income seniors will receive the highest benefit, starting at \$700 for seniors with annual incomes below \$12,000. The tax credit will gradually go down as a senior's income goes up, with a minimum benefit of \$50 for seniors with incomes between approximately \$60,000 and \$65,000.
- As the new credit is administered through the income tax system, counties no longer have a role in administering the program and will see workload reductions.

How does this bill prevent future cuts to housing assistance for seniors?

- Because the new credit only benefits seniors who really need help, the considerable budget savings will be set aside in a Credit Stabilization Cash Fund.
- Transfers will continue until the cost of the new program exceeds the current cost of the current program, at which point the savings will start to be used to cover future cost growth.

Please contact Rep Chris Kennedy (RepChrisKennedy@gmail.com or 720-938-3294) or Rep Mike Weissman (mike@mikeweissman.com or 720-320-9031) for more information.

Current Senior Homestead Exemption

7.15% Residential Assessment Rate
 \$200,000 Home Value Used to Calculate Exemption
 \$14,300 Assessed Value of First \$200K

County	County Average Mill Levy (2017)	Current Tax Exemption	County	County Average Mill Levy (2017)	Current Tax Exemption
Adams	107	\$765	Kit Carson	76	\$543
Alamosa	79	\$565	La Plata	41	\$293
Arapahoe	95	\$679	Lake	81	\$579
Archuleta	60	\$429	Larimer	89	\$636
Baca	73	\$522	Las Animas	37	\$265
Bent	68	\$486	Lincoln	69	\$493
Boulder	90	\$644	Logan	73	\$522
Broomfield	113	\$808	Mesa	69	\$493
Chaffee	52	\$372	Mineral	71	\$508
Cheyenne	51	\$365	Moffat	68	\$486
Clear Creek	69	\$493	Montezuma	53	\$379
Conejos	73	\$522	Montrose	68	\$486
Costilla	60	\$429	Morgan	86	\$615
Crowley	69	\$493	Otero	61	\$436
Custer	64	\$458	Ouray	57	\$408
Delta	62	\$443	Park	59	\$422
Denver	82	\$586	Phillips	89	\$636
Dolores	59	\$422	Pitkin	39	\$279
Douglas	96	\$686	Prowers	62	\$443
Eagle	66	\$472	Pueblo	90	\$644
El Paso	75	\$536	Rio Blanco	45	\$322
Elbert	84	\$601	Rio Grande	68	\$486
Fremont	66	\$472	Routt	56	\$400
Garfield	59	\$422	Saguache	89	\$636
Gilpin	38	\$272	San Juan	41	\$293
Grand	68	\$486	San Miguel	40	\$286
Gunnison	66	\$472	Sedgwick	72	\$515
Hinsdale	48	\$343	Summit	54	\$386
Huerfano	72	\$515	Teller	53	\$379
Jackson	48	\$343	Washington	67	\$479
Jefferson	89	\$636	Weld	73	\$522
Kiowa	93	\$665	Yuma	75	\$536

Colorado Senior Population Growth Data & Projections

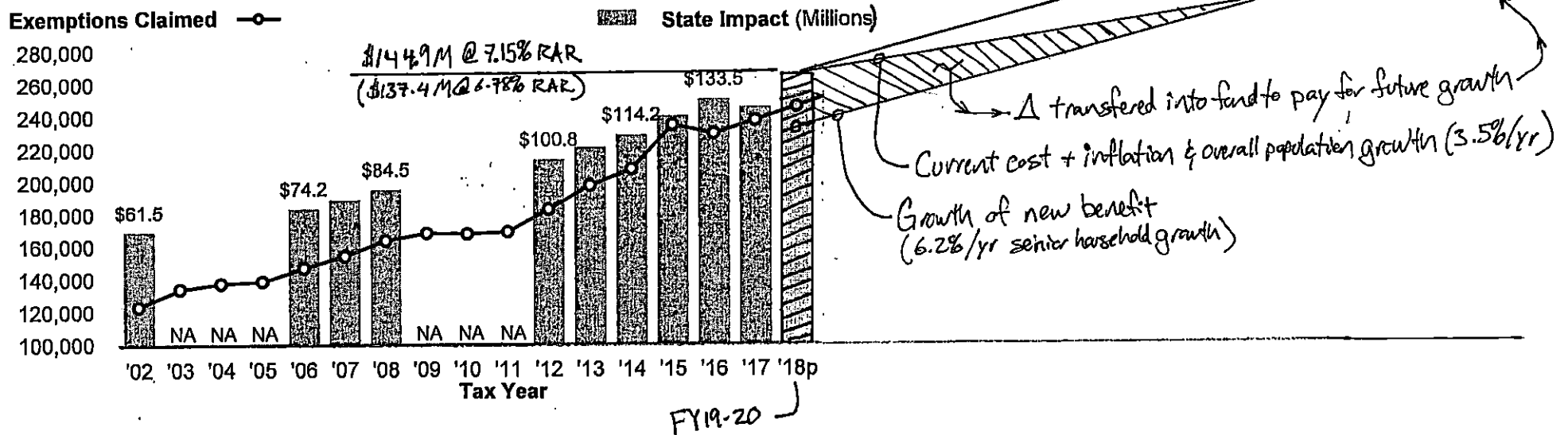
From the State Demographer's Office

Year	Total Population	Annual Growth	65+ Population	65+ Households	Annual Growth	Projected Homestead Exemption Cost*
2012	5,189,861		611,707	391,412		
2013	5,266,317	1.5%	644,364	410,478	4.9%	
2014	5,345,680	1.5%	676,074	429,200	4.6%	
2015	5,444,871	1.9%	708,217	447,788	4.3%	
2016	5,534,240	1.6%	739,848	465,839	4.0%	
2017	5,609,445	1.4%	772,804	484,778	4.1%	
2018	5,689,227	1.4%	805,950	505,562	4.3%	\$144,900,000
2019	5,765,527	1.3%	839,444	526,573	4.2%	\$154,544,670
2020	5,838,181	1.3%	873,673	548,014	4.1%	\$164,701,094
2021	5,920,844	1.4%	908,272	569,634	3.9%	\$175,316,233
2022	6,010,551	1.5%	943,606	591,633	3.9%	\$186,469,826
2023	6,101,657	1.5%	978,854	613,518	3.7%	\$198,029,285
2024	6,193,474	1.5%	1,013,970	635,306	3.6%	\$210,012,623
2025	6,286,282	1.5%	1,050,236	657,813	3.5%	\$222,702,946
2026	6,378,381	1.5%	1,084,274	678,845	3.2%	\$235,390,747
2027	6,469,122	1.4%	1,116,366	698,479	2.9%	\$248,083,941
2028	6,559,016	1.4%	1,146,747	716,955	2.6%	\$260,848,252
2029	6,646,711	1.3%	1,175,077	734,169	2.4%	\$273,632,299
2030	6,733,658	1.3%	1,201,023	749,860	2.1%	\$286,321,424
2031	6,820,066	1.3%	1,222,496	762,677	1.7%	\$298,373,447
2032	6,905,124	1.2%	1,242,610	774,425	1.5%	\$310,428,705
2033	6,988,385	1.2%	1,263,493	786,692	1.6%	\$323,106,768
2034	7,069,569	1.2%	1,286,844	800,586	1.8%	\$336,890,710
2035	7,149,172	1.1%	1,312,583	815,999	1.9%	\$351,798,832
2036	7,226,939	1.1%	1,337,260	830,804	1.8%	\$366,976,493
2037	7,302,777	1.0%	1,358,237	843,284	1.5%	\$381,663,903
2038	7,376,739	1.0%	1,376,342	853,971	1.3%	\$396,042,140
2039	7,448,849	1.0%	1,393,787	864,268	1.2%	\$410,718,558
2040	7,518,811	0.9%	1,412,224	875,222	1.3%	\$426,192,075
2041	7,586,590	0.9%	1,429,222	885,357	1.2%	\$441,782,191
2042	7,651,933	0.9%	1,446,799	895,908	1.2%	\$458,091,659
2043	7,714,914	0.8%	1,465,372	907,129	1.3%	\$475,281,090
2044	7,774,929	0.8%	1,484,520	918,739	1.3%	\$493,246,483
2045	7,833,924	0.8%	1,506,401	932,071	1.5%	\$512,734,877
2046	7,890,564	0.7%	1,526,687	944,481	1.3%	\$532,379,956
2047	7,945,650	0.7%	1,548,166	957,732	1.4%	\$553,158,917
2048	7,999,877	0.7%	1,571,136	971,980	1.5%	\$575,217,317
2049	8,053,616	0.7%	1,594,818	986,689	1.5%	\$598,302,464
2050	8,105,925	0.6%	1,620,758	1,002,854	1.6%	\$623,061,723

* Simply extrapolating current cost based on senior household growth & average 2.5% inflation. Doesn't account for changes in % of seniors with 10-year residency or for future impacts of the Gallagher amdt.

TRANSFERS INTO THE STABILIZATION FUND

Senior Homestead Exemption
Exemptions Claimed and State Fiscal Impact
 History and March 2019 Legislative Council Staff Forecast



Source: Division of Property Taxation and Legislative Council Staff. Does not include the disabled veteran exemption.
 "NA" denotes years when the exemption was not available. "p" denotes preliminary and "f" denotes forecast.

Prepared by Legislative Council Staff, April 2019.