



**Colorado  
Legislative  
Council  
Staff**

**HB16-1161**

**FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 16-0926  
**Prime Sponsor(s):** Rep. Young  
Sen. Lambert

**Date:** February 1, 2016  
**Bill Status:** House Finance  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**BILL TOPIC:** ALLOCATE SENIOR PROPERTY TAX EXEMPTION MONEY

<b>Fiscal Impact Summary</b>	<b>FY 2016-2017</b>	<b>FY 2017-2018</b>
<b>State Revenue</b>		
State Diversion		
Older Coloradans Cash Fund	Potential decrease.	Potential decrease.
Veterans Assistance Grant Program Cash Fund	Potential increase.	Potential increase.
<b>State Expenditures</b>		
<b>Appropriation Required:</b> None		
<b>Future Year Impacts:</b> None.		

**Summary of Legislation**

Under the state Constitution and current statute, qualifying senior citizens and disabled veterans may exempt 50 percent of the first \$200,000 of the actual value of their homes from property taxation. The state is required to reimburse local governments the total amount of exempted property tax revenue. Based on the Legislative Council March Economic Forecast, the Joint Budget Committee (JBC) estimates the amount needed to reimburse local governments in the next fiscal year and notes this in the annual state appropriations act (the Long Bill). If reimbursements to local governments total less than the amount specified in the Long Bill, 100 percent of excess funds are transferred to the Senior Services Account within the Older Coloradans Cash Fund in the Department of Human Services (DHS).

This bill instead transfers 95 percent of any excess funds to the Older Coloradans Cash Fund, and transfers the remaining 5 percent to the Veterans Assistance Grant Program Cash Fund in the Department of Military and Veterans Affairs (DMVA).

**Background**

For FY 2011-12 through FY 2013-14, the amount estimated in the Long Bill was less than the actual amount paid to local governments so no transfers occurred. For FY 2014-15, the amount identified in the Long Bill exceeded the amount paid to local governments, and about \$1.5 million was transferred to the Older Coloradans Cash Fund. For the current fiscal year

(FY 2015-16), the Long Bill identifies \$126.0 million for the property tax exemption, and JBC staff estimates the value of the exemption will be about \$133.0 million. Thus, transfers are not anticipated for the current fiscal year. The cost of the exemption for FY 2016-17 Long Bill has not yet been estimated.

## State Revenue

While the bill will not affect net revenue to the state, it will potentially result in a diversion of funds as described below.

**State diversions.** In fiscal years when the Long Bill overestimates the amount necessary to reimburse local governments for the property tax exemption, this bill reduces the amount of transfers to the Coloradans Cash Fund and instead diverts five percent of the amount transferred to the Veterans Assistance Grant Program Fund. Money in these funds are subject to annual appropriations by the General Assembly.

## Effective Date

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

## State and Local Government Contacts

Counties  
Military Affairs

Municipalities  
Revenue

Local Affairs  
Treasury