



**Colorado  
Legislative  
Council  
Staff**

**SB17-302**

**FISCAL NOTE**

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

**Drafting Number:** LLS 17-1209

**Date:** May 1, 2017

**Prime Sponsor(s):** Sen. Coram  
Rep. Catlin; McLachlan

**Bill Status:** Senate Finance

**Fiscal Analyst:** Larson Silbaugh (303-866-4720)

**BILL TOPIC:** CLARIFY PROPERTY TAX EXEMPTION SILVICULTURAL EQUIP

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b>		
<b>State Expenditures</b> General Fund	Potential minimal increase in school finance expenditures.	
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> Potential ongoing minimal school finance expenditure increase.		

**Summary of Legislation**

This bill clarifies that silvicultural equipment used for the planting, growing, maintenance, or harvesting of trees is exempt from property taxes. The definition applies beginning in 2017.

**Background**

Senate Bill 10-177 created an exemption for biomass energy equipment and added silviculture to the definition of agricultural and livestock products. Personal property used to produce agricultural and livestock products is exempt from property taxes; however, under current law that property must be used on a farm or ranch.

**State Expenditures**

**School Finance Impact.** As part of the school finance act, K-12 education in Colorado is funded with state aid and local property tax revenue. If property tax revenue declines, the state is required to increase its aid or increase the negative factor. Clarifying that silvicultural equipment is exempt from property taxes no matter where it is used may reduce property tax revenue for K-12 education by a minimal amount.

**Local Government Impact**

Local property tax revenue may be reduced by a minimal amount due to clarifying that all silvicultural equipment is exempt from property taxation. There is an existing silvicultural exemption which applies to equipment if it is used on a farm or ranch. Assessed value data for silvicultural equipment that would become exempt because of this bill are unavailable.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature. The exemption is effective beginning tax year 2017.

**State and Local Government Contacts**

Counties	County Assessors
Municipalities	Property Tax Division - Local Affairs