



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 23B-0021
Prime Sponsors: Rep. Snyder
Sen. Mullica

Date: November 17, 2023
Bill Status: House State Affairs
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Bill Topic: **PROPERTY TAX TASK FORCE**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates a legislative property tax task force to consider causes of rising property taxes and potential solutions. The bill increases state expenditures through FY 2027-28.

Appropriation Summary: For the current FY 2023-24 the bill requires an appropriation of \$4,019 to the Legislative Department. For FY 2024-25, the bill requires an appropriation of \$123,064.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 23B-1003

		Current Year FY 2023-24	Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-	-
Expenditures	General Fund	\$4,019	\$123,064	\$115,128
	Centrally Appropriated	-	\$21,493	\$21,493
	Total Expenditures	\$4,019	\$144,557	\$136,621
	Total FTE	-	1.3 FTE	1.3 FTE
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	\$603	\$18,460	\$17,269

Summary of Legislation

The bill creates the Property Tax Task Force to identify the causes of increasing property taxes, review best practices for short- and long-term property tax relief, and make recommendations. The Legislative Council Staff and the Office of Legislative Legal Services must assist the task force.

The bill outlines the membership of the task force and its two subpanels including legislators, the property tax administrator, and a variety of representatives of local governments, as well as business and real estate organizations. Legislative members receive compensation and reimbursement of expenses. Non-legislative members of the task force serve without compensation, but may be reimbursed for expenses.

The task force must meet five times in 2024, and eight times per year beginning in 2025. It must report to Legislative Council by November 1, 2024, and each subsequent year through 2027. The subpanels must meet five times in 2024 only. Following the first report, the task force may vote to disband itself if a majority of members vote to affirm that the task force has fulfilled its purpose.

State Expenditures

The bill increases state General Fund expenditures in the Legislative Department by \$4,019 in the current FY 2023-24, \$144,557 in FY 2024-25, and \$136,621 in FY 2025-26 and thereafter until the task force disbands, no later than FY 2027-28. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 23B-1003

	FY 2023-24 <i>current year</i>	FY 2024-25	FY 2025-26
Legislative Department			
Personal Services	-	\$100,012	\$100,012
Operating Expenses	-	\$1,664	\$1,664
Legislator Per Diem	\$671	\$4,028	\$4,028
Legislator Travel Costs	\$744	\$4,464	\$4,464
Non-Legislator Travel Costs	\$2,604	\$12,896	\$4,960
Centrally Appropriated Costs ¹	-	\$21,493	\$21,493
Total	\$4,019	\$144,557	\$136,621
Total FTE	-	1.3 FTE	1.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Legislative Department. The Legislative Council Staff (LCS) and the Office of Legislative Legal Services (OLLS) will require staff to support the task force and the General Assembly will incur additional costs to facilitate meetings and reimburse members.

- **Staff.** LCS requires temporary 1.2 FTE, including 1.0 FTE for a research analyst and 0.2 FTE for an economist to support the task force. Duties include logistical support, research, presentations, and analysis of property tax relief proposals. OLLS requires temporary 0.1 FTE for an attorney to support the committee. Standard operating expenses are included.
- **Legislator per diem and travel costs.** The two legislators on the task force are eligible for per diem and travel cost compensation for the four meetings that will occur outside of the legislative session. Costs are based on standard per diem and interim committee travel reimbursements.
- **Non-legislator reimbursement.** The 21 non-legislative members on the task force and the subpanels are eligible for travel cost compensation for their respective meetings. Costs are based on standard travel reimbursements.

Department of Local Affairs. The Division of Property Taxation in the Department of Local Affairs will have increased workload for the property tax administrator to serve on the task force. No change in appropriations is required.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

The bill increase workload and costs for the local governments that have representatives serving on the task force or the subpanels, including representatives from municipalities, special districts, county assessors, school boards, and county commissioners.

Effective Date

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

State Appropriations

For the current FY 2023-24, the bill requires a General Fund appropriation of \$4,019 to the Legislative Department.

For FY 2024-25, the bill requires a General Fund appropriation of \$123,064 to the Legislative Department, and 1.3 FTE.

State and Local Government Contacts

Counties

Legislative Council Staff

Legislative Legal Services

Local Affairs