



Colorado  
Legislative  
Council  
Staff

SB16-100

## FISCAL NOTE

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

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**Drafting Number:** LLS 16-0790  
**Prime Sponsor(s):** Sen. Jahn  
Rep. Pabon

**Date:** February 9, 2016  
**Bill Status:** Senate Transportation  
**Fiscal Analyst:** Larson Silbaugh (303-866-4720)

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**BILL TOPIC:** COUNTY ROAD & BRIDGE TAX REDUCTION REQUIREMENT

### Summary of Legislation

This bill requires that a county receive consent from a majority of municipalities in the county prior to reducing the county road and bridge fund mill levy. If a majority of municipalities do not approve of the reduction, the county is required to make an additional payment to municipalities to compensate for the reduction in road and bridge fund mill levy.

### Background

Counties are allowed to levy property tax mills to fund the county road and bridge budget, taking into account other available money. The mills are levied against the assessed value of property in the county, including property located in municipalities. One mill generates \$1.00 in property tax revenue for each \$1,000 of assessed value. Municipalities are entitled to receive one-half of the property tax revenue generated from road and bridge fund mill levy from property within municipal boundaries. A change in the county road and bridge mill levy impacts the payment to municipalities.

The road and bridge property tax revenue received by municipalities are impacted by both the number of mills and the property tax base. If the value of property in a municipality decreases, the revenue from the road and bridge mill levy may decrease. This bill does not require counties to make up for reduced municipal property tax revenue because of a reduction in assessed value.

### Local Government Impact

This bill has a conditional local government impact. Under current law, if a county reduces the road and bridge mill levy municipalities receive less revenue from the county. If this bill passes and a county reduces the road and bridge mill levy without consent from a majority of municipalities, counties will be required to make an additional payment to municipalities to compensate for the reduction in mills. The additional payment increases revenue to municipalities and expenditures by counties relative to current law.

**Effective Date**

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

Counties  
Information Technology

Municipalities  
Property Tax

Local Affairs  
Transportation