

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING PROPERTY TAXATION, AND, IN CONNECTION THEREWITH, ESTABLISHING SUBCLASSES OF RESIDENTIAL AND NONRESIDENTIAL PROPERTY; FOR THE 2022 AND 2023 PROPERTY TAX YEARS, TEMPORARILY REDUCING THE ASSESSMENT RATE FOR PROPERTY CLASSIFIED AS AGRICULTURAL PROPERTY OR RENEWABLE ENERGY PRODUCTION PROPERTY FROM TWENTY-NINE PERCENT TO TWENTY-SIX AND FOUR-TENTHS PERCENT, FOR PROPERTY CLASSIFIED AS MULTI-FAMILY RESIDENTIAL REAL PROPERTY FROM SEVEN AND FIFTEEN ONE-HUNDREDTHS PERCENT TO SIX AND EIGHT-TENTHS PERCENT, CONTINGENT ON THE ASSESSMENT RATE NOT OTHERWISE BEING REDUCED BY AN INITIATED MEASURE, AND FOR ALL OTHER RESIDENTIAL REAL PROPERTY FROM SEVEN AND FIFTEEN ONE-HUNDREDTHS PERCENT TO SIX AND NINETY-FIVE ONE-HUNDREDTHS PERCENT; RESTRUCTURING THE ASSESSMENT RATE LAWS; EXPANDING THE PROPERTY TAX DEFERRAL PROGRAM TO ALLOW TAXPAYERS TO DEFER INCREASES IN PROPERTY TAXES IN LIMITED CIRCUMSTANCES; AND MAKING AN APPROPRIATION.

Prime Sponsors: Sens. Hansen and Rankin  
Reps. Esgar and Gray

JBC Analyst: Craig Harper  
Phone: 303-866-3481  
Date Prepared: June 7, 2021

**Appropriation Items of Note**

**Appropriation Already Added to Bill, No Amendment in Packet**

**General Fund Impact**

**Significant Cost Increase in Second Year**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 06/07/21.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
None.	

**Current Appropriations Clause in Bill**

The bill includes an appropriation clause that appropriates \$75,000 General Fund to the Office of the Governor for FY 2021-22.

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$48.0 million General Fund for bills that require General Fund appropriations for FY 2021-22. This bill requires a General Fund appropriation of \$75,000 for FY 2021-22, reducing the \$48.0 million set aside by the same amount.

*Future Fiscal Impact*

Although this bill would not require an appropriation for FY 2021-22, it is projected to require state appropriations of \$50.9 million in FY 2022-23 and \$55.3 million in FY 2023-24 to offset reductions in local school finance revenues and maintain any given level of the budget stabilization factor. As noted in the Legislative Council Staff Revised Fiscal Note, the General Assembly could potentially make those appropriations from the General Fund, the State Education Fund, or the State Public School Fund, depending on the availability of funds from each source.