



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1199: PROPERTY TAX PAYMENT SCHEDULE

**Prime Sponsors:**

Rep. Espenosa

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**Date:** February 27, 2025

**Fiscal note status:** The fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill creates a four-installment property tax payment option for certain residential and improved commercial real property taxpayers effective beginning with the 2025 property tax year.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- Local Government

**Appropriations.** No appropriation is required.

**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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For residential and improved commercial real property taxpayers, the bill creates a four-installment payment option effective with taxes for the 2025 property tax year payable in 2026, in addition to the option of two equal installments allowable under current law. The new four-payment option is available to:

- taxpayers who owe more than \$25;
- taxpayers who do not have property tax paid through an escrow account; and
- taxpayers who pay at least half of their real property taxes owed on or before April 30.

Under the four-installment option, equal payments are due on the last day of February, April 30, June 15, and September 15. However, a taxpayer utilizing the four-installment option may pay in full prior to the third and fourth payments. If a taxpayer misses the third payment, delinquent interest begins to accrue at a rate of 1 percent per month as specified in the bill.

County treasurers are required under the bill to include information about the four-installment payment option with property tax statements. Additionally, the bill extends the notice of a tax lien for delinquent property taxes from September 1 to October 15.

## Background

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Under current law, property taxes must be paid either in full before April 30 or in two equal installments. If paying in two installments, the first installment is due by the last day of February and the second is due June 15.

## State Expenditures

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### State Financing Assistance to School Districts

The State Treasurer is authorized to issue short-term debt to make interest-free loans to participating school districts to manage their cash flow during each fiscal year as property tax collections and disbursements are realized largely from February to June under current law. The state pays for the interest costs associated with these loans. The bill may require increased borrowing activity in the first few years of implementation, increasing interest costs to the state.

## Local Government

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### Revenue and Finance

The bill has no impact on the amount of property tax revenue collected, but will shift the timing of a portion of revenue collections and disbursements from the spring and summer to the fall. The bill may increase county treasurer fees charged to taxing jurisdictions related to property tax

collection and distribution. In addition to taxpayer behavior, the share of disbursements that are shifted to the fall will depend on the composition of property classes in each taxing jurisdiction, with jurisdictions that have larger concentrations of residential and commercial properties more heavily impacted.

The timing of property tax disbursements under the bill may impact local government finances and operations, and in some cases significantly. For instance, payment agreements for bonds and other debt obligations may rely on property tax disbursements as structured under current law. Other local governments incur seasonal fluctuations in costs, such as during the summer, that may be impacted by the timing of revenue disbursements. Further, school district fiscal years end in June, which may require restructuring reserves and finances in response to the bill's changes.

### **County Treasurers**

The bill increases costs in county treasurer's offices to hire more personnel and update or license new software to process property tax payments under the new payment option. Treasurers will also incur costs for form updates, printing, postage, and other costs related to processing payments. Offices in larger counties may require several new staff members. Relatedly, the bill may require county treasurers to increase fees charged to taxing jurisdictions for property tax collection and distribution.

### **Effective Date**

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

### **State and Local Government Contacts**

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Counties	School Districts
County Treasurers	Special Districts
Local Affairs	Treasury

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).