



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-261: PROPERTY TAX DEFERRAL PROGRAM ADMINISTRATION

Prime Sponsors:

Sen. Amabile; Kirkmeyer
Rep. Bird; Sirota

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Fiscal note status: The fiscal note reflects the rerevised bill.

Summary Information

Overview. The bill allows the General Assembly to appropriate money for FY 2025-26 only, from several cash funds, to the Department of Treasury for administering the state property tax deferral program, and includes an appropriation.

Types of impacts. The bill is projected to affect the following areas in FY 2025-26 only:

- State Expenditures

Appropriations. For FY 2025-26, the bill includes cash fund appropriations of \$721,716 to the Department of Treasury.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures (Cash Funds)	\$721,716	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	2.5 FTE	0.0 FTE

Summary of Legislation

For FY 2025-26 only, the bill allows the General Assembly to appropriate money to the Department of Treasury, and makes appropriations totaling \$721,716, from the following cash funds:

- Damage Prevention Fund;
- Disabled Parking Education and Enforcement Fund;
- Professional Development Center Cash Fund;
- Tax Lien Certification Fund;
- Dispute Resolution Fund;
- Family Support Services Fund;
- Immunization Fund;
- Publications Fund;
- Youthful Offender System Surcharge Fund;
- Moving Outreach Fund;
- Department of Military and Veterans Affairs Fund; and
- the Wholesale and Distributing Subcontractor License Fund.

Background

Property Tax Deferral Program

Under current law, homeowners may defer all or a portion of their property tax to be paid with interest when the property is sold or transferred. The state treasurer loans the amount of deferred tax on behalf of participants to affected local governments, and a lien is placed upon the property in the amount of the deferred tax, plus interest. Once the deferred property taxes are paid back or the property is transferred or sold, the loan balance and interest are paid back to the state. The deferral program is administered by the State Treasury through a contract with a third-party contractor. The contract cost in FY 2024-25 was \$2,207,346.

For the 2023 property tax year, there were 1,042 deferrals awarded in 30 counties, up 14.5 percent from 910 awards and 20 counties in 2022.¹ In 2023, about 82 percent of participants were seniors, and nearly 18 percent were among the general public. In 2023, only 5 participants were deferrals for active military service members.

¹ https://leg.colorado.gov/sites/default/files/images/final_tax_property_commission_presentation.pdf

Current Appropriations and Assumed Funding

As passed by the House, the rerevised version of the FY 2025-26 Long Bill, [SB 25-206](#), does not include appropriations to the Department of Treasury to operate the state property tax deferral program. Previously, about \$2.2 million General Fund was appropriated for the program, including payments to a third-party contractor to operate many aspects of the program. It is assumed that it is the intent of the General Assembly to fund the program using only the appropriations made in this bill for FY 2025-26.

State Expenditures

The bill increases state cash fund expenditures in the Department of Treasury by \$721,716 and 2.5 FTE in FY 2025-26, as shown in Table 2 below. This increase is relative to the FY 2025-26 Long Bill, which does not include funding for the property tax deferral program.

Based on the appropriations included in the bill, the Treasury Department will hire temporary employees to bring call center support staff in-house for the property tax deferral program in 2026, rather than relying on a third-party contractor. Based on the property tax payment schedule, 4 employees are required from January to February, 3 employees in March to April, and 1 employee in May. This staffing equates to 2.5 FTE on a fiscal year basis.

Because the bill does not make any statutory changes to the operation of the program, no change in expenditures has been estimated for FY 2026-27 and future years. It is assumed the General Assembly will make General Fund appropriations to continue operating the program in future years through the annual budget process. Assuming funding returns to prior levels and since the bill makes no programmatic or statutory changes to the program itself, costs to administer the property tax deferral program are expected to be between \$2.2 million to \$2.6 million per year in FY 2026-27 and future years.

Table 2
State Expenditures
Department of Treasury

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Renewed Third-Party Administrative Contract	\$600,000	\$0
Personal Services	\$99,360	\$0
Operating & Other Administrative Expenses	\$22,356	\$0
Total Costs	\$721,716	\$0
Total FTE	2.5 FTE	0.0 FTE

Effective Date

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

State Appropriations

The bill includes appropriations to the Department of Treasury from various cash funds totaling \$721,716 and 2.5 FTE, as follows:

- \$175,058 from the Damage Prevention Fund;
- \$121,389 from the Disabled Parking Education and Enforcement Fund;
- \$118,741 from the Professional Development Center Cash Fund;
- \$85,901 from the Tax Lien Certification Fund;
- \$83,839 from the Dispute Resolution Fund;
- \$83,354 from the Family Support Services Fund;
- \$21,278 from the Immunization Fund;
- \$9,648 from the Publications Fund;
- \$6,784 from the Youthful Offender System Surcharge Fund;
- \$5,963 from the Moving Outreach Fund;
- \$5,348 from the Department of Military and Veterans Affairs Fund; and
- \$4,413 from the Wholesale and Distributing Subcontractor License Fund.

State and Local Government Contacts

Joint Budget Committee Staff

Treasury

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](#).