



LOCAL FISCAL IMPACT

Drafting Number: LLS 12-0294**Date:** January 25, 2012**Prime Sponsor(s):** Sen. Foster**Bill Status:** Senate Local Government**Fiscal Analyst:** Harry Zeid (303-866-4753)

TITLE: CONCERNING THE PERIOD MARKING THE COMMENCEMENT OF THE ACCRUAL OF INTEREST ON THE REFUND OF PROPERTY TAXES ERRONEOUSLY COLLECTED.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature. The bill applies to interest accruing on property taxes that are illegally or erroneously levied and collected on or after the bill becomes law.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: See the Local Government Impact section.		

Summary of Legislation

Under current law, any property taxes illegally or erroneously collected, and delinquent interest on that collection, must be refunded to the taxpayer. Generally, interest on the refunded moneys accrues from the date payment of the taxes and delinquent interest was received by the county treasurer. Under the bill, interest on the refunded money will begin to accrue either from the date a complete abatement petition is filed with the board of county commissioners or the date the taxes are paid, whichever is later.

State Expenditures

The Division of Property Taxation in the Department of Local Affairs will update its manuals, publications, and training materials to reflect the change in the date that delinquent interest on property tax collections begins to accrue. Updates for legislative changes and procedures are made on a quarterly basis. As such, no additional expenditures for updates will be necessary.

Local Government Impact

Changing the date that interest accrues from the date of payment of the property tax due to the later of the date a complete abatement petition is filed or the date the taxes are paid, will lessen the amount of time that interest accrues, for which a county must refund the overpaid property tax plus interest. This will lower county expenditures in cases where interest is due to a taxpayer. For these cases, Section 39-10-104.5, C.R.S., establishes the interest rate that must be paid by the county treasurer. It is believed that the bill will reduce the amount of tax overpayments claimed by individuals or corporations for the sole purpose of receiving the relatively high interest rate that the county is required by statute to pay on overpayments.

Although unconfirmed, information obtained from the City and County of Denver Treasurer suggests that in five counties (including Denver) the average interest savings per county would be in the \$30,000 to \$80,000 range. For most counties, the date when a board of county commissioners petition is filed is not currently tracked.

Departments Contacted

Local Affairs