

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0090

**Date:** January 25, 2013

**Prime Sponsor(s):** Rep. Court

**Bill Status:** House Finance

**Fiscal Analyst:** Alex Schatz (303-866-4375)

**TITLE:** CONCERNING THE ADMINISTRATION OF THE PROPERTY TAX EXEMPTIONS FOR QUALIFYING SENIORS AND DISABLED VETERANS.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

Under current law, county assessors are required to send notice of senior and disabled veteran property tax exemptions to all residential addresses in the county. Applicants for these exemptions who receive a waiver from the initial filing deadline at the discretion of the reviewing agency may file after the late filing deadline for good cause.

This bill requires county treasurers to notify taxpayers of the senior and disabled veteran property tax exemptions in a mailing or electronic distribution that coincides with the annual mailing of tax bills. The Division of Veterans Affairs (DVA) in the Department of Military and Veterans Affairs is no longer required to send a notice of the disabled veteran exemption, and county assessors must notify taxpayers of the exemption only in assessment notices not included with the tax bill. House Bill 13-1145 also eliminates the discretion of the reviewing agency to reject late applications prior to the late filing deadline or accept late applications after that date.

The bill affects property tax years commencing on January 1, 2013, and tax notifications commencing with May 1, 2013, assessor valuations and January 1, 2014, property tax bills.

## **Background**

In 2000, Colorado voters approved a constitutional property tax exemption for qualifying seniors. Also referred to as the "Homestead Exemption," this provision was amended in 2007 to include qualifying disabled veterans. Applications for the senior exemption are filed with and reviewed by county assessors. Applications for the disabled veteran exemption are filed with and reviewed by the DVA.

Despite statute, in current practice county treasurers send the required statutory notice concerning these exemptions with annual tax bills. The bill codifies this current practice.

## **State Expenditures**

The DVA will experience minimal savings under the bill. The DVA is no longer responsible for maintaining a list of potentially qualified disabled veterans and conducting an annual mailing to veterans on this list. However, due to privacy laws and other considerations related to veterans' status, the DVA is currently unable to compile a list, and reduced workload associated with this change is negligible. Eliminating review of waiver requests and "good cause" late filings results in a minimal reduction in DVA workload.

## **Local Government Impact**

The overall effect of the bill on county governments is minimal, as the bill simply reassigns primary responsibility for statutory notice from the assessor to the treasurer, with no effect on the number of notifications. The efficiency of allowing notice to be sent with tax bills may result in a savings, but this fiscal effect is already reflected in current practice. Finally, creating a nondiscretionary process for late applications may reduce workload in the review of waiver requests, while also increasing the number of cases filed after the initial deadline. Because the overall number of qualified applicants is unaffected by administrative changes under the bill, the fiscal note assumes that the overall workload of county government in exemption cases is unaffected by the bill.

## **Departments Contacted**

Counties

Military and Veterans Affairs

Local Affairs