

Department of Local Affairs
 Summary of Proposed Reductions
 FY 2009-10
 January 27, 2009

Priority	Yes or No	Enter One	Division	Title	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	List
	Corresponding FY 2008-09 Impact – Yes or No?	One Time or Base/Ongoing?									Other Department(s) Affected
1	Yes	Ongoing	Executive Director's Office	Refinance EDO Operating Line with Indirect Cost Collections	\$0	(\$97,920)	\$0	\$97,920	\$0	0.0	N/A
2	Yes	Ongoing	Executive Director's Office	Refinance EDO Communications Services Line with Federal Funds	\$0	(\$6,947)	\$0	\$0	\$6,947	0.0	N/A
3	Yes	Ongoing	Division of Local Government	Division of Local Government's Heritage Planning Grant Program General Fund Reversion	(\$200,000)	(\$200,000)	\$0	\$0	\$0	0.0	N/A
4	Yes	Ongoing	Division of Local Government	Reduce the Division of Local Government's Volunteer Firefighter Retirement Plans General Fund Appropriation	(\$309,499)	(\$309,499)	\$0	\$0	\$0	0.0	N/A
5	Yes	Ongoing	All	Management and Administration of OIT	\$5,291	(\$2,129)	(\$1,649)	\$9,069	\$0	0.0	N/A
6	No	Ongoing	Division of Property Taxation	Withdraw Training and County Assistance Decision Item	(\$51,761)	(\$51,761)	\$0	\$0	\$0	0.0	N/A
7	No	Ongoing	Division of Property Taxation	Property Tax Exemption Application and Reporting Fees	\$0	(\$171,765)	\$171,765	\$0	\$0	0.0	N/A
NP	No	Ongoing	All	Withdraw Fleet Operating Request	(\$39,227)	(\$39,227)		\$0	\$0	0.0	N/A
NP	No	One Time	All	Salary Survey Reduction	(\$273,583)	(\$96,507)	(\$40,618)	(\$56,233)	(\$80,225)	0.0	N/A
Total - Reductions					(\$868,779)	(\$975,755)	\$129,498	\$50,756	(\$73,278)	0.0	

**Schedule 13
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Withdraw Training and County Assistance Decision Item
 Department: Local Affairs Dept. Approval by: *Handwritten Signature* Date: 1-20-09
 Priority Number: BA-5 OSPB Approval: *Handwritten Signature* Date: 1-21-09

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	\$ 2,935,030	\$ 2,729,557	\$ -	\$ 2,729,557	\$ 2,842,866	\$ 51,761	\$ 2,894,627	\$ (51,761)	\$ 2,842,866	\$ -
	FTE	36.4	38.5	0.0	38.5	38.5	0.0	38.5	0.0	38.5	0.0
	GF	\$ 1,416,586	\$ 1,305,288	\$ -	\$ 1,305,288	\$ 1,354,317	\$ 51,761	\$ 1,406,078	\$ (51,761)	\$ 1,354,317	\$ -
	GFE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CF	\$ 684,846	\$ 672,172	\$ -	\$ 672,172	\$ 704,767	\$ -	\$ 704,767	\$ -	\$ 704,767	\$ -
	CFE/RF	\$ 833,598	\$ 752,097	\$ -	\$ 752,097	\$ 783,782	\$ -	\$ 783,782	\$ -	\$ 783,782	\$ -
	FF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Property Taxation:	Total	\$ 2,935,030	\$ 2,729,557	\$ -	\$ 2,729,557	\$ 2,842,866	\$ 51,761	\$ 2,894,627	\$ (51,761)	\$ 2,842,866	\$ -
Division of Property Taxation	FTE	36.4	38.5	0.0	38.5	38.5	0.0	38.5	0.0	38.5	0.0
	GF	\$ 1,416,586	\$ 1,305,288	\$ -	\$ 1,305,288	\$ 1,354,317	\$ 51,761	\$ 1,406,078	\$ (51,761)	\$ 1,354,317	\$ -
	GFE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CF	\$ 684,846	\$ 672,172	\$ -	\$ 672,172	\$ 704,767	\$ -	\$ 704,767	\$ -	\$ 704,767	\$ -
	CFE/RF	\$ 833,598	\$ 752,097	\$ -	\$ 752,097	\$ 783,782	\$ -	\$ 783,782	\$ -	\$ 783,782	\$ -
	FF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: COFRS Fund
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: N/A



DEPARTMENT OF LOCAL AFFAIRS

*Budget Reduction Proposal
January 23, 2009*

*Susan E. Kirkpatrick
Executive Director*

Withdraw Training and County Assistance Decision Item

Proposal:

The Department of Local Affairs proposes to withdraw their FY 2009-10 Decision Item requesting \$51,761 General/total funds in FY 2009-10 and FY 2010-11 to provide additional training for Division staff, additional classroom education for both DPT staff and county assessors and additional on-site assistance to counties.

Summary of Request:

- The Department submitted a decision item for resources for the Division of Property Taxation in FY 2009-10 to provide training and assistance to three areas:
 - Division staff – provide up to date training on tools and laws as they provide guidance to local government.
 - Remote class room instruction – this would allow the staff to provide state-wide services without the costs of travel.
 - On-site instruction – this would allow staff to provide hands-on training that is specific to the needs of the county.
- This decision item would provide the resources necessary to better fulfill their statutory requirements.

Assumptions and Tables to Show Calculations:

Request as Submitted	FY 2009-10	FY 2010-11
Division Staff Training	\$24,230	\$24,230
Remote Education for County Assessors and Staff	\$5,313	\$5,313
On-Site County Assistance	\$22,218	\$22,218
Total Request	\$51,761	\$51,761

Current Statutory Authority or Needed Statutory Change:

No statutory authority would be required to make these reductions.

Section 39-2-110 C.R.S. (2008) Annual school for assessors.

To further improvement in appraisal and valuation procedures and methods and understanding and knowledge thereof, the division of property taxation shall conduct annual instruction and discussion sessions in the nature of a school for assessors, their employees, and employees of the division for periods not exceeding fifteen days in length. All costs of conducting such sessions shall be paid by the division, and the necessary travel and subsistence expenses of assessors and their employees while attending such sessions shall be paid by their respective counties. All assessors shall attend this annual school. Each assessor completing this school shall receive a certificate of achievement for his effort.

Schedule 13
Change Request for FY 2009-10 Budget Request Cycle

Decision Item FY 2009-10 Base Reduction Item FY 2009-10 Supplemental FY 2008-09 Budget Amendment FY 2009-10

Request Title: Property Tax Exemption Application and Reporting Fees
 Department: Local Affairs Dept. Approval by: *Mark Smith* Date: 1-20-09
 Priority Number: BA-6 OSPB Approval: *Mark Smith* Date: 1-21-09

	Fund	1	2	3	4	5	6	7	Budget Amendment FY 2009-10	9	10
		Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10		Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Total of All Line Items	Total	\$ 2,935,030	\$ 2,729,557	\$ -	\$ 2,729,557	\$ 2,842,866	\$ -	\$ 2,842,866	\$ -	\$ 2,842,866	\$ -
	FTE	36.4	38.5	0.0	38.5	38.5	0.0	38.5	0.0	38.5	0.0
	GF	\$ 1,416,586	\$ 1,305,288	\$ -	\$ 1,305,288	\$ 1,354,317	\$ -	\$ 1,354,317	\$ (171,765)	\$ 1,182,552	\$ (171,765)
	GFE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CF	\$ 684,846	\$ 672,172	\$ -	\$ 672,172	\$ 704,767	\$ -	\$ 704,767	\$ 171,765	\$ 876,532	\$ 171,765
	CFE/RF	\$ 833,598	\$ 752,097	\$ -	\$ 752,097	\$ 783,782	\$ -	\$ 783,782	\$ -	\$ 783,782	\$ -
	FF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Property Taxation: Division of Property Taxation	Total	\$ 2,935,030	\$ 2,729,557	\$ -	\$ 2,729,557	\$ 2,842,866	\$ -	\$ 2,842,866	\$ -	\$ 2,842,866	\$ -
	FTE	36.4	38.5	0.0	38.5	38.5	0.0	38.5	0.0	38.5	0.0
	GF	\$ 1,416,586	\$ 1,305,288	\$ -	\$ 1,305,288	\$ 1,354,317	\$ -	\$ 1,354,317	\$ (171,765)	\$ 1,182,552	\$ (171,765)
	GFE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CF	\$ 684,846	\$ 672,172	\$ -	\$ 672,172	\$ 704,767	\$ -	\$ 704,767	\$ 171,765	\$ 876,532	\$ 171,765
	CFE/RF	\$ 833,598	\$ 752,097	\$ -	\$ 752,097	\$ 783,782	\$ -	\$ 783,782	\$ -	\$ 783,782	\$ -
	FF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Non-Line Item Request: None
 Letternote Revised Text: None
 Cash or Federal Fund Name and COFRS Fund Number: Property Tax Exemption Fund: COFRS Fund 16F
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes: No: N/A:
 Schedule 13s from Affected Departments: N/A



DEPARTMENT OF LOCAL AFFAIRS

*Budget Reduction Proposal
January 23, 2009*

Susan E. Kirkpatrick
Executive Director

Property Tax Exemption Application and Reporting Fees

Proposal:

The Department of Local Affairs is proposing to refinance \$171,765 in General Fund to Property Tax Exemption Cash Funds for FY 2009-10 and subsequent years by adjusting the filing fees charged to property owners who are applying for property tax exemption or are submitting the annual reports to maintain exempt status on those properties already granted exemption. The purpose is to bring this program as close as possible to being fully cash funded through the property tax exemption cash fund established in 39-2-117, C.R.S.

Summary of Request:

- The last time fees were changed was in 2003, all of the current fees being set in SB 03-261. At the time a certain target dollar figure was established and the fees were set to generate that amount. That target number was not set based on the cost of operating the exemptions section in the Division of Property Taxation (DPT) but rather to make up a certain amount of general fund shortfall. This proposal will make the exemptions function of the DPT into a nearly fully cash funded operation.
- Since it has been six years since fees have been changed, it is appropriate to review the fees regardless of the decision to reach full cash funded status.
- The current application fee does not reflect the actual cost of processing the exemption requests. Even with the substantial proposed increase the application fee will fall short. However, the fee is not intended to discourage people from applying for an exemption they may well deserve. The higher fee brings the cost to the applicant more in line with the cost to the DPT and the increase in the other fees allows us to keep the application fee reasonable.
- The three different fees and the current amounts are:

	Current Fee	Proposed Fee	Percent Change
Application Fee	\$150	\$240	60.0%
Annual Report, Timely filing	\$53	\$60	13.2%
Annual Report, Late filing	\$150	\$180	20.0%

- Current statutory language does not give the Property Tax Administrator any authority to waive late filing fees. Under some circumstances it may be appropriate to grant a waiver solely in the discretion of the Administrator. The Department requests that the Property Tax Administrator be granted some authority to waive the penalty amount for annual reports that are filed late.

Assumptions and Tables to Show Calculations:

For Fiscal Year 2007-08 the following expenditures and proposed revenue are attributable to the exemptions section:

Personal Services	\$717,800
Operating	31,135
Indirect costs	<u>107,670</u>
TOTAL	\$856,605

	FY 2007-08 Actual			FY 2009-10 Projected			Net Increase
	Workload	Current Fee	Actual Revenue	Workload	Proposed Fee	Proposed Revenue	
Application Fee	665	\$150	\$99,750	685	\$240	\$164,400	\$64,650
Annual Report, Timely filing	8,775	\$53	\$465,075	8,875	\$60	\$532,500	\$67,425
Annual Report, Late filing	975	\$150	\$146,250	1,033	\$180	\$185,940	\$39,690
Total Revenue			\$711,075			\$882,840	\$171,765
Program Costs			\$856,605			\$856,605	
General Fund Support			\$145,530			(\$26,235)	

The modest fees changes would produce enough revenue next year to cover the entire operation of the exemptions section.

Current Statutory Authority or Needed Statutory Change:

Section 39-2-117 C.R.S. (2008). Applications for exemption - review - annual reports - procedures.

(1)(a) Every application filed on or after January 1, 1990, claiming initial exemption of real and personal property from general taxation pursuant to the provisions of sections 39-3-106 to 39-3-113 and 39-3-116 shall be made on forms prescribed and furnished by the administrator, shall contain such information as specified in paragraph (b) of this subsection (1), and shall be signed by the owner of such property or his or her authorized agent under the penalty of perjury in the second degree and, except as otherwise provided in this paragraph (a), shall be accompanied by a payment of one hundred fifty dollars, which shall be credited to the property tax exemption fund created in subsection (8) of this section.

(3) (a) (I) Each such annual report shall be accompanied by a payment of fifty-three dollars, which shall be credited to the property tax exemption fund created in subsection (8) of this section. Each such annual report filed later than April 15, but prior to July 1, shall be accompanied by a late filing fee of one hundred fifty dollars.

(3)(a)(III) In the event an annual report is not received by June 1 from an owner of real or personal property for which an exemption was granted for the previous year pursuant to the provisions of section 39-3-106 or 39-3-106.5, the administrator shall give notice in writing to such property owner by June 15 that failure to file a delinquent report during a twelve-month period commencing the following July 1 shall operate as the forfeiture of any right to claim exemption of previously exempt property from general taxation for the year in which such notice is given. Upon the filing of the delinquent annual report, a late filing fee of one hundred fifty dollars shall be paid, which shall be credited to the property tax exemption fund created in subsection (8) of this section. Failure to file the delinquent annual report within the twelve-month period shall result in the forfeiture of any right to claim exemption of such property from general taxation for the year in which such failure to file the annual report first occurred.