

STATE OF COLORADO

Colorado General Assembly

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MEMORANDUM

TO: Michael Fields and Suzanne Taheri
FROM: Legislative Council Staff and Office of Legislative Legal Services
DATE: January 31, 2024
SUBJECT: Proposed initiative measure 2023-2024 #153, concerning valuation for assessments

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the directors of Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

This initiative was submitted with a series of initiatives including proposed initiatives 2023-2024 #151 to 154. The comments and questions raised in this memorandum will not include comments and questions that were addressed in the memoranda for proposed initiatives 2023-2024 #151, #152, and # 154, except as necessary to fully understand the issues raised by the revised proposed initiative. Comments and questions addressed in those other memoranda may also be relevant, and those questions and comments are hereby incorporated by reference in this memorandum. Only new comments and questions are included in this memorandum.

Earlier versions of this proposed initiative, proposed initiatives 2023-2024 #107 to 109, were the subject of memoranda dated December 20, 2024, which were discussed at a public meeting on December 22, 2024. The substantive and technical comments and questions raised in this memorandum will not include comments and questions that were addressed at the earlier meetings, except as necessary to fully understand the issues raised by the revised proposed initiative. However, the prior comments and questions that are not restated here continue to be relevant and are hereby incorporated by reference in this memorandum.

Purposes

The major purposes of the proposed amendment to the Colorado Revised Statutes appear to be:

1. To establish that a building designated for use predominately as a place of residence, but that is used solely to provide short-term stays, is not a "hotel and motel";
2. To establish a definition of "short-term rental unit";
3. To repeal and reenact both the current distribution of property tax payments owed for a hotel unit owned by a non-hotel unit owner and the current definition of a "residential real property" and "multifamily residential real property";
4. To change the valuation for assessment for all taxable property, excepting residential real property, producing mines, and lands or leaseholds producing oil or gas, to twenty-three percent of the actual value of the property for property tax years commencing on or after January 1, 2025;
5. To change the valuation for assessment for residential real property to five percent of the actual value of the property for property tax years commencing on or after January 1, 2025;
6. To require the state to reimburse local districts for revenue lost as a result of the proposed initiative's changes to valuation for assessment; and
7. To ensure that any reduction in state revenue resulting from the proposed initiative does not reduce funding for the state education fund.

Substantive Comments and Questions

The substance of the proposed initiative raises the following comments and questions:

1. Section 1 (5.5) of article V of the Colorado constitution requires all proposed initiatives to have a single subject. What is the single subject of the proposed initiative?
2. What is the intent of section 4 of the proposed initiative?
3. The proposed initiative states that "[r]eimbursements to local districts shall not reduce refunds due to taxpayers for revenues in excess of the spending limit established in Article X, Section 20 of the Colorado constitution."
 - a. How do the proponents intend for this to be measured? In other words, what "refunds due to taxpayers for revenues in excess of the spending limit established in Article X, Section 20 of the Colorado constitution" do the proponents intend to be the baseline for this determination?
 - b. Do the proponents consider the payments made to local districts pursuant to sections 39-3-209 and 39-3-210 (4)(a) to be "refunds due to taxpayers for revenues in excess of the spending limit established in Article X, Section 20 of the Colorado constitution"?

Technical Comments

The following comments address technical issues raised by the form of the proposed initiative. These comments will be read aloud at the public meeting only if the proponents so request. You will have the opportunity to ask questions about these comments at the review and comment meeting. Please consider revising the proposed initiative as suggested below.

1. It is standard drafting practice to use the following format when referencing the state constitution: "Section [x] of article [x] of the state constitution".