

# STATE OF COLORADO

## Colorado General Assembly

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### MEMORANDUM

**TO:** Dave Davia and Michael Fields  
**FROM:** Legislative Council Staff and Office of Legislative Legal Services  
**DATE:** April 3, 2024  
**SUBJECT:** Proposed initiative measures 2023-2024 ## 301, 302, & 304, concerning Property Tax Revenue

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 initiatives.

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 proposals and to avail the public of knowledge of the contents of the proposals. Our first objective is to be sure we understand your intent and your objective in proposing the amendments. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposals.

These initiatives were submitted with a series of initiatives including proposed initiatives 2023-2024 #295 to 306. 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 #295 to 306, except as necessary to fully understand the issues raised by the revised proposed initiatives. 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.

Earlier versions of these proposed initiatives, proposed initiatives 2023-2024 #198 to 200, were the subject of memoranda dated February 19, 2024, and were discussed at public meetings on February 23, 2024, and proposed initiatives 2023-2024 #244 to 249, which were the subject of memoranda dated March 20, 2024, were discussed at public meetings on March 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 initiatives. 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 #301**

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

1. To require statewide voter approval for a local district to retain property tax revenue, if statewide property tax revenue is projected to go up more than four percent, excepting any property tax increase for a property with a substantial change over the preceding year and any property tax revenue resulting from a mill levy increase that is approved by voters after January 1, 2025;
2. Lowering the valuation for assessment of all taxable nonresidential property in the state, excepting residential real property, producing mines, lands or leaseholds producing oil or gas, agricultural property, or renewable energy production property, on or after January 1, 2025, from twenty-nine percent to twenty-five and one-half percent of actual value;
3. Lowering the valuation for assessment for residential real property and multifamily residential real property on or after January 1, 2025, from seven and fifteen-hundredths percent of actual value to five and seven-tenths percent of actual value, minus the lesser of fifty-five thousand dollars or the amount that causes the valuation for the assessment of the property to be one thousand dollars;
4. No later than April 15 of each year, requiring the state treasurer to issue a warrant to reimburse local districts for lost revenue as a result of the passage of the proposed initiative; and
5. Requiring the general assembly to appropriate reimbursements to the maximum extent practicable.

## **Purposes #302**

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

1. To require statewide voter approval for a local district to retain property tax revenue, if statewide property tax revenue is projected to go up more than four percent, excepting any property tax increase for a property with a substantial change of use over the preceding year and any property tax revenue resulting from a mill levy increase that is approved by voters after January 1, 2025;
2. Lowering the valuation for assessment of all taxable nonresidential property in the state, excepting residential real property, producing mines, lands or leaseholds producing oil or gas, agricultural property, or renewable energy production property, on or after January 1, 2025, from twenty-nine percent to twenty-five and one-half percent of actual value;
3. Lowering the valuation for assessment for residential real property and multifamily residential real property on or after January 1, 2025, from seven and fifteen-hundredths percent of actual value to five and seven-tenths percent of actual value, minus the lesser of fifty-five thousand dollars or the amount that causes the valuation for the assessment of the property to be one thousand dollars;
4. No later than April 15 of each year, requiring the state treasurer to issue a warrant to reimburse local districts for lost revenue as a result of the passage of the proposed initiative; and
5. Requiring the general assembly to appropriate reimbursements to the maximum extent practicable.

## **Purposes #304**

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

1. To require statewide voter approval for a local district to retain property tax revenue, if statewide property tax revenue is projected to go up more than four percent, excepting any property tax increase for a property with a substantial change of use over the preceding year and any property tax revenue resulting from a mill levy increase that is approved by voters after January 1, 2025;

2. Lowering the valuation for assessment of all taxable nonresidential property in the state, excepting residential real property, producing mines, lands or leaseholds producing oil or gas, agricultural property, or renewable energy production property, on or after January 1, 2025, from twenty-nine percent to twenty-five and one-half percent of actual value;
3. Lowering the valuation for assessment for residential real property and multifamily residential real property on or after January 1, 2025, from seven and fifteen-hundredths percent of actual value to five and seven-tenths percent of actual value, minus the lesser of fifty-five thousand dollars or the amount that causes the valuation for the assessment of the property to be one thousand dollars;
4. No later than April 15 of each year, requiring the state treasurer to issue a warrant to reimburse local districts for lost revenue as a result of the passage of the proposed initiative;
5. Requiring the general assembly to appropriate reimbursements to the maximum extent practicable; and
6. Requiring that any revenue loss attributed to the property tax reductions in the proposed initiative not reduce the funding that school districts receive under the Public School Finance Act.

## **Substantive Comments and Questions**

There are no new substantive comments and questions for these proposed initiatives.

## **Technical Comments**

There are no new technical comments.