



# Colorado Property Tax Commission

*Bell Policy Center ballot measures and  
recommendations for reform*

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# **Focus:** What are the problems we need to solve?

- Replacement of a residential limit (aka Gallagher Amendment) to avoid spikes
- Funding education AND paying for a commercial rate reduction
- Adequate and predictable funding for local governments
- Ballot Armageddon



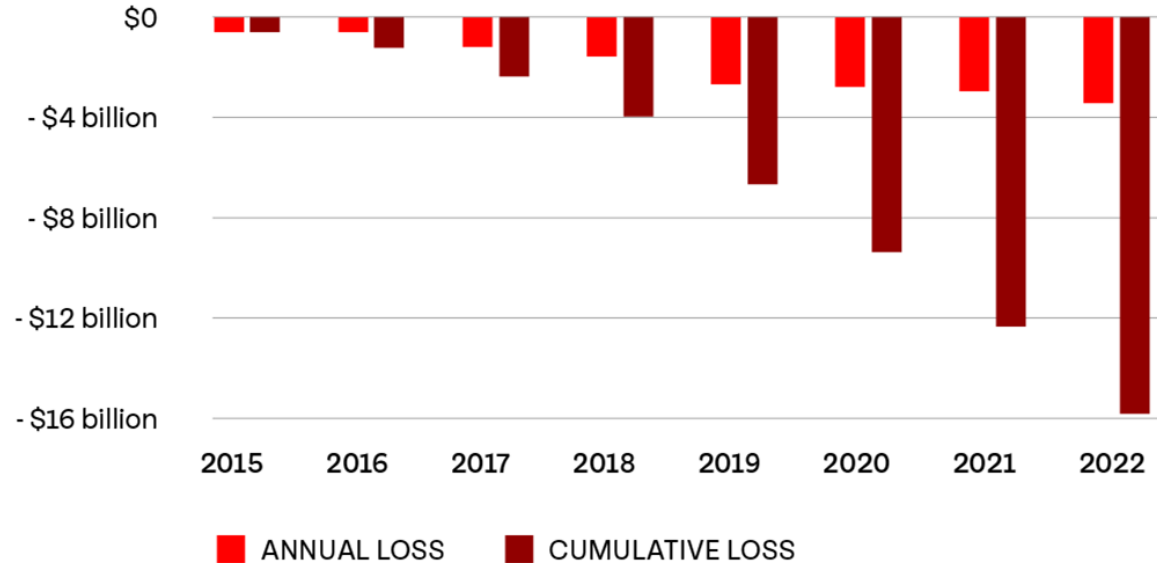
# Our Measures

- Avoid Ballot Armageddon
- Fund education AND pay for a commercial rate reduction
- Ensure adequate and predictable funding for local governments



# Local Community Losses Under Initiative 50

## Losses from 4% Statewide Revenue Cap if in Place Starting in 2015



## Annual Property Tax Reductions Under Initiatives #198-201

Residential: 7.1% to 5.7%  
Commercial: 29.1% to 25.5%  
+  
\$55,000 Residential Exemption

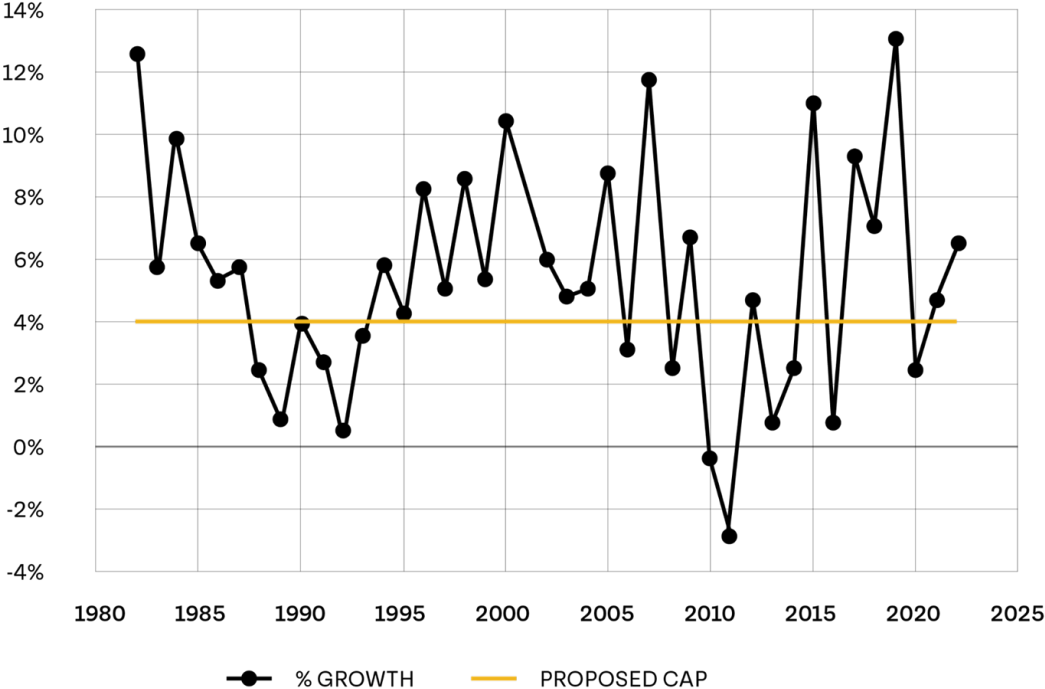
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**~\$2.8 Billion Total Loss to  
All Districts** = **~15% of FY24-25  
General Fund**



# Neverending Statewide Elections on Local Tax Policy

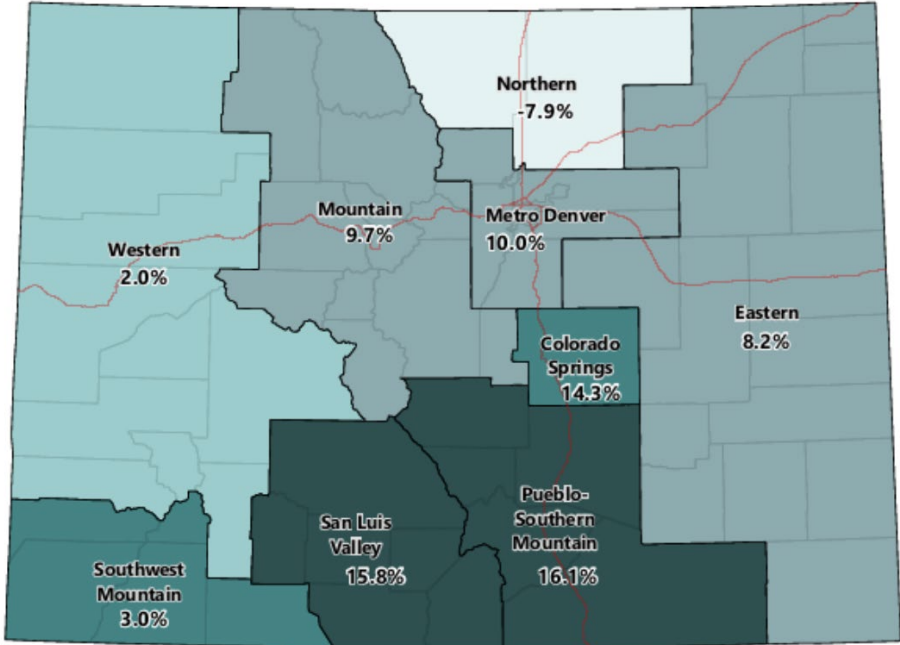
## Statewide Property Tax Revenue Growth



Source: DOLA

# Hold local government revenue captive to statewide revenue

7.9%



Total value forecast for 2024

# Ballot Initiatives

## Initiative 95

Only local electors are allowed to approve a property tax revenue reduction.

## Initiative 96

Creates a *conditional* tax on luxury homes through a floating tax rate if a statewide vote reduces property tax revenue.





**Beyond Ballot Measures:  
A look at what's actually happened and what we  
should do next**



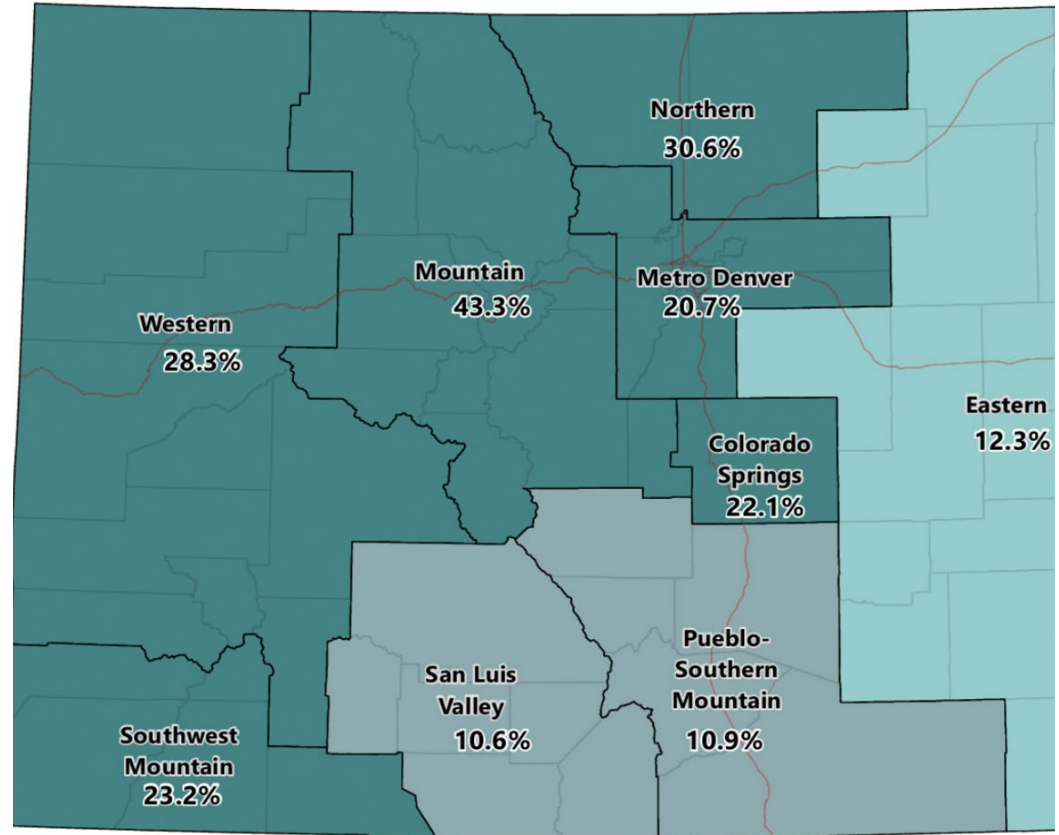
# What has the legislature already done?

- **SB21-293, SB22-238, SB23B-001**
- **Cumulative Reductions**
  - **Residential: 7.15% to 6.675% and \$55,000 value exemption**
  - **Commercial: 29.1% to 27.9% and \$30,000 value exemption**



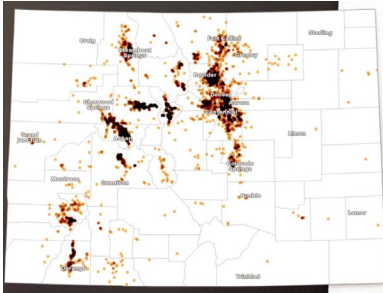
## “Actual” Value Growth: 2023

## Why we need targeted tools

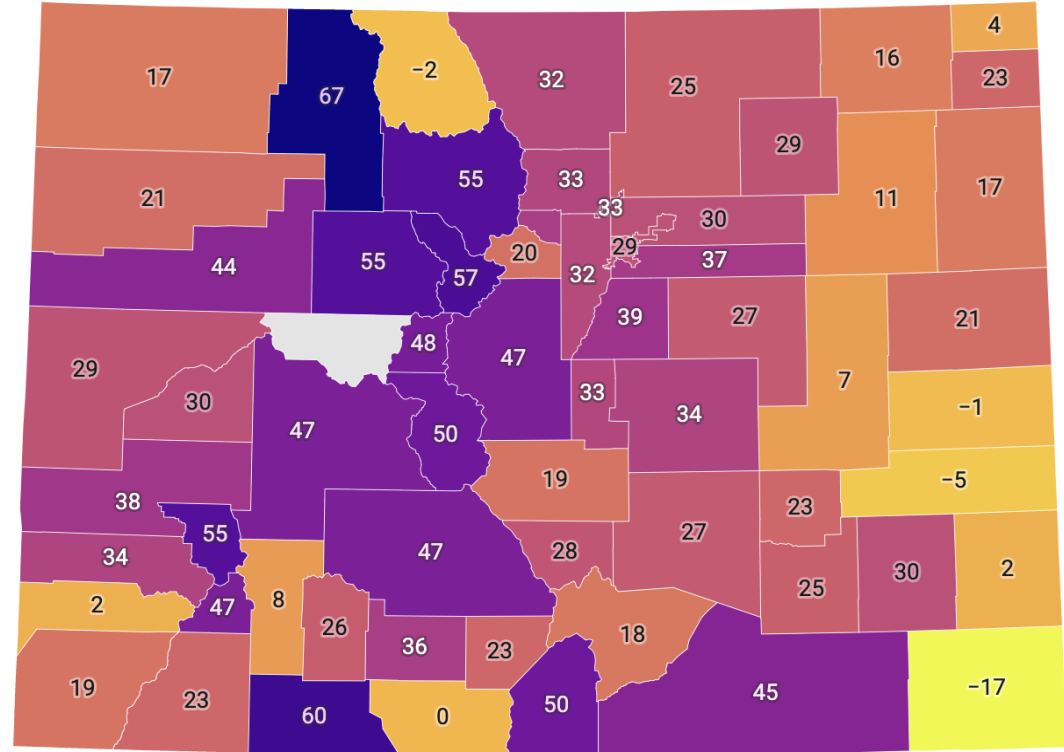


# Average Actual Assessed Value in 2024 After Legislation Action

\$2M+ Residential Properties



## 2022 to 2023: % Increase in Taxable Value for Average Single-Family Home i.e., assessed value after reduced assessment rates and exemptions

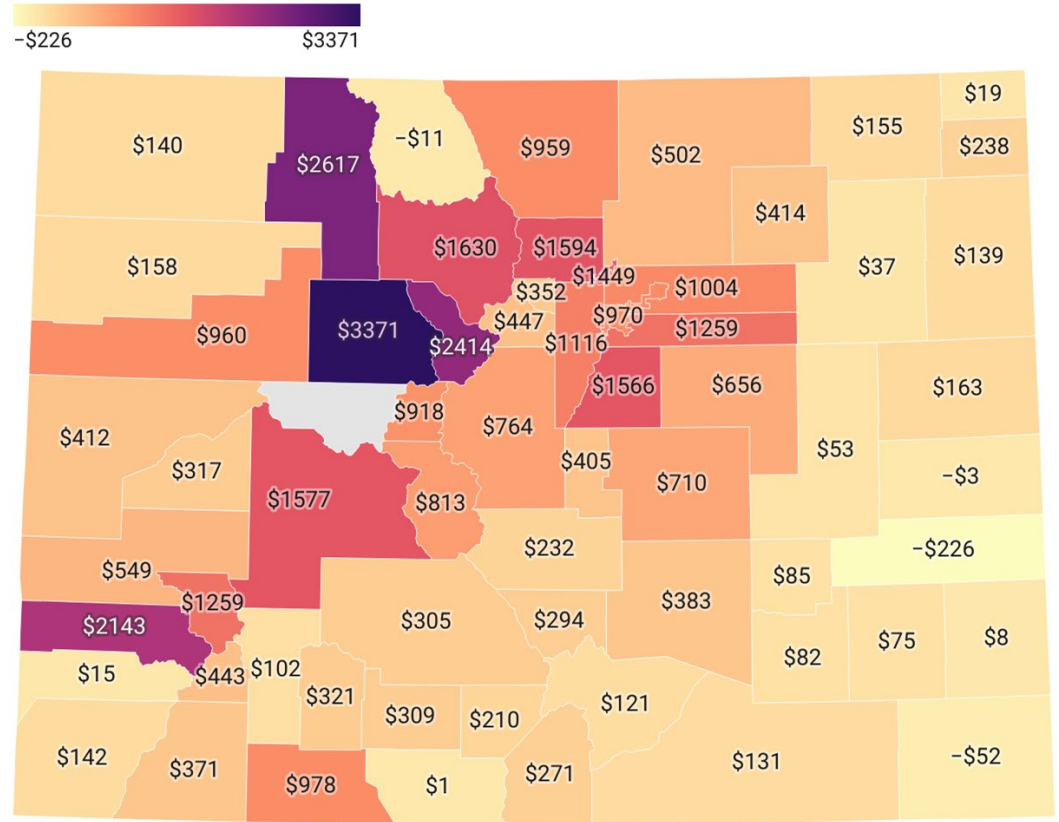


Source: DOLA

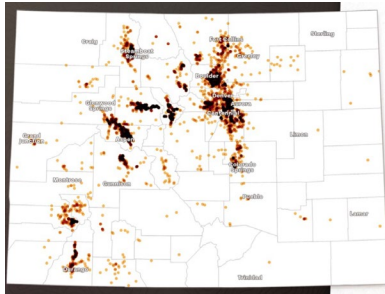


# Actual Property Taxes After Legislation Action in 2024

## 2022 to 2023: Property Tax Increase for Average Single-Family Home i.e., actual property tax increases after legislative action



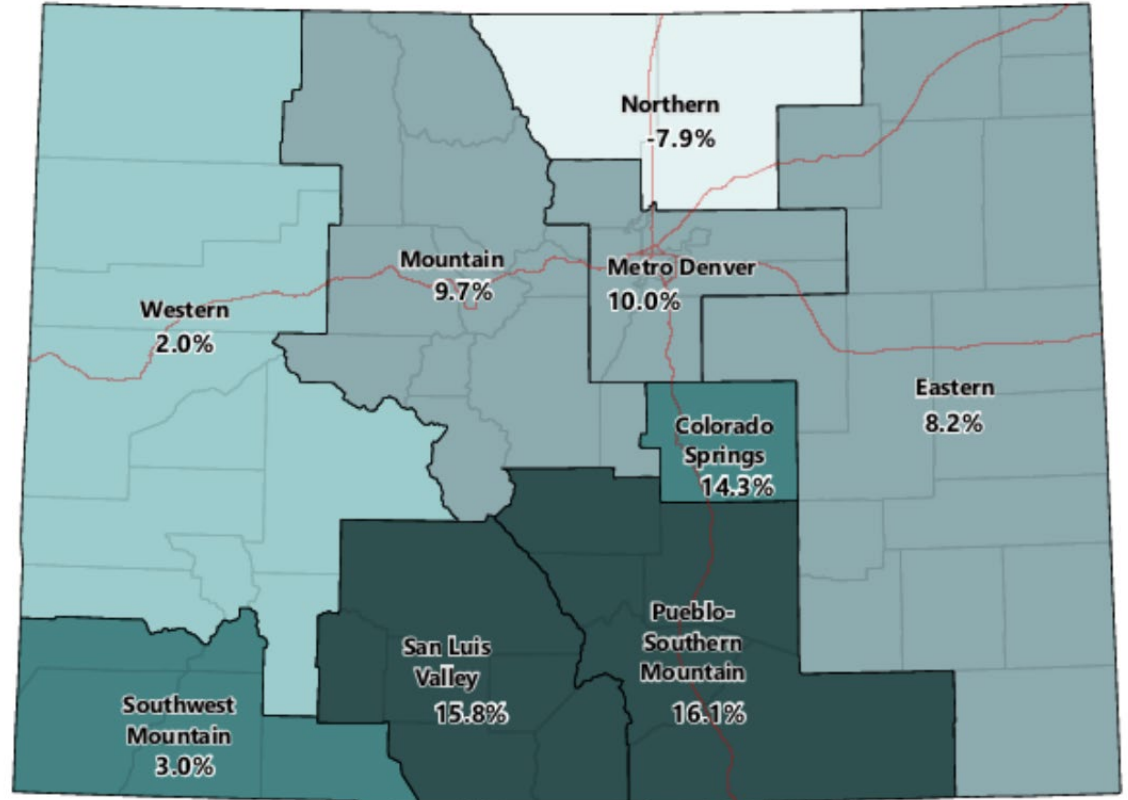
\$2M+ Residential Properties



Source: DOLA

**Total Assessed Value  
Forecasted  
Growth: 2024**

Market expected to cool



# Uniform Relief?

## ↓ Smallest Increase

Baca: -17%

Kiowa: -5%

Jackson: -2%

Cheyenne: -1%

Conejos: 0%

## ↑ Largest Increase

Routt: 67%

Archuleta: 60%

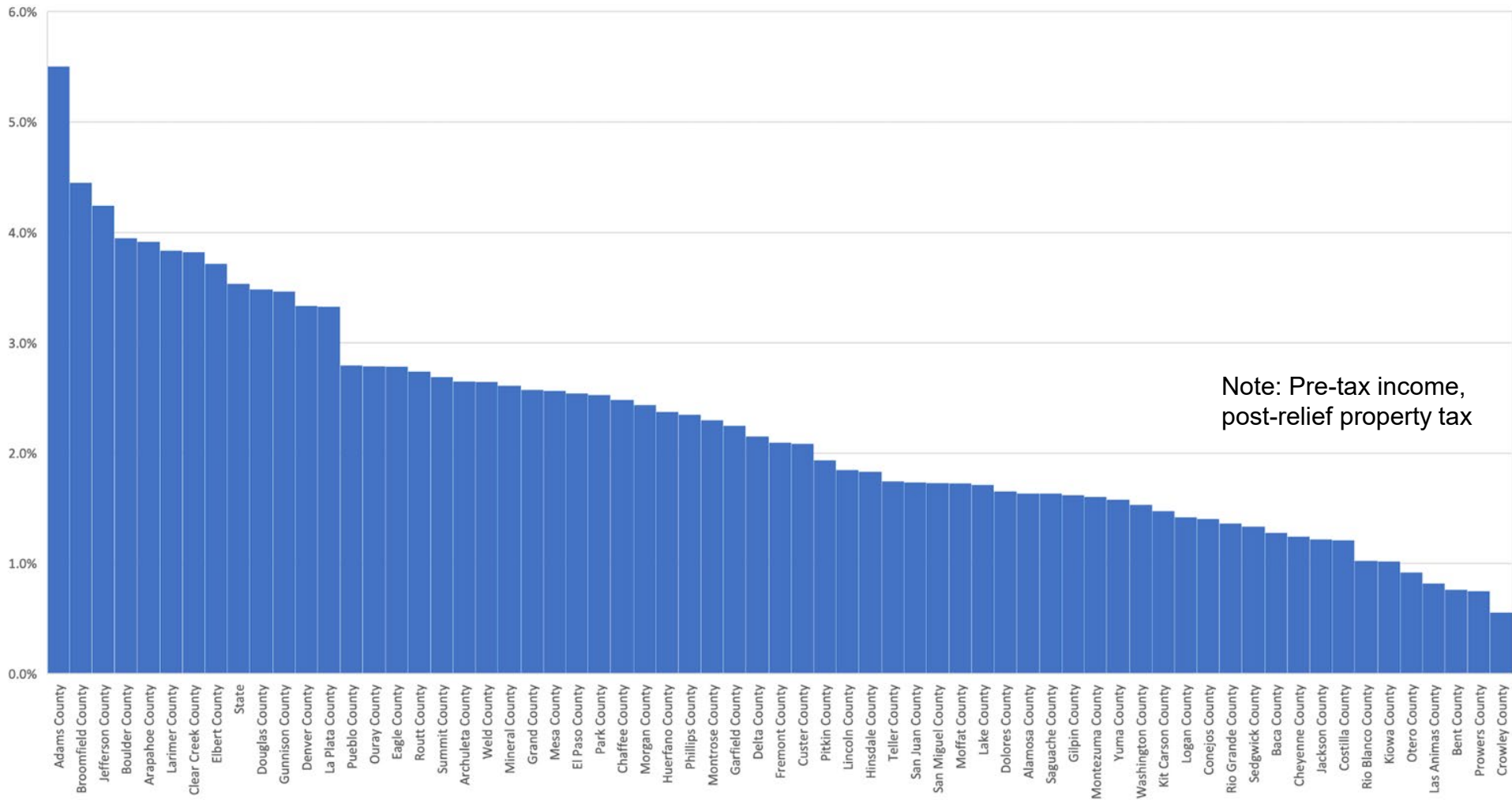
Summit: 57%

Eagle: 55%

Ouray: 55%



# % of Income spent on Property Tax: Median Household



Note: Pre-tax income, post-relief property tax



## Counties above 3%

### ↑ Highest Counties

Adams: 5.5%

Broomfield: 4.3%

Jefferson: 4.2%

Boulder: 3.9%

Arapahoe: 3.8%

Larimer: 3.7%

Clear Creek: 3.7%

Elbert: 3.6%

Douglas: 3.3%

Gunnison: 3.3%

Denver: 3.2%

La Plata: 3.2%



# A comparison: Adams & Douglas

## Adams County

Mill Rate: 120

AV Growth: 32%

Median Home: \$540,000

Median Income: \$86,000

**Income spent on property tax: 5.5%**

## Douglas County

Mill Rate: 100

AV Growth: 40%

Median Home: \$700,000

Median Income: \$139,000

**Income spent on property tax: 3.3%**



# A STRAWMAN, Step 1

Eliminating Gallagher solved two problems:

- ever decreasing residential revenue
- ever increasing commercial assessment rates



# A STRAWMAN, Step 2

✘ **Problem:** Possibility of spiking residential rates

✔ **Solution:** Smoothing using rolling averages

✘ **Problem:** Affordability

✔ **Solution:** More targeted tools like a circuit breaker or regional assessment rates

✘ **Problem:** High commercial rates

✔ **Solution:** Focus on education side – split assessment rates and find replacement revenue

✘ **Problem:** Radicalization

✔ **Solution:** Reaffirm local control



**HEY YOU YES YOU**



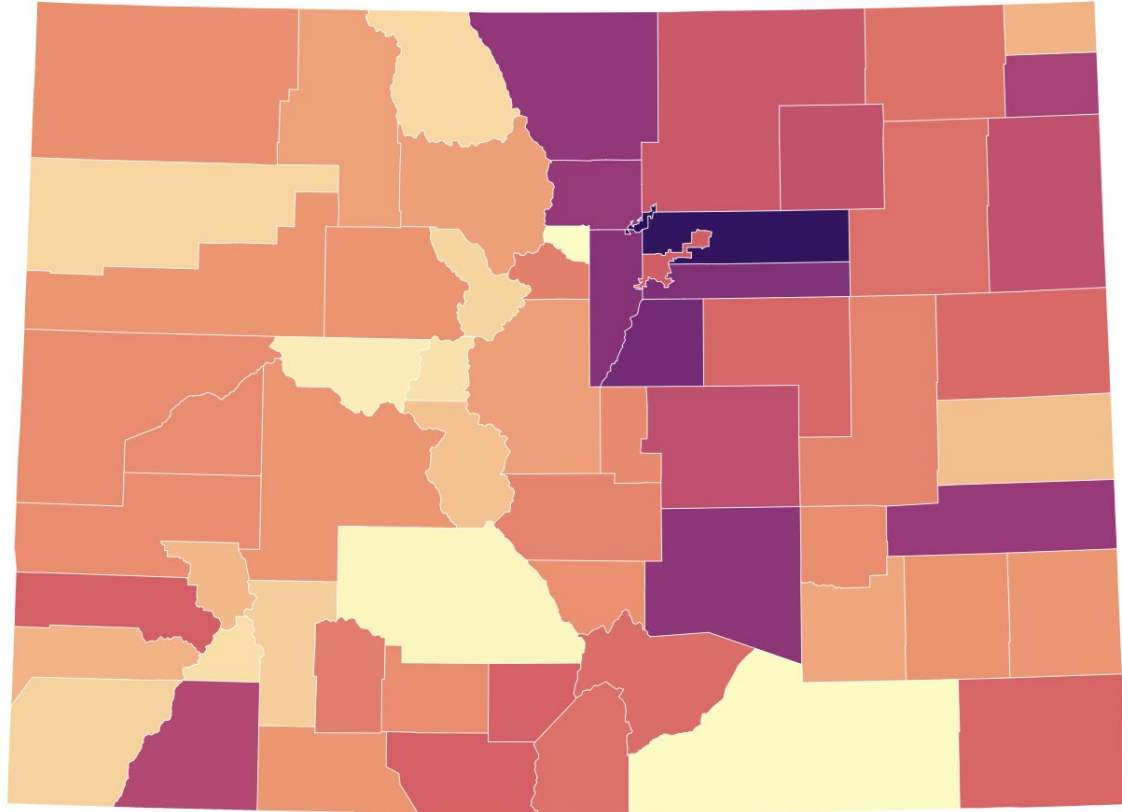
**YOU CAN DO IT**

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# Appendix Maps

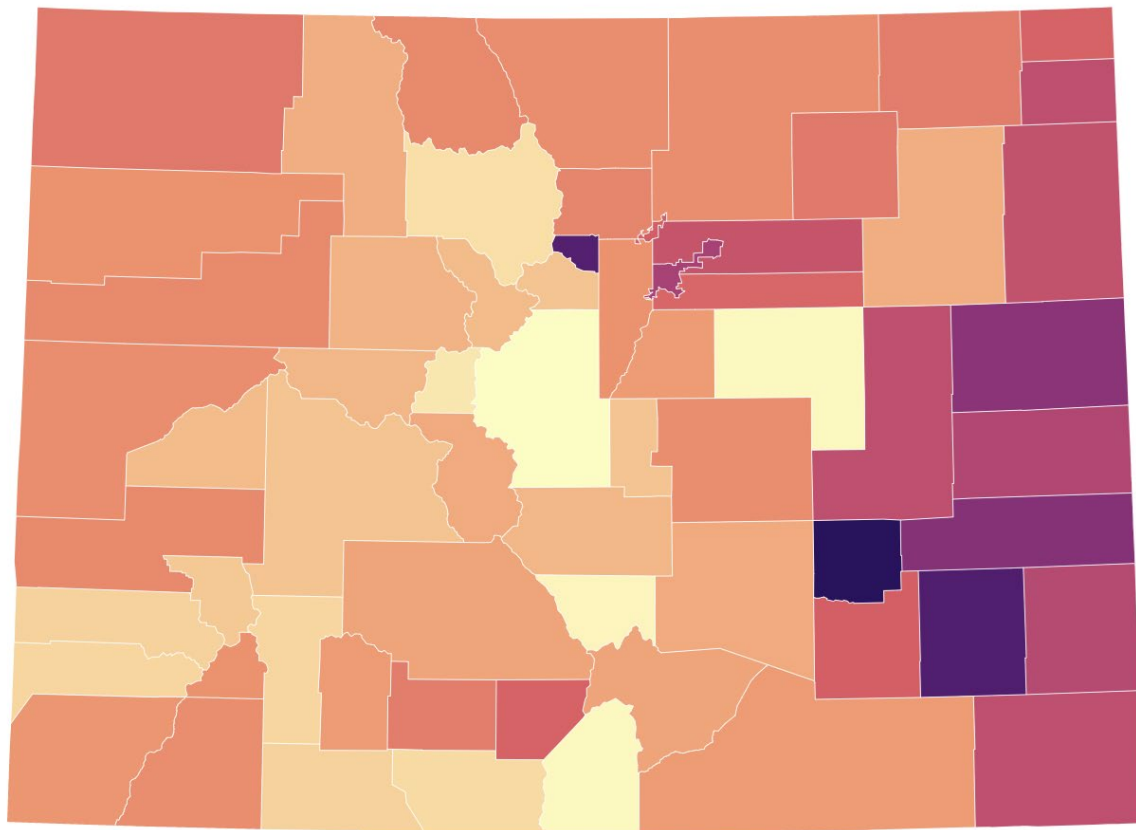
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# Average Mill Levy



Source: DOLA

# % Com Class of Property Tax



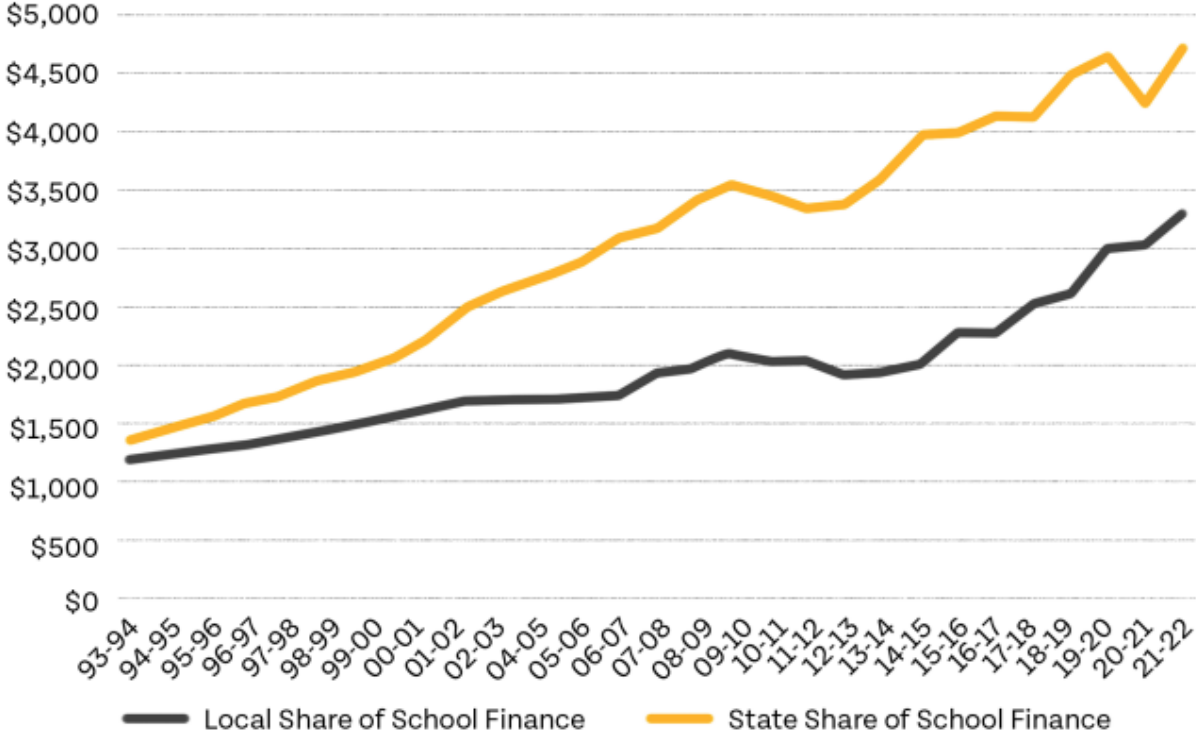
Source: DOLA





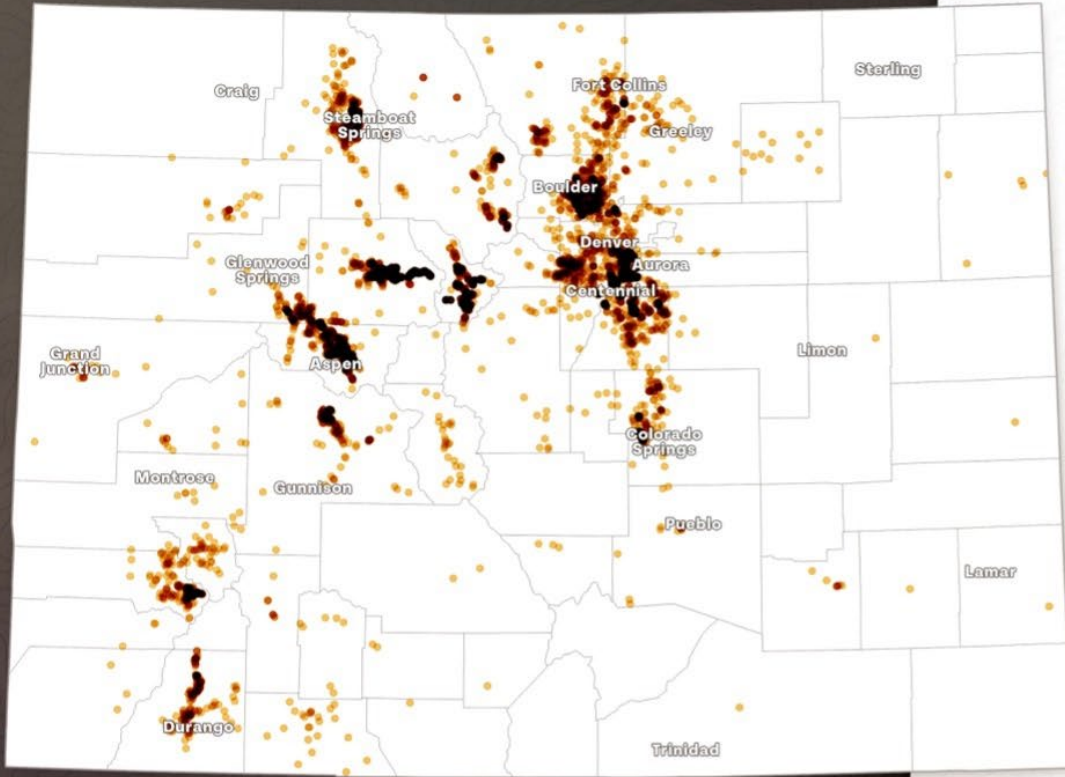
# What does school finance have to do with any of this?

## State vs Local School Finance Funding (in Millions)



Source: Bell Analysis of Legislative Council Staff Data From FY 93-94 through FY 20-21

## Luxury Homes (Value $\geq$ \$2m) In Colorado



### Total Luxury Homes

Approx. 30,000

### Percentage Per County

**Eagle** 18%

**Pitkin** 18%

**Denver** 13%

**Boulder** 12%

**Arapahoe** 9%

**Summit** 7%

**San Miguel** 5%

**Routt** 4%

**All Others** 14%

