

Commission on Property Tax
Public Engagement Meeting - Grand Junction, CO at Colorado Mesa University
Meeting Minutes
Saturday, January 27 2024
10:00 a.m. to 11:30 a.m.

10:00 AM: Commissioner Cody Davis providing opening remarks. Senator Chris Hanson welcomed the group and outlined the purpose of the meeting. Renny Fagan explained Keystone Policy Center’s role as well as the background of the Commission. Trace Faust outlined the goals to understand property tax challenges and gather ideas for solutions to inform Commission recommendations. R. Fagan outlined the guiding principles. He also electronically took a poll of the attendees to gather demographics and affiliations.

10:13 AM: T. Faust facilitated a conversation about challenges. Residents struggled with unpredictable increases, especially for seniors on fixed incomes. Special districts, like libraries, relied heavily on property taxes, lacking alternatives when revenues dropped. Assessors faced complex laws and administration. Participant input, both online and in person, is captured in Addendum B.

11:00 AM: R. Fagan asked attendees for solutions. Attendees proposed portability and expansions of homestead exemptions, a limit on increases, increased availability of transparency for taxing districts, annual estimates, property tax valuation table, flexibility with mills, and assessment smoothing. Solution themes include implementable, balanced solutions that respect local control and taxpayer fairness. Further input was provided to develop recommendations by attendees and by Commissioner JoAnn Groff. Participant input, both online and in person, is captured in Addendum B.

11:20 AM: Commissioner Hanson thanked participants for the thoughtful discussion to understand diverse perspectives. Further opportunities to provide input were provided via online survey to develop recommendations balancing growth, revenues and unintended consequences. Results of this survey will be provided to commission members as part of the summary of public engagement meetings.

[Addendum A](#) - Mentimeter results

[Addendum B](#) - Participant input

Property Tax Commission Attendance:

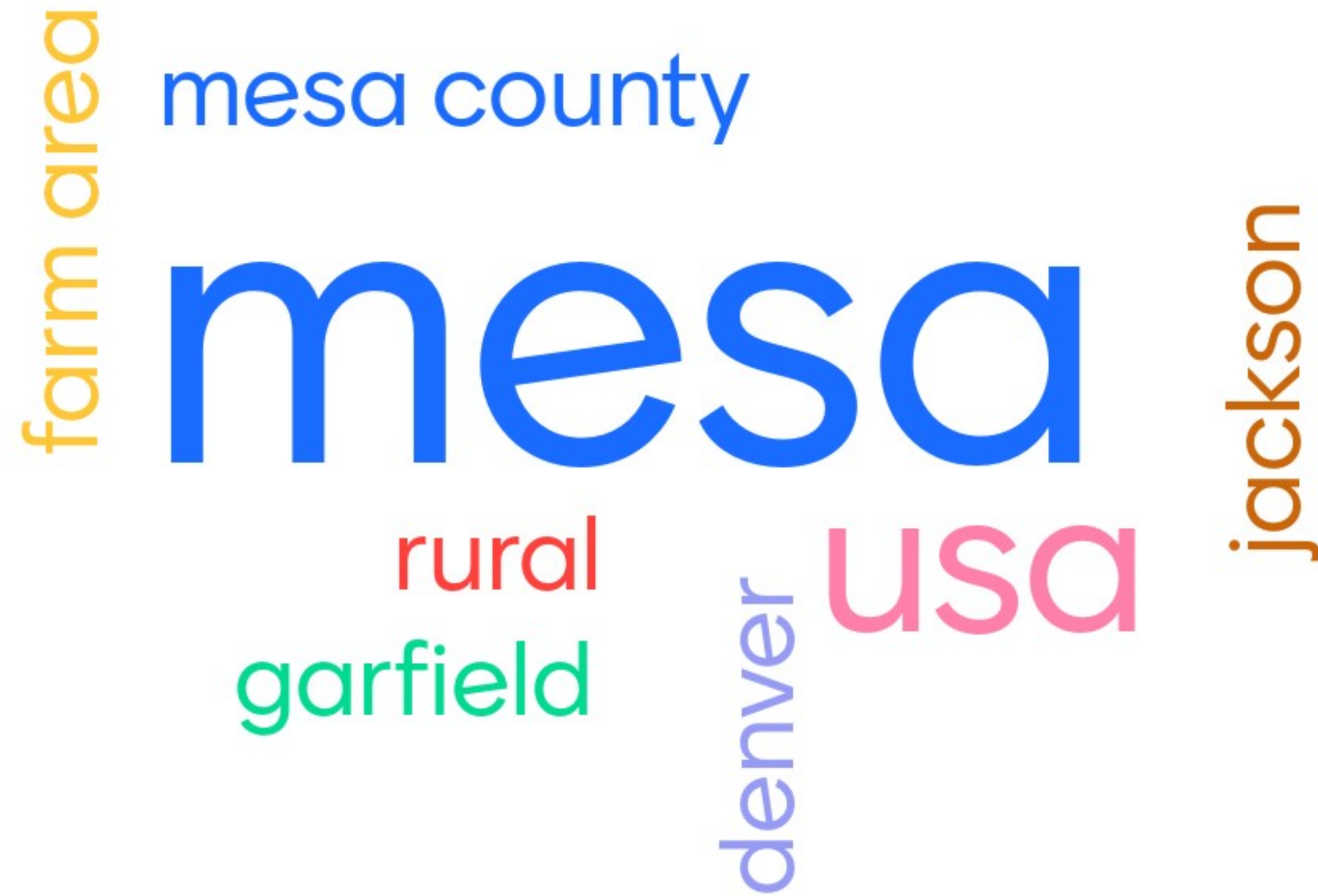
Senator Chris Hansen

Cody Davis

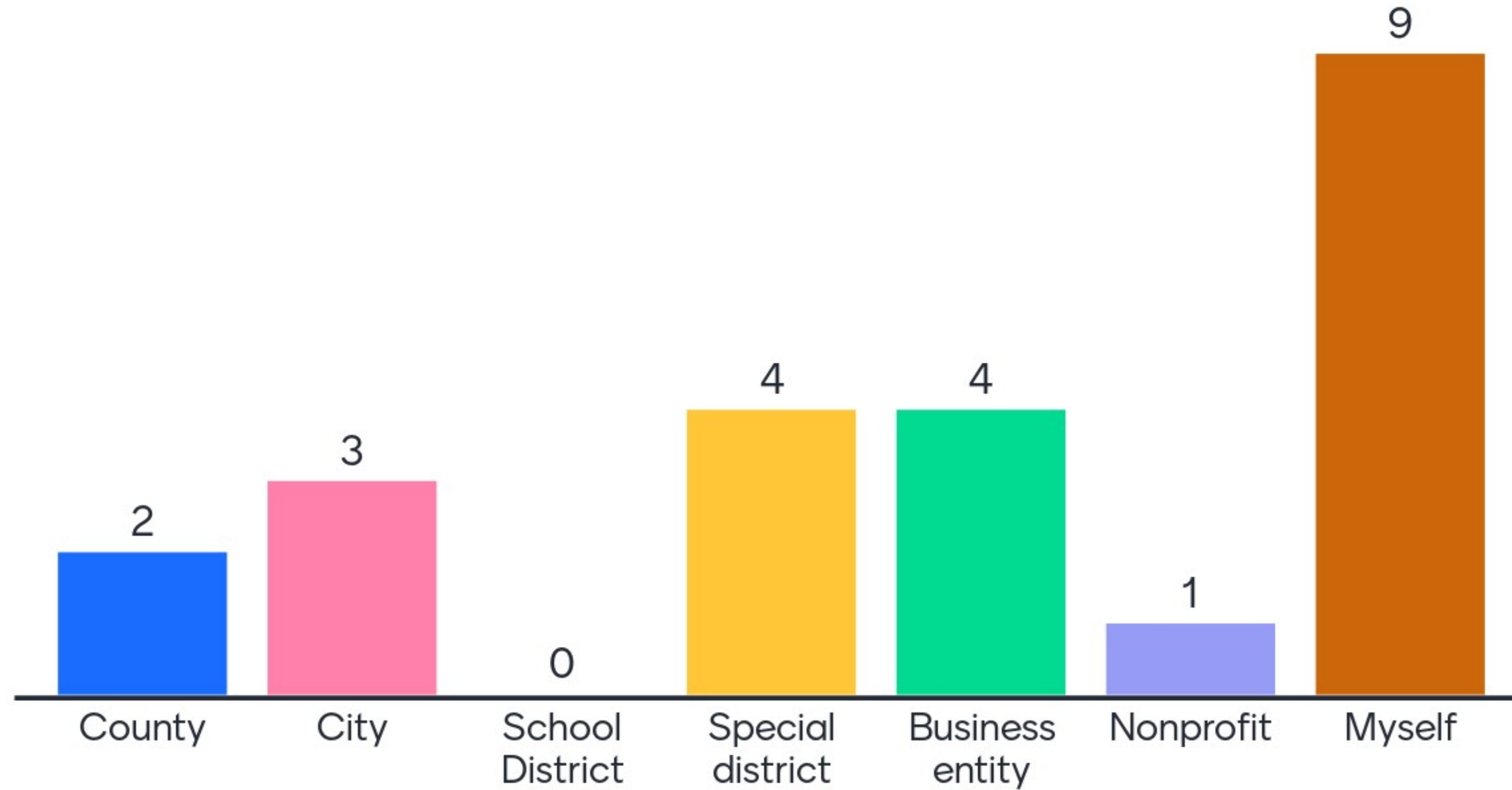
JoAnn Groff (online)

What county do you live in?

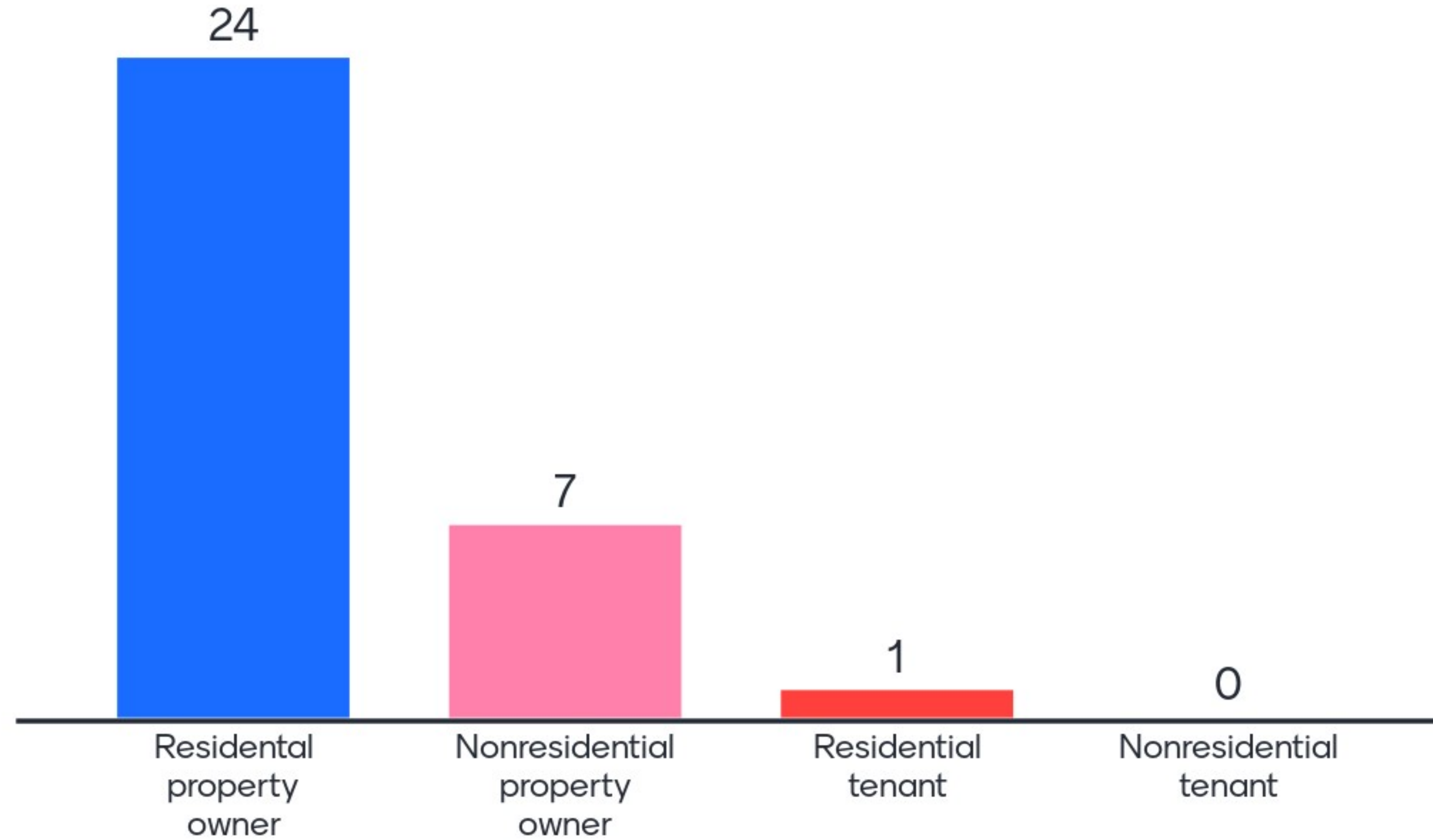
27 responses



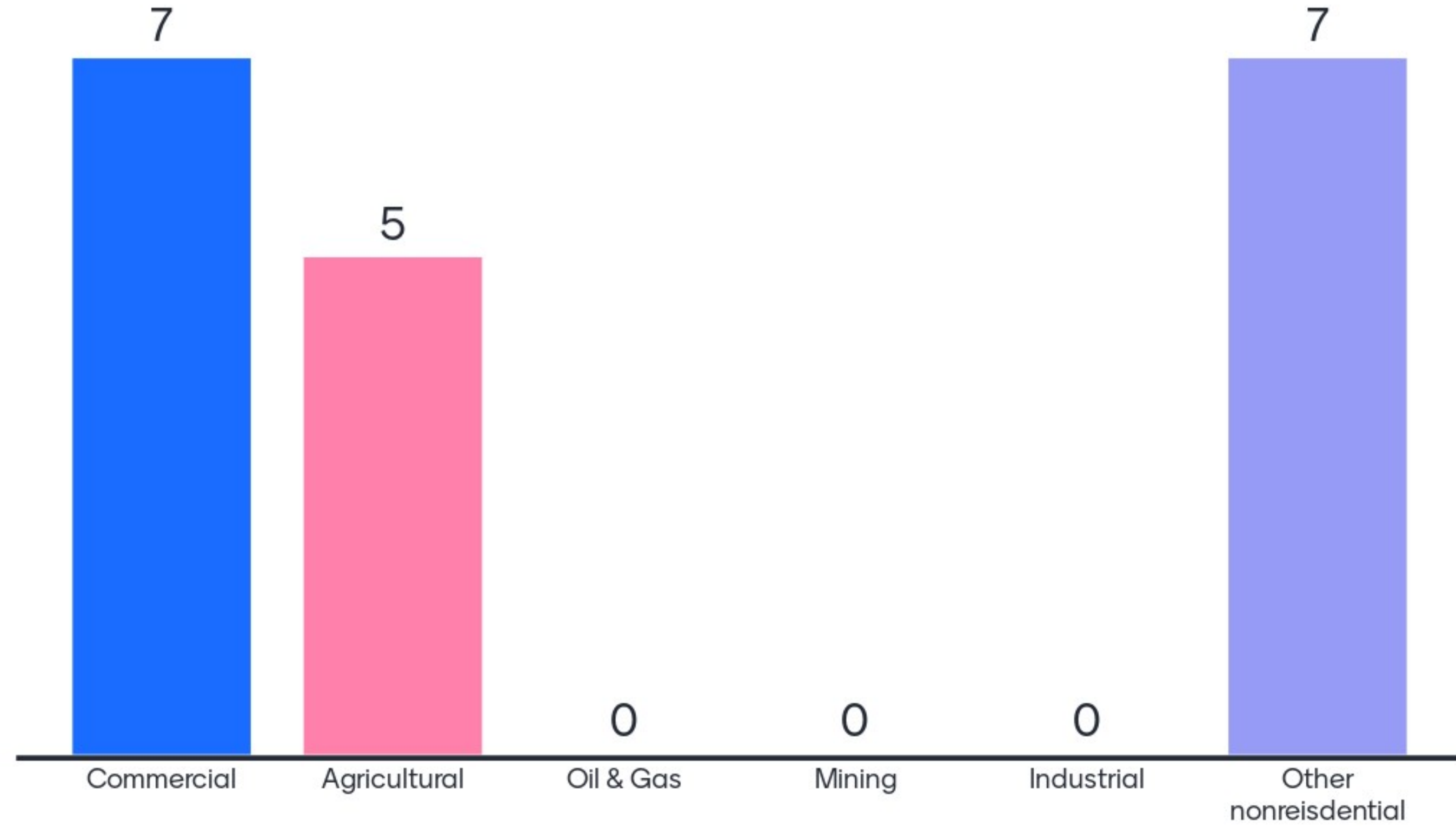
Whom do you represent?



Check all that apply to you



Check any that apply to your business



COUNTIES

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

What are your suggested solutions?

The primary function of Property taxation should be to fund government, not pick winners and losers. Assessment rates should be low, fair and equitable, not spread from 6.7% to 87.5%

Our uniqueness is, We are on a small 5 acre piece of land with animals and pasture, surrounded by 20 to 130 acre parcels. We have a home based business.

There are a myriad of property tax laws that are quite difficult to administer and even more difficult to explain to taxpayers.

Simplify the assessment rates.

Smoothing

Commercial sales discourage businesses to come to Colorado

**PIL+&high %Fed counties
Base size vs
Low pub %
counties**

Cost of materials

Increases are not sustainable

Inflation

CITIES

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

What are your suggested solutions?

Upper level employees income should follow city income more closely. A 3% raise is very different when comparing a \$50K salary and a \$150K salary.

The perception by the public that property taxes are making housing unaffordable.

City property tax is small compared to complete tax bill. Residents think that prop tax is a budget (illegible) (illegible) it is.

Consider limiting increases year over year- unless a property is sold- then assess @ market value

Simplify where we can- but also put in effort to educate the public regarding our property tax system.

SCHOOLS

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

What are your suggested solutions?

Lower enrollment should be reflected in lower tax amounts

Challenge- high percentage of school districts taxes earmarked for public schools instead of private and charter schools

'Schools' are always tagged when asking for tax increases yet the school districts always need more \$.

Challenge- Focus more funding on academic and less on other services.

Solutions lower expenses

School tax funding- use of vouchers to enable private school to receive more funding and enable more students to attend them.

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

SPECIAL DISTRICTS

What are your suggested solutions?

Loss of operating revenue

Tax revenue is avg 95% of our annual budget. Constant changes in our tax revenue make long-term planning difficult

Special Districts have unique needs and challenges that can't be addressed in one-size-fits-all

For residential owners, property taxes are an income tax deduction. Unlike HOA dues which can't be deducted on a resident's income taxes. Any reforms need to recognize this

State regs on special districts doesn't recognize that small & new districts located in rural & lower-tax markets have different challenges than Denver metro. Exemptions please

How to plan w/ last minute changes (Nov) for Jan eff dates

Inability to maintain or expand services with less revenue

With less revenue, SDs must choose what services to cut which reduces out ability to serve our patrons

As a deBruced organization, we use net income to save for capital improvements, expansions, and updates.

1) lack of predictability in revenues coming out of each assessment cycle, 2) extra admin burden managing iterative budget process distracts from core service provision

Cash flow

Future budgets

Fire districts are funded primary from property taxes and do not have other useable options for revenue generation

Need to provide predictable income to all receiving entities

Fluctuations up and down. Inflation

TABOR complicates the understanding of prop tax assessments.

Not a one-size-fits-all solution

Further expand the program that allows lower income taxpayers or those with temp financial hardships to have state pay local taxes w/ taxpayer paying back over few years.

If tax revenue is reduced, offer alternatives to revenue resources for non-profit models like Libraries that can't "raise rates" to make up for the loss

Include all special districts in backfills for revenue losses

State provides grants or loans for SMALL or NEW special districts? Would help "smooth out" District receipts during low tax revenue years. Would reduce pressure for District levy increase

Tailor solution to individual Counties/Districts - not based on Metro Denver or Front Slope

Base backfill on individual District needs - not on County/State growth data

Do not over-burden special districts w/ getting re-approval to waive TABOR restrictions

Can assessment cycles be annual instead of bi-annual? Assessors would obviously need resources for the extra work. Smaller annual tax changes vs. big jumps every 2 years?

Increase assessment cycle to every 3-4 years to provide more predictability and stability

Can property taxes be payable on a monthly basis instead of annually or semi-annual? Would reduce the "sticker shock" of writing 1-2 big checks for property taxes.

Simplify assessment rates and property tax laws/loop holes

Make the senior/homestead exemption permanent even if you relocate with a min 2 year residency requirement in the state.

Create new or different options to create revenue for fire districts. Change to Title 32 or other.

Special district mill levy rates adjusted to meet 'non-negotiable requirements growth. e.i. increased call volume in fire districts.

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

SPECIAL DISTRICTS

What are your suggested solutions?

Special district- Property tax assessment system is inconsistent and to subjective.

Fire and volunteer. FD districts esp. rural, mill & RCV vs overall regional tax burdens.

Constant changes to property tax (RAR) and threat of reduction might be difficult to budget and plan

How does it work? How do mills get assessed?

Fire districts have limited ways to anticipate revenue for vital operations under Title 32. Community property tax is super complex.

Fire districts are funded primarily from property taxes and do not offer usable options for revenue generation.

Reduce multiplier so that assessed value is a given percentage of assessed value. Set receiving entities income at this rate. Increase receiving entities income by the increase allowed by

TABOR. Once assessed value is set start using assessed value.

Easier way to recap funds when assessment rates decrease. A decrease doesn't go to voters for approval but increases do.

Establish a property tax valuation table based upon prop value ranges. i.e. \$100K-250K, \$250K-500K, \$500K-750K, 750K-1M, 1M+. Could vary between resid and

commercial.

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

Residential

What are your suggested solutions?

I'm in a senior community with over 200 homes. Most of us are on fixed incomes. The challenge is keeping seniors in mind when it comes to property taxes.

Many seniors who are homeowners, often want to downsize their home but often are fearful because they fear losing their Homestead benefit.

What is the purpose of this change.

Based on highest level of value. Cannot pre-plan as taxes increase at high %

Make the Senior Exemption portable. Also, index it to inflation. The 50% exemption on the first \$200,000 has not changed since the inception started, back in 2000.

Consider using a flat tax on property and improvements especially for those over 65 and those with fixed incomes.

To encourage ADUs don't tax them for the first five years. Same with property improvements that serve to improve the environment or increase the safety factor for those 65+

Any long term & significant solutions require legislature or ballot initiative action for meaningful level of impact.

Unable to plan ahead for annual increases/decreases

Need for predictability for someone on fixed income and/or help

retired/fixed income

no predictability

Approach for 65+ residents based on solid amounts, not fluid amounts.

tax breaks for workforce housing for new home ownership

simplify process for property owners, commercial and home builders

Limit on % increase all owed per year

Residential-serious downsize- the homestead exception should follow

Dramatic property tax rate increases that impact fixed income residents.

Portability of Sr. exception if a homeowner downsizing within Mesa county. 10 year res. is good should follow homeowner.

Building attainable and workforce housing

Homestead exemption. Raise the exemption from 250,000 to 400,000- this was talked about in the legislation.

Residential property value assessments. Raise the assessed value to 10- percent of value.

Taxpayers can understand what they are paying and to what entities.

Cap increases in heavily taxes to be tied to an inflation metric (CPI or similar).

process is not clearly explained

Challenge: 'low' assessed value of residential property.

Confusion on statue of uses.

Need to have reasonable balance between residence and commercial.

Recognize when market values have reduced. June '22 was at the peak and values dropped within 4 months.

Yearly increases tied somehow to CPI or other index to result in reasonable growth.

Rate formula calc via longer term rolling valuation

tax breaks for seniors should always be in place. Not based year to year or property value.

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

Residential

What are your suggested solutions?

Property tax system is confusing for entities and resident + business.

2 year estimate on property taxes based upon current projections. Does not change taxes just give a number for people to plan for.

Portability in homestead exception.

Bret Fox said it pretty well. The property tax statute needs to be torn apart and redone. "simplify". Also, senior exemption needs to be portable.

Do a better job of educating people most concerns are based on fear of the unknown realtors/library

A different method of taxation for the retired. Fixed for flat rate based on years of residency.

Portability of sewer exceptions. Consistent amount as a % of table tax, not prop value.

Communication on statute

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

Non-Residential

What are your suggested solutions?

**Disparities res.
vs comm.**

**Small
businesses are
too heavily
taxed.**

**20% for
industrial. 27%
for vacant
land.**

Challenge- real
estate company
"high" assessed
value for
commercial
property

**Cap increases
year over year
to be tied with
an inflation
index (CPI) or
similar**

**Business property
value assessment;
lower the assessed
value to 25 percent
of actual value.**

**Should not assume
that businesses
(commercial
property owners)
can afford paying so
much more.**

What's your unique challenge? What are your top priorities you'd like the Commission to be considering as they look at recommendations?

It seems to me, in comparison to other states and districts that our Mesa County Property tax is reasonable, however, I am more interested and concerned how those tax dollars are s

Air B+B clarify the rules on taxation- should they be taxed as commercial

Misc.



What are your suggested solutions?