
Overview of 2024 Property Tax Ballot Measures

Commission on Property Taxation

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Current Status

- 1 Measure On the Ballot (Initiative #50)
- 1 Measure Approved for Circulation (Initiative #108)
- 8 Measures Titled (two others found to have multiple subjects upon rehearing today)

- 41 Measures No Longer Active (including two found to have multiple subjects today)



Six Measures to Cut or Limit Property Taxes

- 2 from Michael Fields and Suzanne Taheri (#50, #108)
- 1 from Tom Kim and Anneliese Steel (#97)
- 3 from David Davia and Michael Fields (#296, #298, #300)

- 4 cut assessment rates (res and nonres) and/or apply subtractions
- 1 limits growth in statewide tax revenue, unless voters permit revenue to be retained
- 1 limits growth in assessments



Assessment Rates (4 measures)

- All measures cut rates beginning in PTY 2025. Different permutations:
 - 5.7% res; 24% nonres (#108)
 - 5.7% res, with \$55,000 subtraction; 25.5% nonres (#298)
 - 5.3% res; 25.5% nonres (#300)
- One measure includes incremental reductions in assessment rates
 - Annual stepdown of 0.37 pp in res rate, 1.00 pp in nonres rate, to reach 5.3% res and 24% nonres in 2029 (#296)



Assessment Rates (4 measures)

- Property tax impacts:
 - Property taxes reduced by between \$3.0 billion and \$3.1 billion
 - Phased-in measure (#296) starts at \$670 million in PTY 2025, \$1.3 billion in PTY 2026, etc.
 - Total program funding for school finance reduced by between \$800 million and \$900 million
 - Phased-in measure (#296) starts at \$190 million in FY 2025-26, \$390 million in FY 2026-27, etc.
- Reimbursements:
 - All lost revenue (#108)
 - No reimbursement required (#296, #298, #300)



Limit on Statewide Property Tax Revenue Growth (#50)

- Constitutional measure
- When property tax revenue is projected to growth by at least 4 percent, statewide voter approval is required for local governments to retain and spend the excess
- Fiscal impact depends on revenue growth rates, voter authorizations



Limit on Growth in Assessments (#97)

- Constitutional limit
- For 2025 and later assessments:
 - Properties sold since June 2020 are valued at the level of their most recent sale
 - Properties not sold are valued at the level of their PTY 2021 assessment
 - Annual increases are limited to the lesser of inflation or 2.5%, unless the property undergoes substantial improvement
- Estimated to reduce property taxes by \$2.3 billion for PTY 2025, larger amounts in later years



Four Measures to Limit the Impact of Property Tax Limits

- All four from Scott Wasserman and Ed Ramey
- 1 conditionally imposes tax on “luxury” residential property
- 1 conditionally increases the nonres rate for most nonresidential property
- 1 conditionally allows the state to retain and spend revenue for reimbursements
- 1 requires local voter approval in order for a statewide limit on property tax to apply locally



“Luxury” Residential Property Tax (#96)

- Constitutional measure
- If a statewide limit on the amount of or growth in property tax revenue is imposed, a supplemental tax is imposed beginning in 2027 to offset revenue loss that would otherwise occur:
 - Applies to single family residential worth at least \$2 million
- Fiscal impact uncertain, would depend on what limit, if any, is imposed



Nonresidential Assessment Rate (#269)

- Begins in PTY 2026
- If local share of total program funding for school finance is less than 50%, increases nonres rate to 32%
 - Increased rate does not apply to property being used by businesses that meet SBA definition of “small business”
- Expected to trigger under current law
- Estimated to increase property tax revenue by \$300 million in PTY 2026 and decrease the state share school finance obligation by \$100 million



Retain Revenue for Reimbursement (#261)

- Begins in 2025
- If a statewide limit on the amount of or growth in property tax revenue is imposed, authorizes state to retain revenue over the Referendum C cap to reimburse local governments for their lost revenue.
- Fiscal impact uncertain, would depend on what limit, if any, is imposed



Local Voter Approval for Application of Limit (#95)

- Constitutional measure
- If a statewide limit on the amount of or growth in property tax revenue is imposed, requires local voter authorization for limit to apply locally.
- Fiscal impact uncertain, would depend on what limit, if any, is imposed



Questions?

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