

STATE OF COLORADO

Colorado General Assembly

Natalie Castle, Director
Legislative Council Staff

Colorado Legislative Council
200 E. Colfax Ave., Room 029
Denver, Colorado 80203-1716
Telephone 303-866-3521
Facsimile 303-866-3855
Email: lcs.ga@coleg.gov



Ed DeCecco, Director
Office of Legislative Legal Services

Office of Legislative Legal Services
200 E. Colfax Ave., Room 091
Denver, Colorado 80203-1716
Telephone 303-866-2045
Email: olls.ga@coleg.gov

MEMORANDUM

TO: Dave Davia and Michael Fields
FROM: Legislative Council Staff and Office of Legislative Legal Services
DATE: April 3, 2024
SUBJECT: Proposed initiative measure 2023-2024 #305, 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 #294 to 304 and 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 #294 to 304 and 306, 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.

Earlier versions of this proposed initiative, 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 were the subject of memoranda dated March 20, 2024 and 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 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. 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, by one percentage point per year for five years from 29 percent to 24 percent of the amount equal to actual value minus the lesser of fifty thousand dollars or the amount that causes the valuation for assessment of the property to be one thousand dollars;
2. Setting the valuation for assessment for the same taxable nonresidential property for subsequent years at 24 percent of actual value;
3. Lowering the valuation for assessment for residential real property and multi-family residential real property for the property tax year commencing on January 1, 2025, from 7.15 percent of actual value to 6.0 percent of the amount equal to actual value minus the lesser of fifty-five thousand dollars or the amount that causes the valuation of assessment of the property to be one thousand dollars;
4. Lowering the valuation for assessment for residential real property and multi-family residential real property for the property tax year commencing on January 1, 2026, from 6.0 percent of actual value to 5.7 percent of the amount equal to actual value minus the lesser of fifty-five thousand dollars or the amount that causes the valuation of assessment of the property to be one thousand dollars;

5. Lowering the valuation for assessment for residential real property and multi-family residential real property for the property tax year commencing on January 1, 2028, from 5.7 percent of actual value to 5.5 percent of the amount equal to actual value minus the lesser of fifty-five thousand dollars or the amount that causes the valuation of assessment of the property to be one thousand dollars;
6. Setting the valuation for assessment for residential real property and multi-family residential real property for the property tax year commencing on January 1, 2030, at 5.5 percent of the amount equal to actual value minus the lesser of seventy-five thousand dollars or the amount that causes the valuation of assessment of the property to be one thousand dollars;
7. No later than April 15 of each year, requiring the state treasurer to issue a warrant to reimburse local districts for revenue loss due to the reduced valuations for assessment set forth in the proposed initiative; and
8. Requiring the general assembly to appropriate reimbursements to the maximum extent practicable.

Substantive Comments and Questions

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

1. Article V, section 1 (5.5) of the Colorado constitution requires all proposed initiatives to have a single subject. What is the single subject of the proposed initiative?
2. Regarding the last sentence of proposed section 39-1-104 (1), is it the proponents' intent that for property tax year 2030 and each subsequent property tax year for nonresidential property, the valuation for assessment be 24 percent of the actual value of the property without any subtraction from actual value as is required for the five preceding property tax years 2025 through 2029?
3. Proposed section 39-1-104.2 (3)(q) and (3)(r) do not provide an assessment rate for multi-family real property or residential real property for property tax years 2027 and 2029. What would the assessment rate be for these properties for property tax years 2027 and 2029?
4. The proposed initiative does not provide for the assessment rate for multi-family real property or residential real property for property tax years after 2030. What

would the assessment rate be for these properties for property tax years after 2030?

Technical Comments

There are no new technical comments.