



Emergency Tax & Finance Steering Committee Meeting

August 26, 2024





Executive Director Updates

Steering Committee Voting

“Each Member shall appoint a representative to each Steering Committee. Each Steering Committee representative has one vote, which may be cast by the representative attending.”

CCI Bylaws, Article XI, Section 2, Part 2

“Approval by at least 65% of the members present and voting shall be required for ... the adoption of CCI positions on legislation.”

CCI Bylaws, Article V, Section 7

The “Deal” Bill

24B-0003.01 (McCluskie, Pugliese / Hansen, Kirkmeyer)

- If passed in its current form, Initiatives 50 & 108 will be removed from the November 2024 ballot.
- The details of the deal remain largely similar to what was reviewed at the Commission on Property Tax meeting on August 12th.

Residential Assessment Rates

- PTY 2024: no change
- PTY 2025:
 - schools to 7.05% or 6.95% (from 7.15%);
 - non-schools to 6.25% or 6.15% (from 6.4%)
- PTY 2026:
 - schools to 7.05% or 6.95% (from 7.15%);
 - non-schools to 6.8% or 6.7% with 10% subtraction up to \$70,000 (from 6.95% with 10% subtraction up to \$70,000)
- Res rates depend on 2025 growth; expected to be below 5% actual value growth trigger (so old rates apply)

Non-Residential Assessment Rates

- Bill affects rates for all nonresidential property other than oil and gas, producing mines, agricultural, and improved commercial
- Bill affects commercial land, industrial, natural resources, and state-assessed property. Vacant land will remain at 27.5% throughout.
- PTY 2024: no change
- PTY 2025: reduces to 27% (from 29%); same as agricultural and improved commercial
- PTY 2026: reduces to 26% (from 29%); ag/improved commercial are 25%
- PTY 2027: reduces to 25% (from 29%); same as ag/improved commercial

Growth Rate

- Changes to property tax growth limit:
 - Reduces limit to 5.25% per year for non-school districts (from 5.5%), or 10.5% per biennial reassessment cycle
 - Institutes limit for school districts: 6% per year, or 12% per biennial reassessment cycle, unless inflation plus enrollment is greater
- Maintains exemptions from SB-233 and adds in additional exemptions for Specific Ownership Tax

Exclusions/Exemptions

- Home-rule local governments
- Local governments with active TABOR limits or statutory 5.5% limits
- Oil and gas and producing mines
- New construction, changes in classification, annexations
- Mills levied for bonded debt and contractual obligations
- New voter-approved mill levies
- Specific Ownership Tax
- Disaster Emergency Spending

Property Tax Framework

	TY 24	TY 25	TY 26
	24-233	Framework	Framework
Residential			
Schools	6.7% w 55K Exemption	7.05% unless value growth (VG)in PT25 > 5% then 6.95%	7.05% unless VG in PT25 > 5% then 6.95%
Locals	6.7% w 55K Exemption	6.25% unless VG in PT25 > 5% then 6.15%	6.80% with 10% exemption up to first 700K unless VG in PT25 > 5% then 6.70% with 10% exemption up to first 700K
Implied RAR		6.4% unless VG in PT25 > 5% then 6.3%	6.4% unless VG in PT25 > 5% then 6.3%
Non Residential			
Schools/Locals	27.9% w 30K exemption	27% All Non Res	25% Comm/Ag, 26% Other , and down to 25% in PT27
Growth Cap			
Schools (SFA)	6% cap per year (12% per cycle) unless inflation and student growth is greater than 6%, then that year cap equal to inflation and student growth. Include anti ratchet provision and language on exemption. The ballot question must state in it that "this measure removes the X% annual cap on growth in property taxes."		
Locals (schools bond and overrides)	include exclusions from 24-233 but make it year over year (cycle of 10.5%) with inclusion of anti ratchet and make and following language on local exemption questions. The ballot question must state in it that "this measure removes the X% annual cap on growth in property taxes."		
* VG for TY 25 is what sets rate and then that is locked in moving forward (not variable)			

Financial Changes on TY 25 & 26

2025

Incremental difference		vs Previous Law	vs 233	vs Framework
Total Statewide Revenues		-\$779.02 M	-\$269.79 M	-\$1830.06 M
Local Districts		-\$606.81 M	-\$151.29 M	-\$653.81 M
Schools (All)		-\$172.21 M	-\$118.51 M	-\$1176.25 M
Schools (total program via SFA)		-\$88.86 M	-\$61.15 M	-\$606.94 M

2026

Incremental difference		vs Previous Law	vs 233	vs Framework
Total Statewide Revenues		-\$1085.67 M	-\$324.78 M	-\$1491.06 M
Local Districts		-\$740.17 M	-\$176.57 M	-\$506.38 M
Schools (All)		-\$345.50 M	-\$148.22 M	-\$984.68 M
Schools (total program via SFA)		-\$178.28 M	-\$76.48 M	-\$508.10 M

Impacts of 108 & 50

* Both are now qualified for the November ballot

	2024	2025	2026 and beyond
Local and School District Cap (including bonds)		4% (Amend 50)	4% (Amend 50)
School district regulator		including in above cap	included in above cap
Local Gov Residential Assessment Rate	7.06%	5.7%	5.7%
Local Gov Commercial and Ag and others	29.0%	24.0%	24.0%
School District Residential	n/a	5.7%	5.7%
School District Commercial and Ag and others	n/a	24%	24%
Loss of Revenue (Locals and Schools)	\$0.0M	\$2.25-3.0B	\$2.3-3.1B

House Concurrent Resolution

24B-0004.03 (Weissman, Hansen)

- Concurrent resolution- requires two-thirds to pass the legislature because it amends the constitution.
- If passed, this would be a referred measure on the November 2024 ballot and would require 55% of the vote.
- Requires that a statewide voter initiative that impacts local government property tax revenue or spending of property tax revenue must be approved by voters of the local government that is impacted in order to take effect.