

Amendment B: Repeal Gallagher Amendment



What is Amendment B?

- Repeals the Gallagher Amendment from the Colorado Constitution



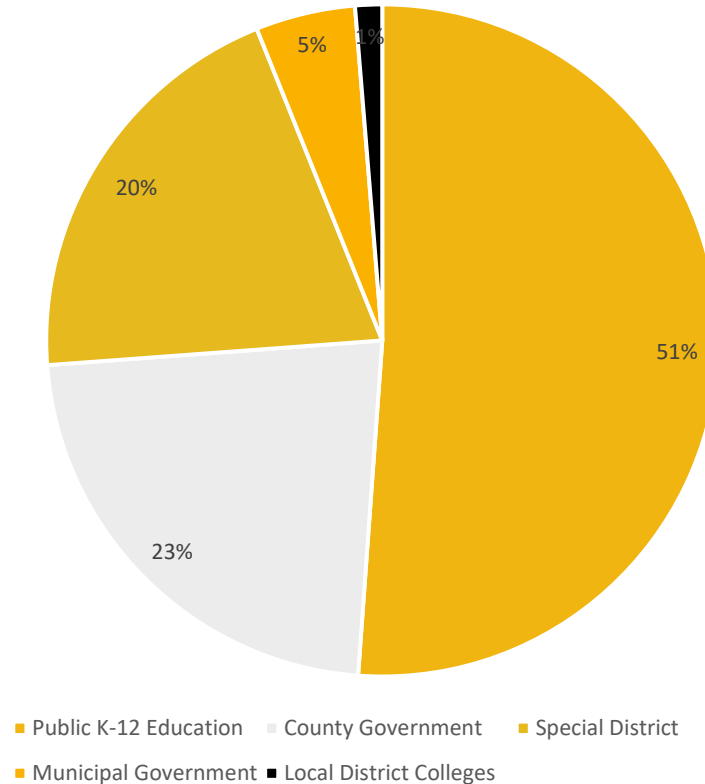
What is the Gallagher Amendment?

- Passed in 1982
- Response to rising residential property taxes
 - From 1958-1982, residential property went from 28% to 44% of total assessed value
- Froze the ratio of total property assessments between residential and non-residential properties
 - It is 45/55
 - Non-residential includes commercial, mineral interests, agriculture, vacant land
- Keeps non-residential assessment rate at 29%

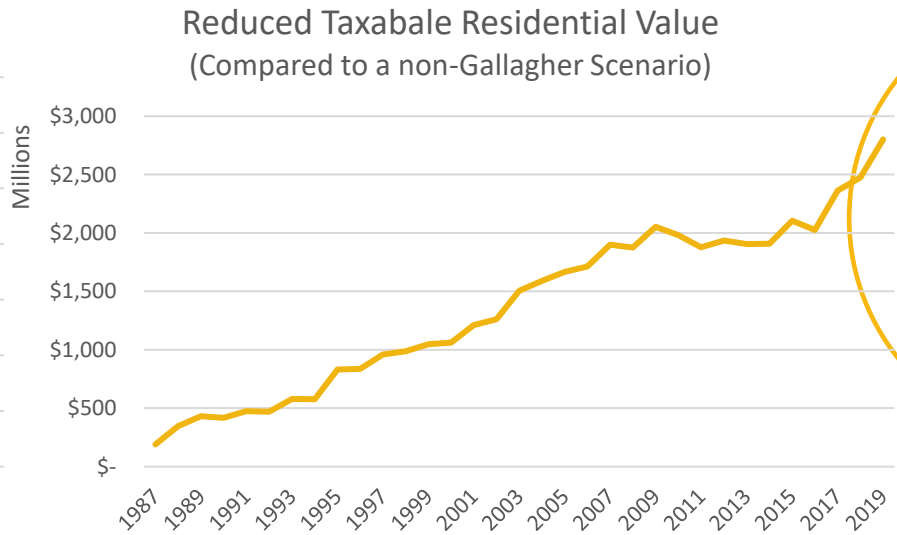
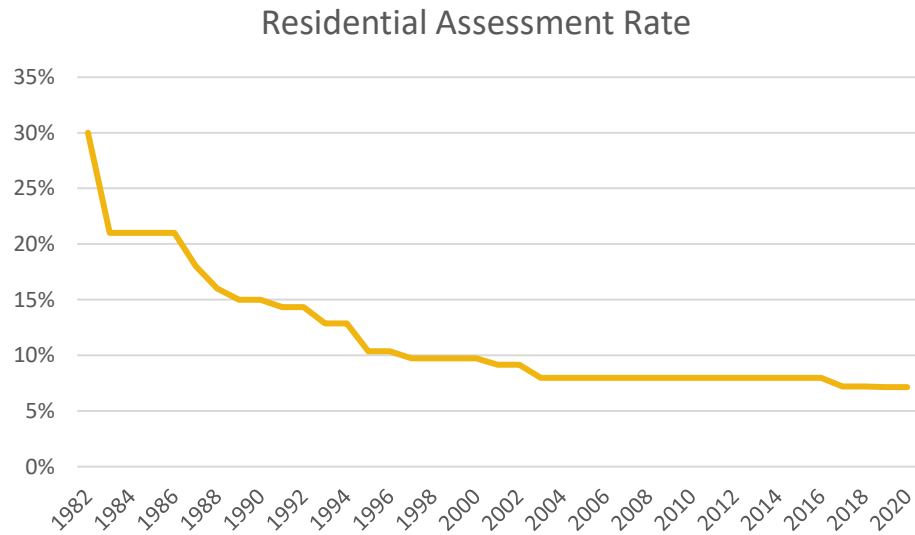


Property Taxes

- Assessment Rates
 - % of property that is taxed (statewide)
- Mill Levies
 - Represent \$1 per \$1000 of assessed property (county by county)
- 51.2% of property taxes go to local education
- 23% go to county govts
- 20% go to special districts



Since Gallagher Was Enacted



Source: DOLA, Property Tax Administrator presentation to JBC

Since Gallagher Was Enacted, cont.

PROPERTY TAX BURDEN SHIFT DUE TO GALLAGHER AMENDMENT			
Tax Year	Res. Rate w/o Gallagher	Actual Res. Rate	Shift Away from Res. Taxpayers
1987	21%	18.00%	\$79,064,785
1988	21%	16.00%	\$147,836,269
1989	21%	15.00%	\$187,262,167
1990	21%	15.00%	\$188,963,583
1991	21%	14.34%	\$222,648,266
1992	21%	14.34%	\$228,704,050
1993	21%	12.86%	\$294,643,464
1994	21%	12.86%	\$305,366,542
1995	21%	10.36%	\$460,958,707
1996	21%	10.36%	\$480,301,188
1997	21%	9.74%	\$568,826,762
1998	21%	9.74%	\$598,265,545
1999	21%	9.74%	\$653,172,356
2000	21%	9.74%	\$688,841,354
2001	21%	9.15%	\$823,345,112
2002	21%	9.15%	\$873,143,882

2003	21%	7.96%	\$1,053,722,569
2004	21%	7.96%	\$1,113,935,541
2005	21%	7.96%	\$1,190,706,817
2006	21%	7.96%	\$1,269,270,060
2007	21%	7.96%	\$1,436,467,739
2008	21%	7.96%	\$1,474,388,587
2009	21%	7.96%	\$1,603,530,945
2010	21%	7.96%	\$1,576,160,489
2011	21%	7.96%	\$1,549,036,053
2012	21%	7.96%	\$1,628,595,994
2013	21%	7.96%	\$1,645,817,700
2014	21%	7.96%	\$1,693,871,672
2015	21%	7.96%	\$1,891,290,530
2016	21%	7.96%	\$1,871,123,689
2017	21%	7.20%	\$2,255,364,525
2018	21%	7.20%	\$2,429,137,556
2019	21%	7.15%	\$2,801,100,071
Total:			\$35,284,864,568



TABOR?

- Interaction of Gallagher and TABOR creates complicated picture.
- Assessments conducted in 1999, 2005, 2007, 2009, 2011, 2013 determined residential assessment should be raised
 - Was not raised due to inability to raise revenue without vote



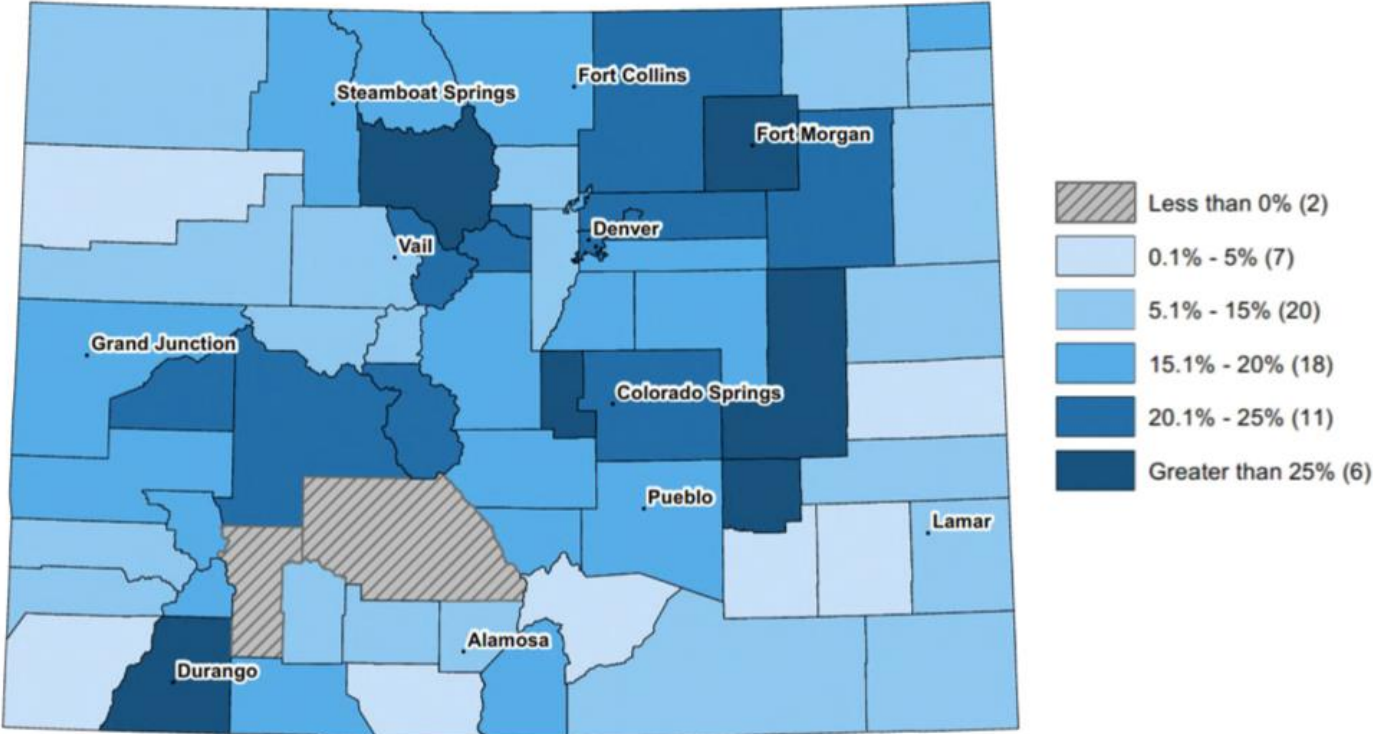
If Gallagher Remained...

- 2021 residential assessment expected to drop to 5.88% (from 7.15%)
 - Second largest drop since Gallagher
- School districts estimated to lose \$491 million in 2022, compared to 2019 assessment rate
- Counties estimated to lose \$204 million in 2022, compared to 2019 assessment rate



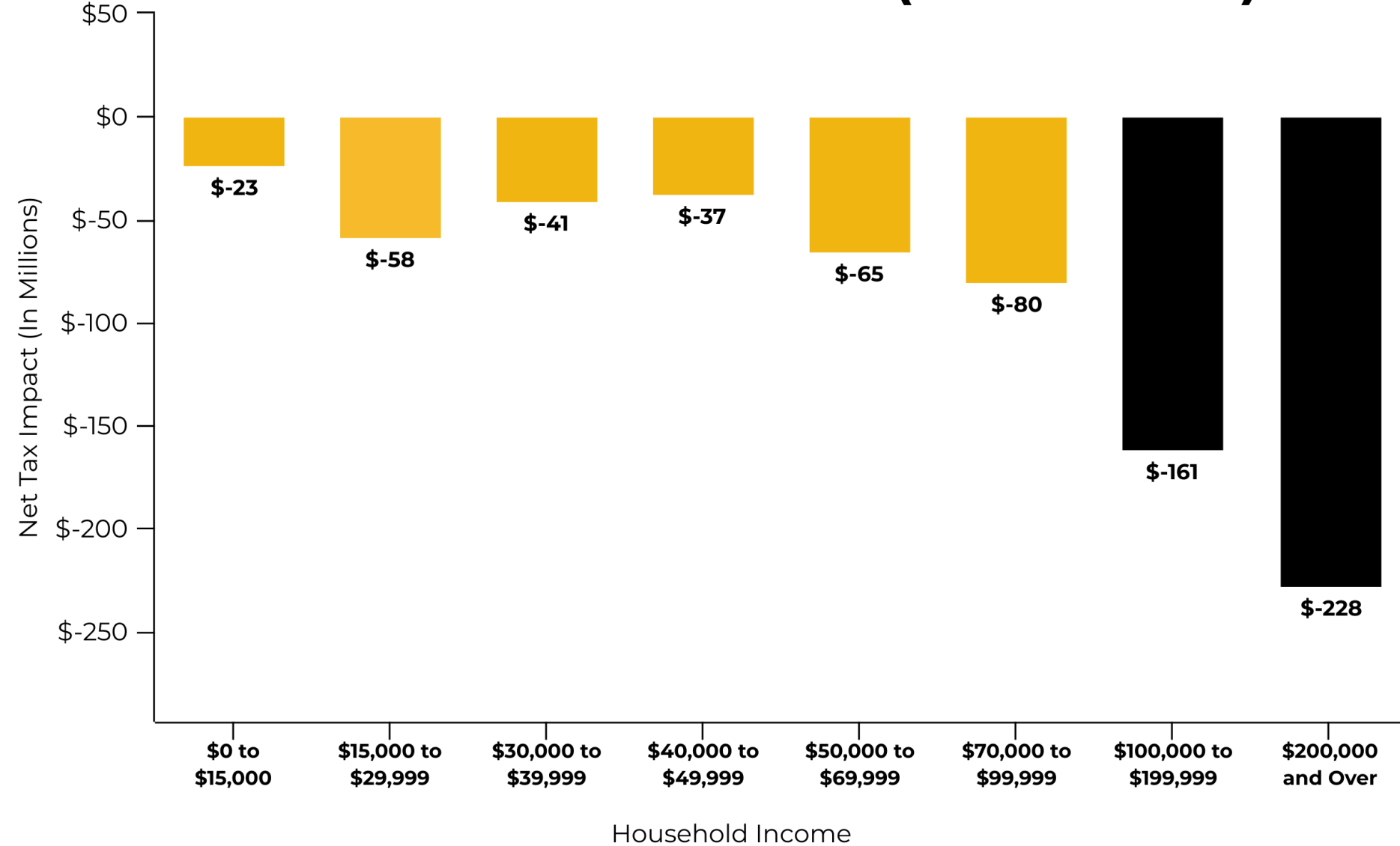
Property Taxes in Colorado

Change in Residential Assessed Values by County
2018 to 2019



Source: Colorado Department of Local Affairs, Division of Property Taxation.

GALLAGHER'S PROJECTED REDUCTIONS ON TAXES BY HOUSEHOLD INCOME (IN MILLIONS)



Source: Bell analysis of LCS fiscal notes and DOR Tax Profile and Expenditure Report
Note: EE and 116 passing, B not passing

Questions?

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