

Property Taxes and the Gallagher Amendment

Colorado Legislative Council Staff



Property Taxes in Colorado

Total - \$8.1 billion in 2016

Counties - \$1.7 billion


General Fund - \$1.64b

Other - \$0.09b




Property Taxes in Colorado

Actual Values \times Assessment Rate = Assessed Values



7.20% Residential*
29% Nonresidential
87.5% Oil and Gas



Assessed Values \times Local Mill Levy = Taxes Owed



*2017 Residential Assessment Rate

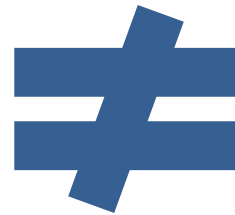
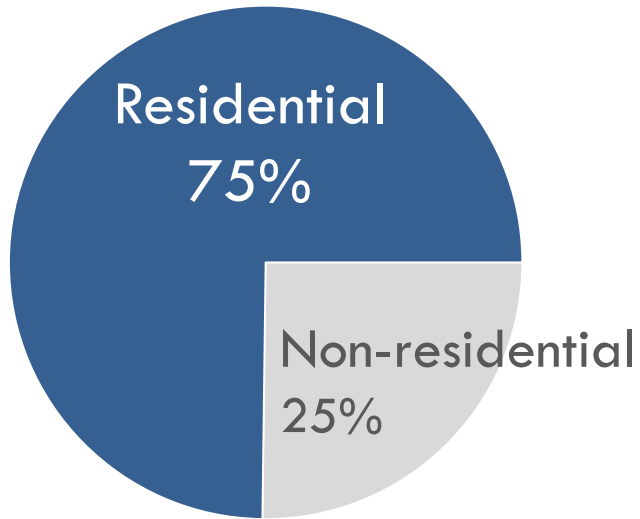
Gallagher Amendment

Added to the state constitution in 1982

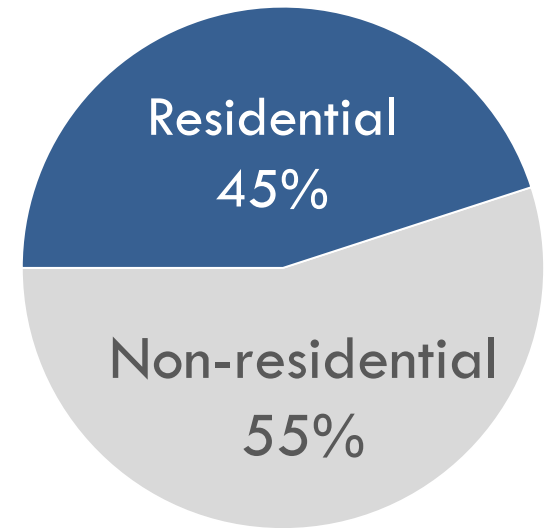
Governs the share of residential and non-residential property in the state.



Market Value



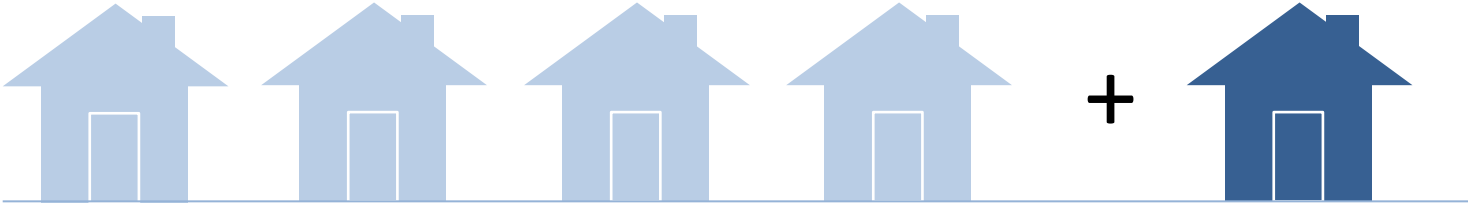
Target Share



Residential Reassessment Cycle

Tax Year	Valuation Date	Assessment Cycle
2013	July 1, 2012	2013 Re-Assessment Cycle
2014	July 1, 2012	
2015	July 1, 2014	2015 Re-Assessment Cycle
2016	July 1, 2014	
2017	July 1, 2016	2017 Re-Assessment Cycle
2018	July 1, 2016	

Adjusting the Target Percentage

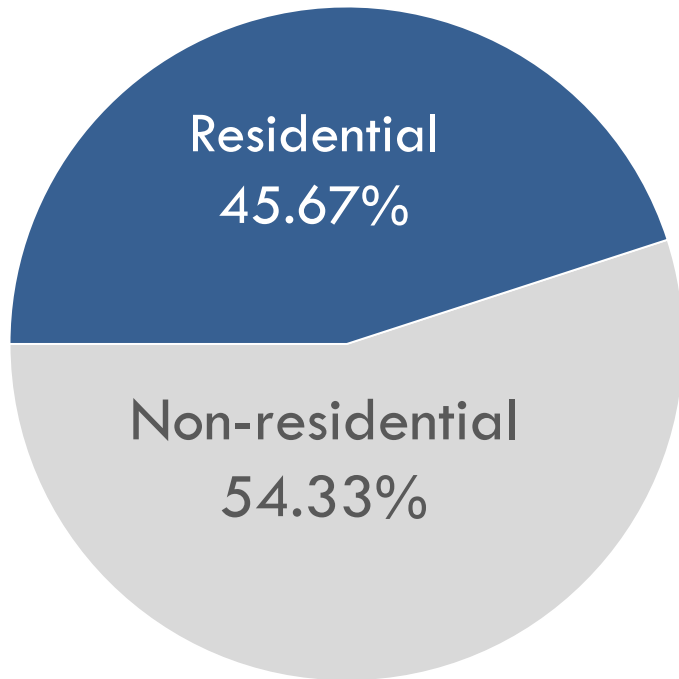


Existing Tax Base + New Construction + Change in Volume

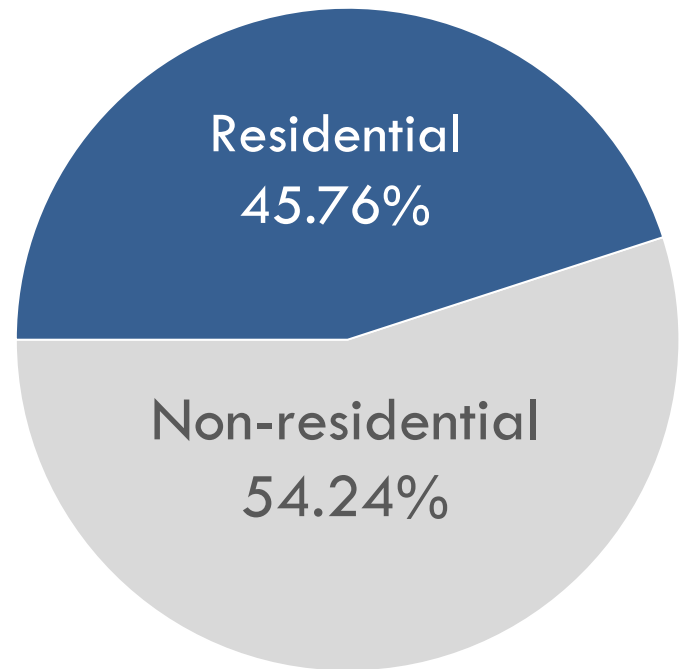


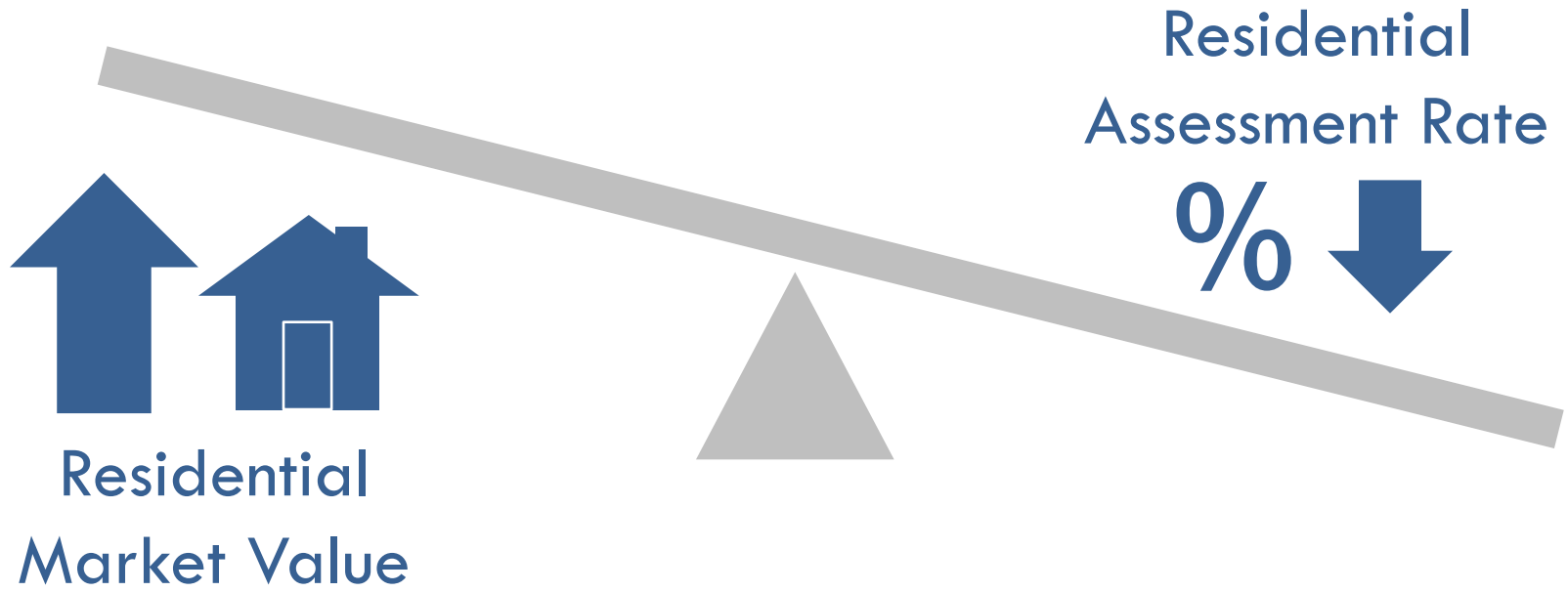
Target Percentages

2015



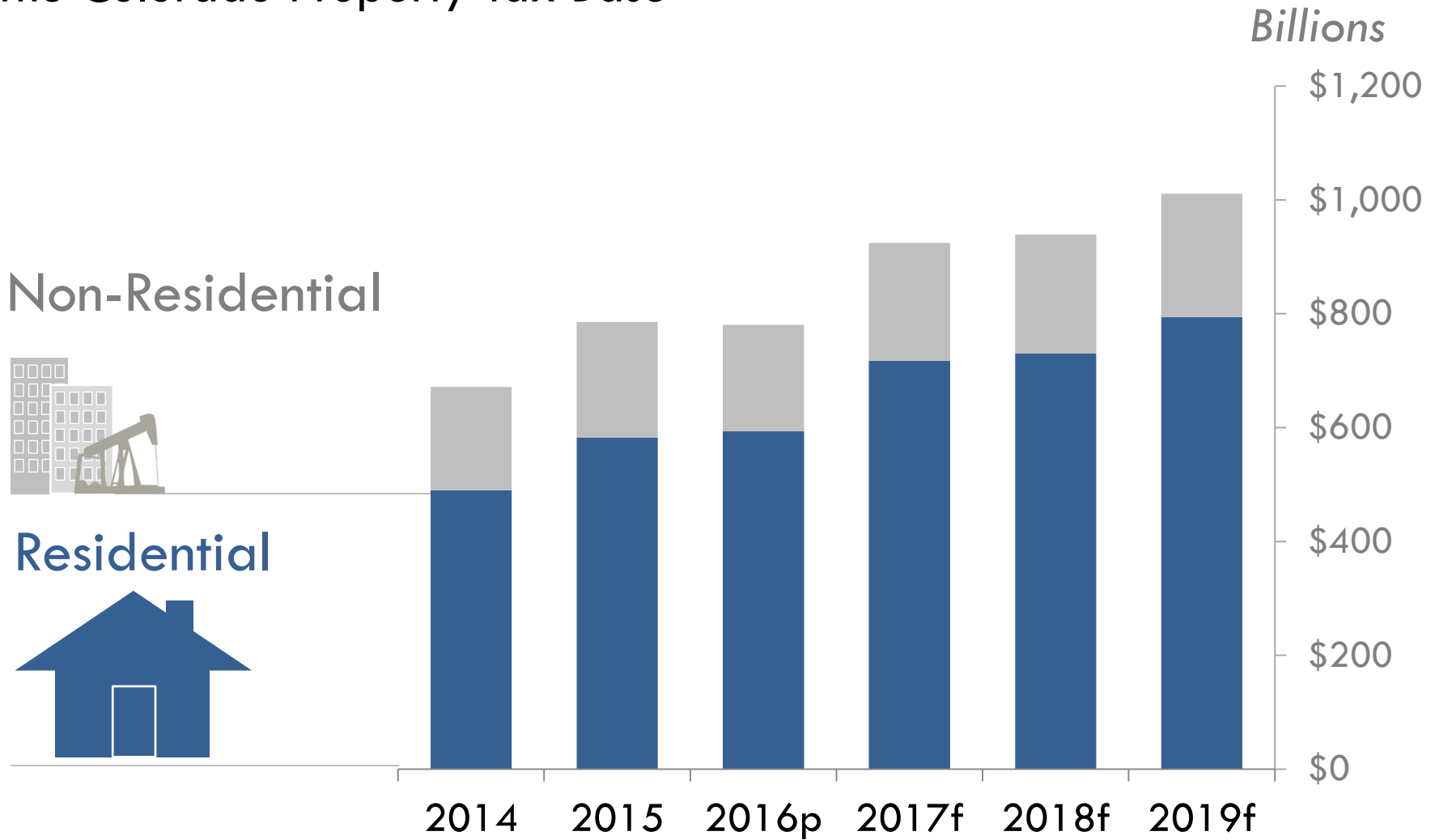
2017





Actual (Market) Values

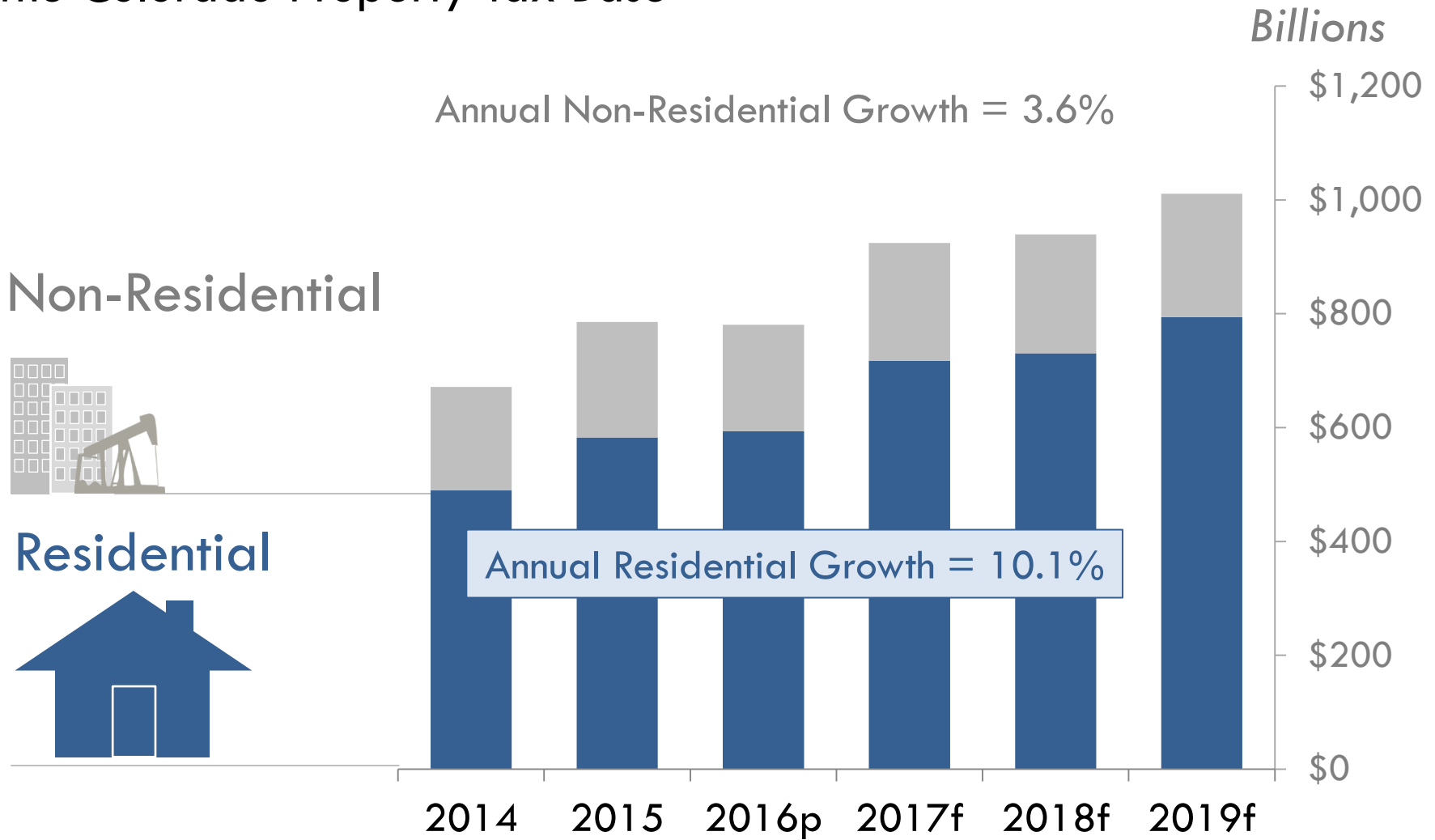
The Colorado Property Tax Base



Source: Division of Property Taxation and Legislative Council Staff forecast.

*Calculated as assessed values divided by an assumed 29 percent assessment rate.

Actual (Market) Values The Colorado Property Tax Base

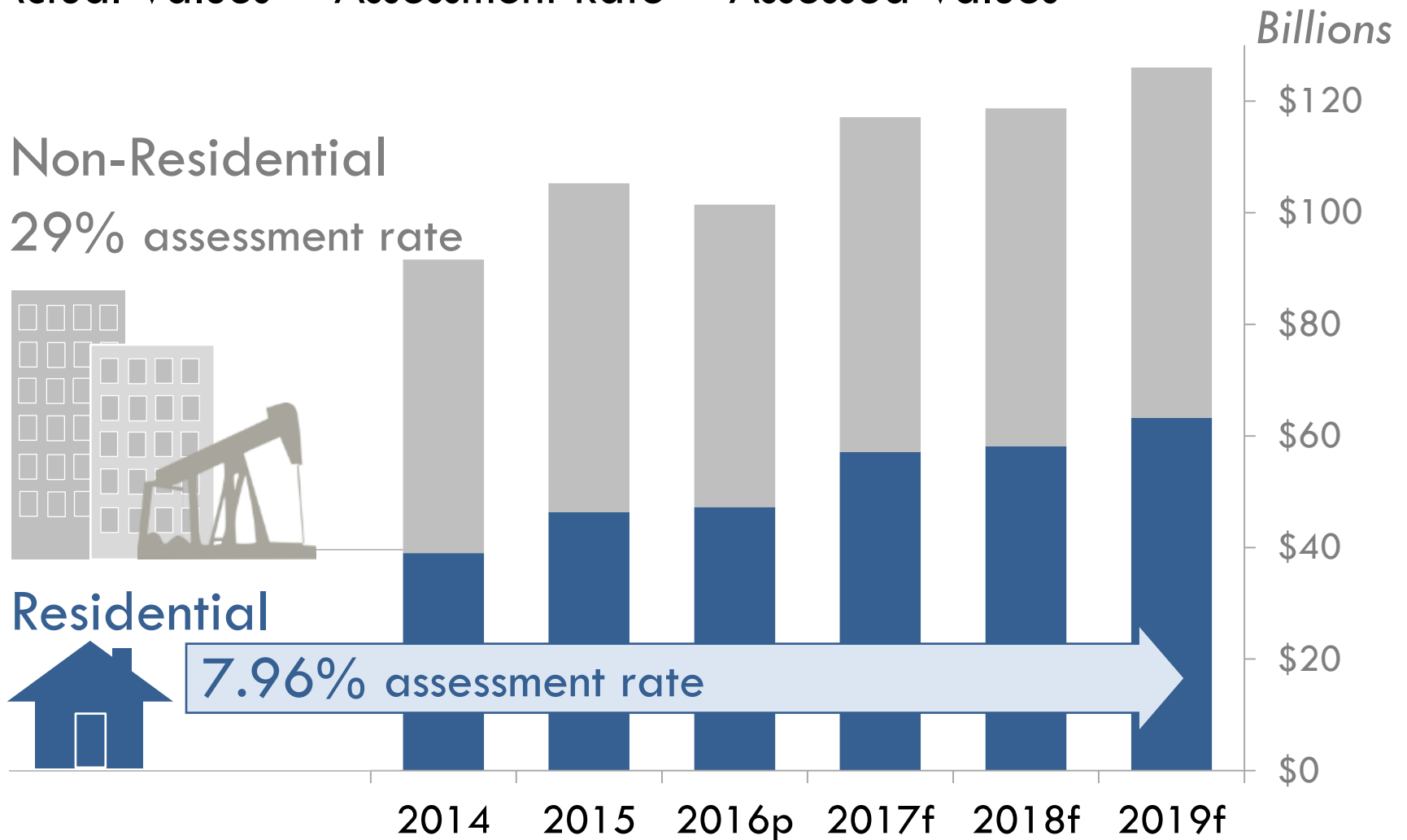


Source: Division of Property Taxation and Legislative Council Staff forecast.

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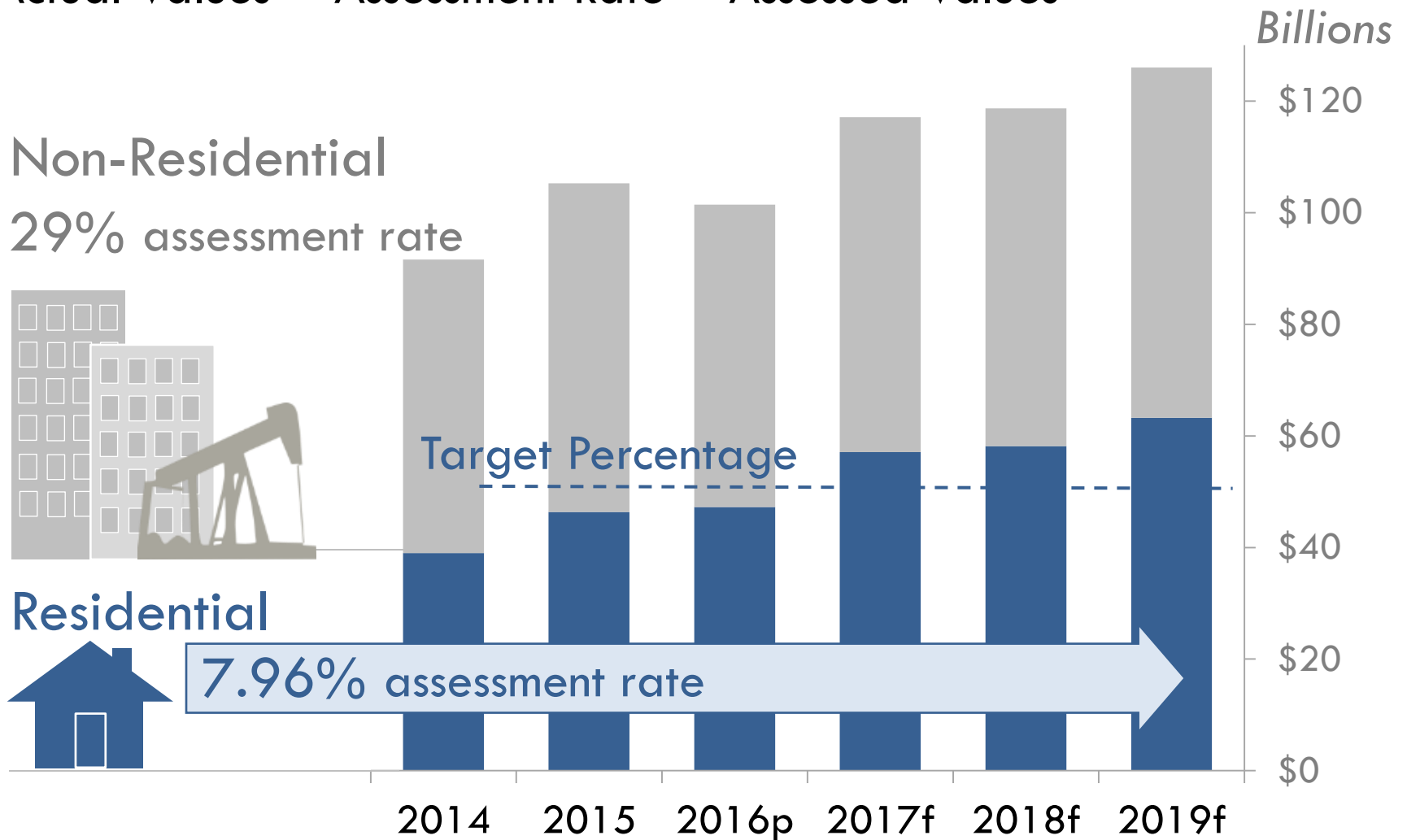
Assessed Values

$$\text{Actual Values} \times \text{Assessment Rate} = \text{Assessed Values}$$



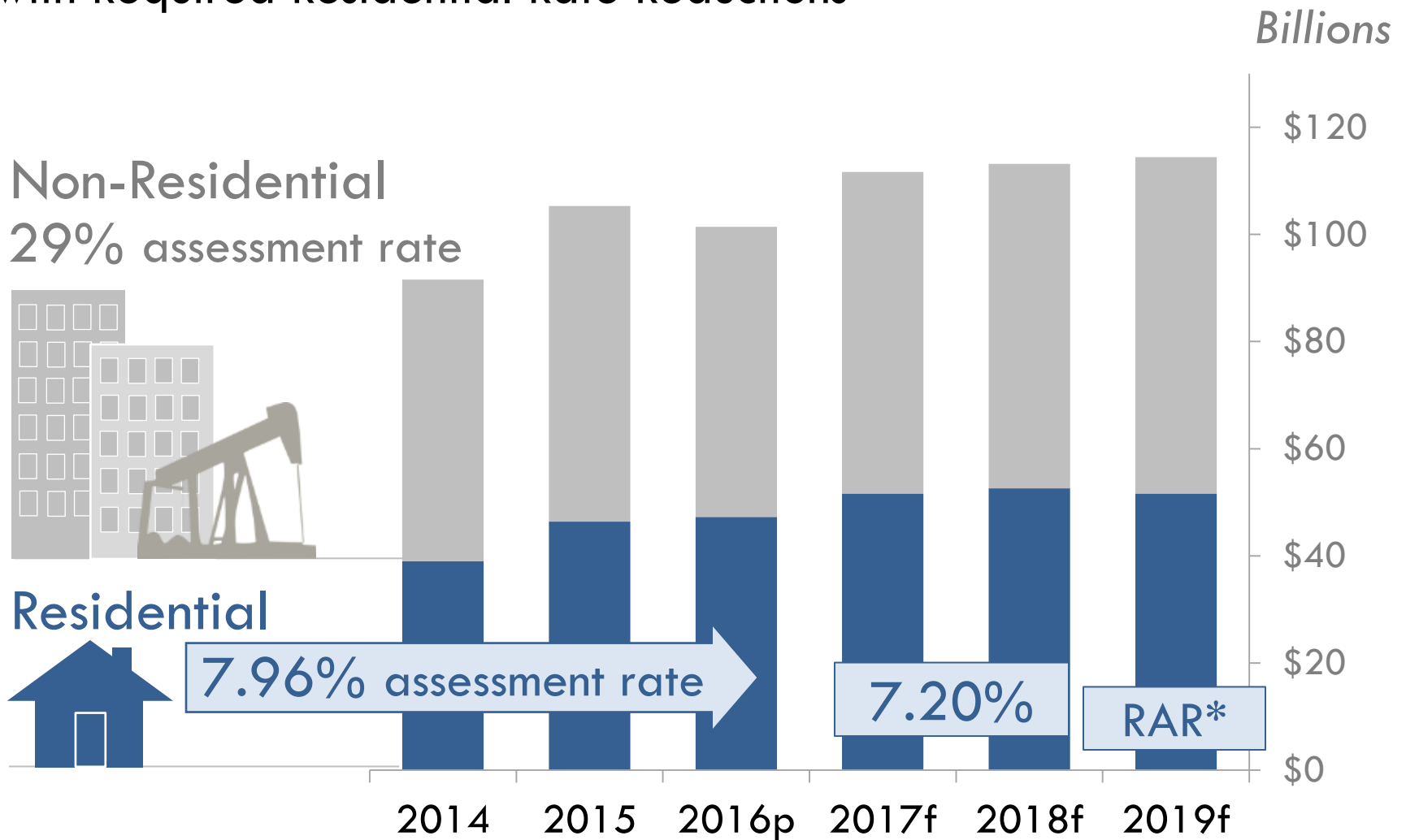
Assessed Values

$$\text{Actual Values} \times \text{Assessment Rate} = \text{Assessed Values}$$



Assessed Values

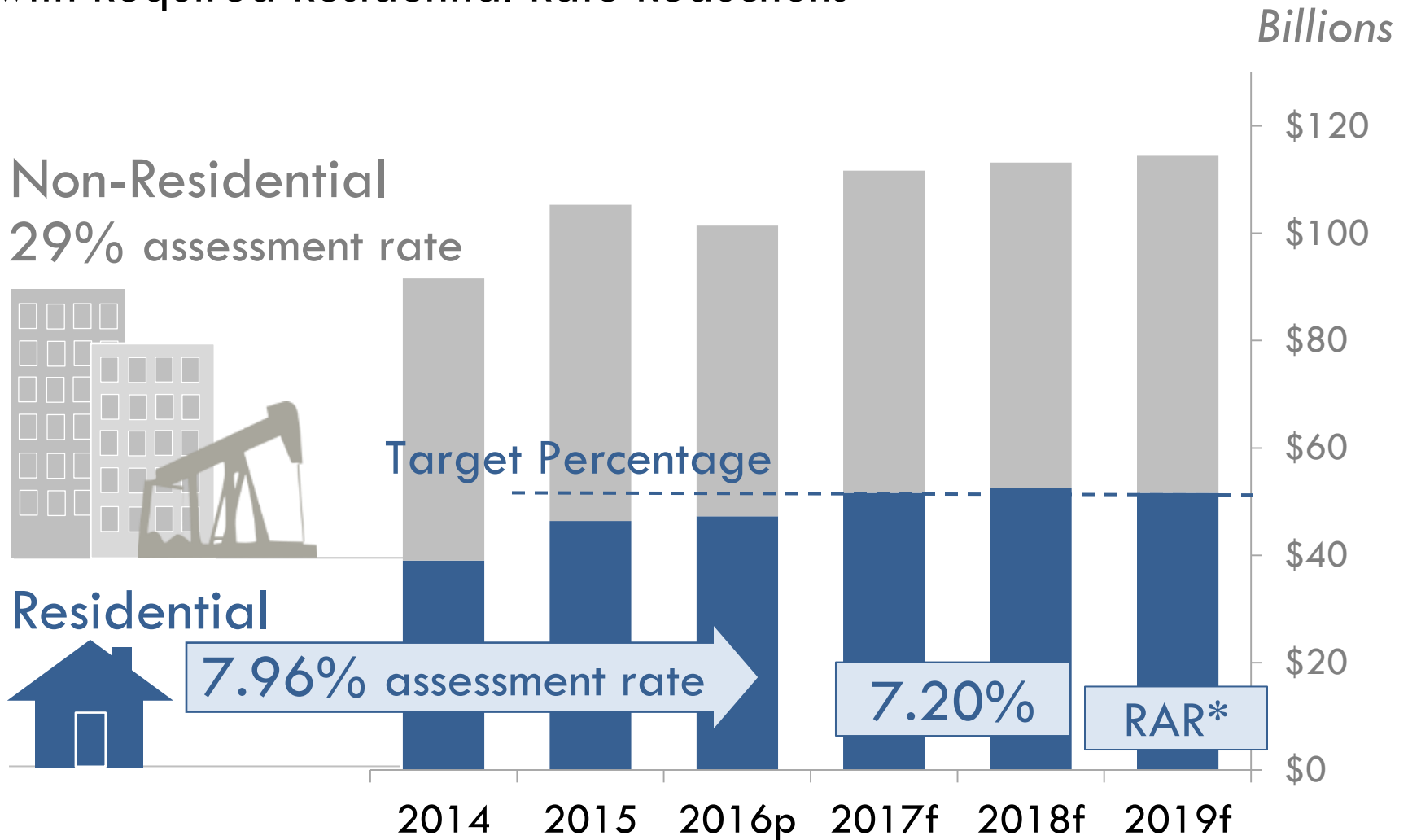
with Required Residential Rate Reductions



Source: Division of Property Taxation and Legislative Council Staff forecast.

* Legislative Council Staff will Forecast 2019 RAR in December 2017.

Assessed Values with Required Residential Rate Reductions

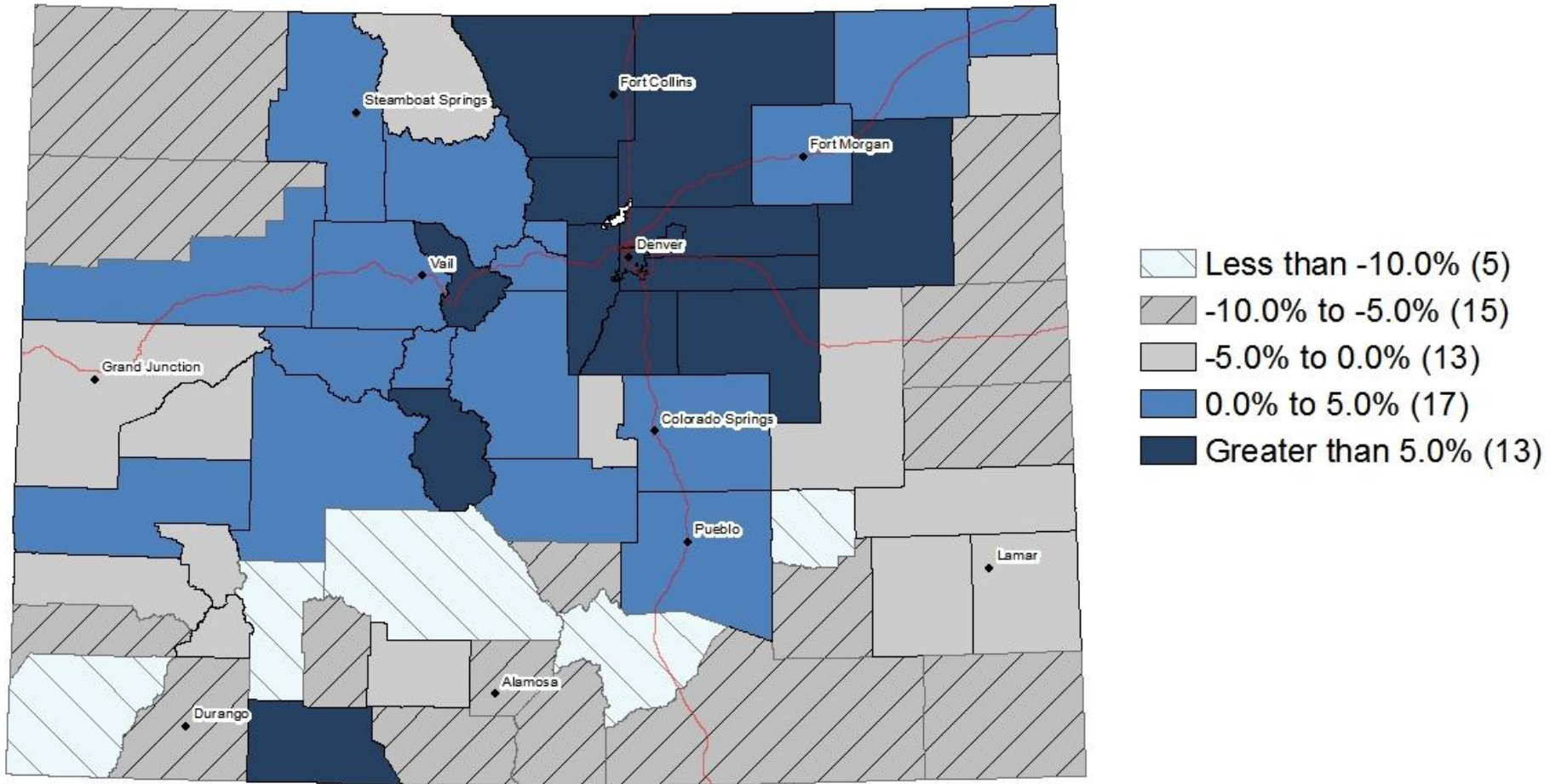


Source: Division of Property Taxation and Legislative Council Staff forecast.

* Legislative Council Staff will Forecast 2019 RAR in December 2017.

Change in Residential Assessed Values by County

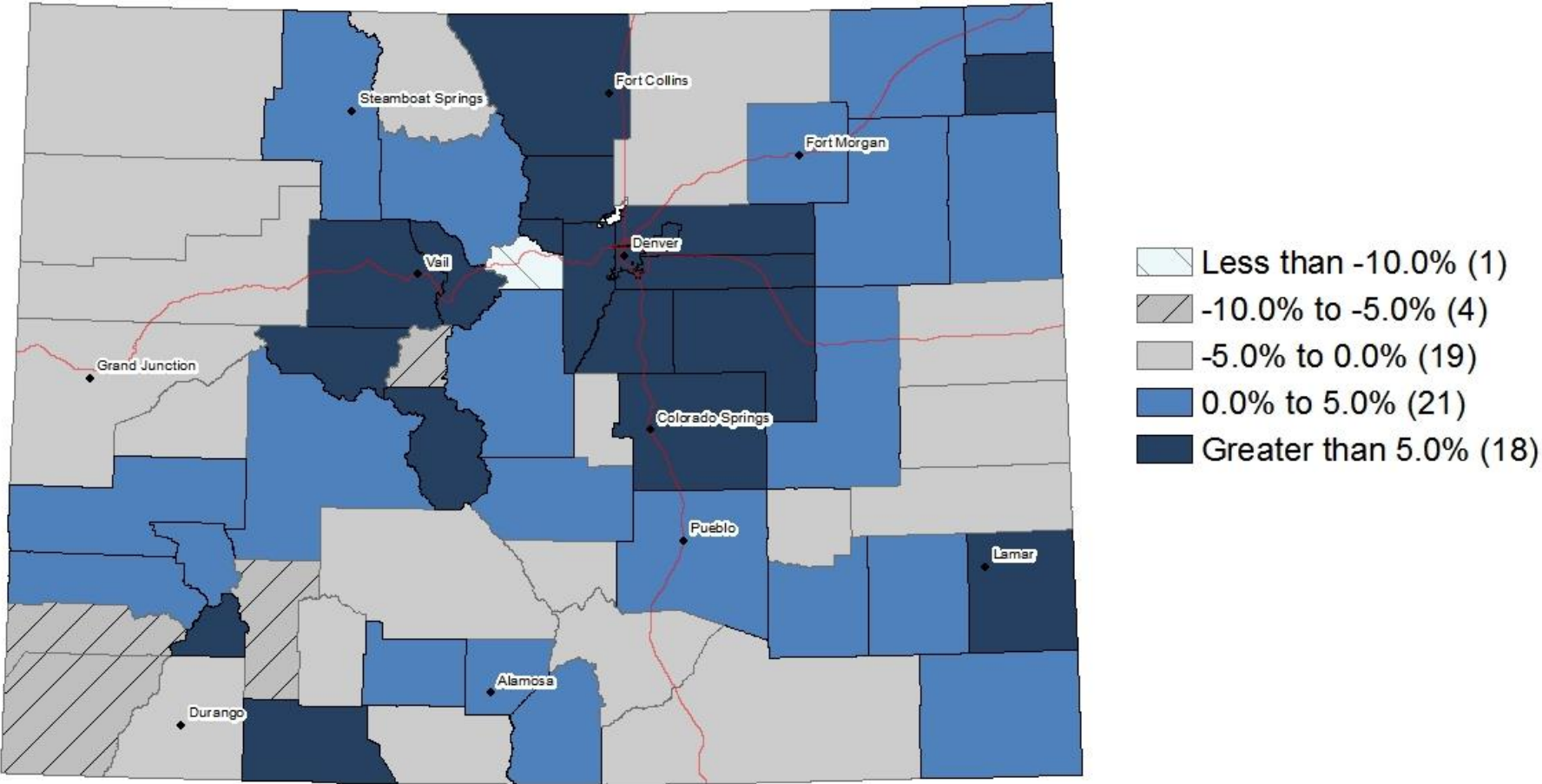
2016 to 2017



Source: Legislative Council Staff forecast.

Change in Total Assessed Values by County

2016 to 2017



Source: Legislative Council Staff forecast.

Residential Assessment Rates: Statutory vs. Calculated

<u>Years</u>	<u>Rate in Law</u>	<u>Calculated Rate</u>
1983-86	21.00%	
1987	18.00%	
1988	16.00%	
1989-90	15.00%	
1991-92	14.34%	
1993-94	12.86%	
1995-96	10.36%	
1997-98	9.74%	
1999-00	9.74%	9.83%
2001-02	9.15%	
2003-04	7.96%	
2005-06	7.96%	8.71%
2007-08	7.96%	8.19%
2009-10	7.96%	8.85%
2011-12	7.96%	8.77%
2013-14	7.96%	9.13%
2015-16	7.96%	8.24%
2017-18	7.20%	

Source: Division of Property Taxation.

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