

REINING IN PROPERTY TAXES: THE VOTERS' CHOICE AT THE 2024 BALLOT

The property tax burden on middle-income Coloradans has grown at a staggering rate. Property taxes alone account for 17% of the increase in household expenses this year.

Three measures must be understood to determine the best pathway forward for Colorado.

WHAT ARE THE MEASURES?

- ✓ **Initiative 50** creates a statewide property tax revenue growth limit of 4% starting in 2025 and requires statewide voter approval to exceed it. This measure has qualified to appear on the 2024 ballot.
- ✓ **Initiative 108** reduces statewide assessment rates for residential and non-residential properties except mining and oil and gas. It also requires that the state backfill revenue losses to local governments. This measure is awaiting final approval to appear on the 2024 ballot.
- ✓ **Senate Bill 24-233** establishes separate assessment rates for school districts and non-school districts and reduces statewide assessment rates for residential and commercial and agricultural properties. It establishes a revenue growth cap for taxing entities other than school districts, and home rule municipalities and requires a backfill to local governments. This bill passed earlier this year but takes effect only if Initiatives 50 and 108 fail.

WHAT IS THE IMPACT ON YOUR PROPERTY TAX BILL?

For the average homeowner in Colorado with a \$560,000 house, assuming no home value change in 2025 cycle, estimated property taxes would be:			
	Current Bill	First Year of Implementation of Initiative 108 (2025 Tax Year)	Difference
Law Prior to SB24-233	\$2,877	\$3,405	+ \$528
SB24-233 Tax		\$3,229	+ \$352
2023 Rates Held Constant		\$2,877	\$0
Initiative 108 Tax		\$2,714	-\$163

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KEY FINDINGS:

Property taxes have grown at twice the rate of population plus inflation over the past three decades. Colorado taxpayers experienced a \$2.4 billion or 19% statewide increase in their total property tax burden this year, increasing 4 times faster than population plus inflation.

- **Impacts to the taxpayer** – Initiatives 108 and 50 provide the largest potential for property tax relief. Under Initiative 108 the average homeowner will see over \$510 in savings between 2024 and 2026.
- **Impact on school funding** – Funding for education under constitutional requirement will remain unchanged under each measure.
- **Impact on state budget** – The impact of Initiative 108's local government backfill requirement on the state budget will depend on legal interpretation. The latest fiscal summary from legislative council staff estimates the state budget obligation for non-school local districts to be between \$0 and \$1 billion.

2023 Property Tax Year Increase



19%

Fastest increase since 1974



\$2.4 billion

Total Revenue Growth



\$304

Inflation adjusted revenue increase per Coloradan



\$1,225

Per student revenue increase



4X

Higher than Population + Inflation Growth