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Property Tax in Colorado Post Gallagher:

What Can Be Understood From Other States?

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About the Authors

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About Common Sense Institute

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise in Colorado and aims to have an impact on the issues that matter most to Coloradans.

CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Colorado economy and individual opportunity.

Common Sense Institute was founded in 2010 originally as Common Sense Policy Roundtable. CSI's founders were a concerned group of business and community leaders who observed that divisive partisanship was overwhelming policymaking and believed that sound economic analysis could help Coloradans make fact-based and *common sense* decisions.

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Executive Summary

At the November 2020 election, Colorado voters approved Amendment B, a constitutional ballot measure which repealed a key formula that has controlled the state's property tax system for almost 40 years.

In the short term, passage of Amendment B has frozen Colorado's current system in place. However, it is possible – if not likely – that further reforms will be proposed and debated in the years to come. With this in mind, a logical place to start these discussions is by reviewing how Colorado's property tax system compares to the systems in place in other Western states.

In this study, the Common Sense Institute (CSI) conducted a detailed review of the following seven state property tax systems: Colorado, Arizona, California, Idaho, Texas, Utah and Wyoming.

Further, the analysis looks at each state across **six critical areas of property tax policy.**

1. Are Property Tax Rates Determined at Local or State Level?
2. Does Each Type of Property Pay Equivalent Tax Rates?
3. Are There Established Formulas That Limits Growth Rates in New Revenue or Taxes?
4. Are Tax and Assessment Rates Fixed or Do They Fluctuate Based on Budget Demand?
5. Does the State Require Some Minimum Level of Funding for Education from Local Area?
6. Where Does Local Property Tax Revenue Get Spent?

While there are many points of similarity along with major differences across these 7 states, some **key findings** include:

- Each state taxes different types of property (i.e., residential, commercial, agricultural, mineral etc.) at different effective tax rates. This is done through establishing different assessment rates across property types, or through the offering of exemptions that partially or wholly exempt value of certain property types from taxation.
- In Colorado, the state property tax assessment rate for commercial property is 300% – i.e., 4 times – higher than residential property. This is the widest margin between commercial and residential property tax assessment rates observed across all seven Western states examined in this study.
- By comparison, Arizona and Utah have the next widest margin – roughly 80%, less than 2 times – between state assessment rates for commercial property and residential property.
- Three states – California, Idaho and Texas – do not set different statewide assessment rates for different classes of property. However, a number of

exemptions exists that result in a lower effective tax rate for residential property than other property classes.

- Out of the seven states studied, only Texas gave local governments explicit flexibility to adjust assessment rates for different classes of property through exemptions. Under Texas law, these local exemptions are limited to 20% or less of a property's market value. As a result, the taxable value of single-family residential property, including individual exemptions, is 78.1% of market value within Texas school districts.
- All of the seven states studied limit the growth in property taxes through one or more restrictions, including tax rate caps, revenue caps, annual growth restrictions or taxpayer notifications.
- With the exception of Idaho, all of the states studied require a minimum level of local property tax revenue to be dedicated towards public education.
- While all states have some form of special taxation districts, Colorado has the highest percentage of revenue going towards special districts, which provide a range of services including fire protection and water and sewer infrastructure.

These observations suggest that even after the passage of Amendment B, further structural reforms are likely to be pursued by state policymakers and taxpayers.

While some components of Colorado's property tax system are largely consistent with those of other Western states, other components continue to be out of step. To be certain, it may be argued that some of these differences produce competitive advantages for our state economy, businesses and working families. However, there may also be competitive disadvantages that result in Colorado losing jobs and investment to other Western states, among other negative economic impacts.

No matter where individual policymakers, constituencies or citizens stand on the issue of property taxation, the outcome of this debate is too important to leave to chance. Given the pivotal role that property taxes play in supporting essential services in our state, it is essential that the debate over potential reforms be guided by the facts. This study aims to start the discussion on the right path.

Introduction

For the first time in almost four decades, Colorado voters have approved a major reform in the way property taxes are assessed. In the November 2020 election, by a margin of 57.5% to 42.5%, voters passed Amendment B, removing a key formula from the Colorado Constitution which had controlled the state's property tax system since 1982.

The 1982 formula, known as the Gallagher Amendment, applied a fixed ratio to the amount of revenue collected from residential and non-residential property classes. However, over the course of almost four decades, the amount and value of residential property in Colorado grew much faster than all other property classes.

To maintain the fixed ratio, the share of residential property subject to taxation in Colorado was automatically lowered by the Gallagher formula, from 21% in 1983 to 7.15% in 2020. However, the Gallagher formula kept the share of non-residential property subject to taxation fixed at 29% over the same timeframe, which produced a number of unintended consequences.

One of which was a major increase in the relative property tax burden for non-residential property classes, including restaurants, retail stores, office buildings, industrial parks and agricultural land. In 1983, for example, the Gallagher formula required that an average business pay 38% more in property taxes than a residence of the same value.

By 2020, however, the Gallagher formula set business property tax rates four times higher than residential property tax rates. **Moreover, if Amendment B had failed and the Gallagher formula remained in effect, it was estimated that business property tax rates would increase again in 2021 to almost five times the residential level.**

Another result of the Gallagher formula was reducing the size of the local tax base in many communities, particularly in rural Colorado. This was a major concern because property taxes are a critical source of funding for K-12 schools, fire departments, hospitals and many other essential services at the local level. In 2019, for example, property taxes generated more than $11 billion in revenue across Colorado, which is more than the state generates from personal and corporate income taxes combined.

For this reason, the Gallagher formula was viewed as a threat to local budgets and a major source of uncertainty for local communities. For example: before the passage of Amendment B, a coalition of state and local business groups estimated more than $650 million in cuts to local services in 2021 due to the Gallagher formula. It also created a growing burden on the state budget through education funding requirement. Two credit rating agencies, Moody's and Fitch, both indicated that the passage of Amendment B was a positive for the state's credit rating given that less state funding would likely be needed in future to backfill education expenses.[iii]

In connection with Amendment B, state lawmakers approved a moratorium on changes to statewide assessment rates – SB20-223. In effect, this means statewide assessment rates – which determine the percentage of a property's value that local governments, school boards and other special districts are allowed to tax – are now frozen at their current levels in Colorado: 7.15% for residential property and 29% for most other kinds of non-residential property.

Figure 1

Differing Assessment Rates by Property Type in Colorado

Property types		Assessment rate		Assessed value		Statewide average mills		What is paid
Residential property value $100,000	→	7.15%	→	$7,150	→	.81%	→	$579
Commercial and other property value $100,000	→	29%	→	$29,000	→	.81%	→	$2,349
Oil & Gas property value $100,000	→	88%	→	$88,000	→	.81%	→	$7,128

Going forward, changes to assessment rates would require statutory changes initiated by either the legislature or at the ballot. Due to the TABOR provisions of the Colorado Constitution, any increase would require approval from voters. Therefore, at a minimum, the repeal of the Gallagher formula and the moratorium on changes to statewide property tax assessment rates will stabilize the state's property tax system – and the services funded by property taxes – at least in the near-term.

At the same time, however, the passage of Amendment B is likely to spur further discussion and debate over more improvements to the Colorado property tax system beyond the current freeze in statewide assessment rates. For example: The advocacy group Colorado Rising State Action has proposed an initiative for the 2022 ballot which would reduce the residential assessment rate to 6.5% and the commercial assessment rate to 27%.

In short, lawmakers and voters may soon be asking themselves: **Is the current system satisfactory or are there better alternatives?** Through this study, the Common Sense Institute seeks to inform discussions over the future of Colorado's property tax system.

Colorado’s Property Tax System: Before and After Amendment B

Colorado property taxes are determined using a two-year cycle process that is partially controlled by the state and partially controlled by local taxing authorities, such as cities, counties and school districts. The amount of property tax due is determined in the following manner:

Actual Value x Assessment Rate x (Mill Levy/1000) = Property Tax Due

Before the passage of Amendment B, the assessment rate for residential property – which represents approximately 80% of all property value in Colorado – was variable and depended on the workings of the Gallagher formula. Under the formula, statewide assessment rates could be changed at the start of every two-year property tax cycle, injecting considerable uncertainty into Colorado’s property tax system.

For example, in the 2017-18 and 2019-20 property tax cycles, the Gallagher formula reset residential assessment rates consecutively. If Amendment B had not repealed the Gallagher formula, state officials predicted a third successive reset would have occurred in the 2021-22 property tax cycle. Altogether, **these three successive changes in assessment rates could have cut the amount of residential property value subject to taxation in Colorado by 26%, in less than six years.**

Today, following the passage of Amendment B, the residential assessment rate is fixed, just like non-residential property. This provides a significant measure of certainty for local communities and other stakeholders, because now there are only two variables in Colorado’s property tax formula – actual values and local mill levies – instead of three. This will likely make budgeting more predictable at the local level and also reduce the need for local mill levy increases. Given the higher assessment rate for businesses, this means property tax increases that have four times the financial impact on businesses for an equivalent value to residential property owners are less likely to occur.

However, the benefits of this stability must be weighed against other potential consequences, including:

Impacts on residential property tax bills

This issue was discussed at length during the campaign over Amendment B. By keeping the residential assessment rate fixed at 7.15%, instead of allowing future reductions under the Gallagher formula, a relatively larger share of residential property value will be subject to local mill levies than prior to the passage of Amendment B. Therefore, if the value of residential property increases, then it is possible that individual homeowners will pay higher property taxes and see their taxes go up faster than they otherwise might have.

However, it should be noted that local mill levies are not static. They can be reduced by local governments, school boards and other special districts in response to projected revenue increases. In many cases, these reductions are required under TABOR or other statutory limitations. For this reason, discussions concerning potential residential property tax increases should not overlook all the other factors at play besides the fixed assessment rate of 7.15%.

Continued disparity between residential and business property tax rates

Voter approval of Amendment B prevented businesses from paying five times the tax rate applied to residential property. But the current freeze still leaves businesses paying four times the residential rate. In some communities, including Denver and Colorado Springs, this means businesses are paying much higher effective property tax rates than businesses located in major cities like New York, Los Angeles and San Francisco.[iii]

This level of business property taxation may negatively impact Colorado's competitiveness with other states for job creation and capital investment, particularly in certain parts of the state with a relatively higher share of commercial property. When discussing the future of Colorado's property tax system, residents should remember the assessment rate of 29% was set in the early 1980s; a vastly different economic climate than what is observed today.

Figure 2 shows the difference in effective tax rates for an equivalent $100,000 in property value for primary residential and commercial properties across 6 of the 7 states. California assessors do not collect or report actual market values by property type.

Figure 2

Effective Tax Rate for $100,000 in Differing Property Type Value			
	Residential effective tax rate	**Commercial Effective Tax Rate**	**Commercial Rate as % of Residential Rate**
Arizona	0.98%	1.55%	159%
Colorado	0.58%	2.37%	406%
Idaho	0.64%	1.31%	205%
Texas (School District Only)	1.06%	1.35%	128%
Utah	0.67%	1.22%	182%
Wyoming	0.65%	0.79%	121%

Estimates derived from statewide average mill levy/tax rates and taxable value by type for states w/o assessment rates.

Tension between statewide assessment rates and unique local conditions

There are more than 4,100 local tax authorities in Colorado, including school districts, cities, counties, fire protection districts, metropolitan districts and hospital districts.[iv] Each have distinctive boundaries and a unique mix of residential and non-residential property that contributes to their respective local tax bases.

One of the criticisms against the Gallagher formula was that assessment rates would reset automatically and without regard for the wishes of local communities. This was largely because the Gallagher formula was intended to maintain a fixed statewide ratio for the amount of tax revenue collected from residential and non-residential property classes.

Gallagher's fixed statewide ratio failed to account for the wide variation in local tax bases across the state. Many local tax districts have a mix of homes and businesses that looks very different than the statewide totals for these property classes. But the Gallagher formula effectively assumed all communities had the same property tax base as the entire state, just on a smaller scale. For this reason, rural communities – which typically have less commercial property than urban and suburban communities and have not experienced the same level of residential property growth as urban and suburban communities – were disproportionately impacted.

While some communities may welcome the repeal of the Gallagher Amendment and the stability this brings, the assessment rates now in place for residential and non-residential property are still statewide in nature. It is possible that with stable statewide assessment rates, the use of local mill levies may give communities sufficient control over their respective tax bases to succeed economically and maintain funding for essential public services.

However, it is also possible that the fixed statewide assessment rates of 7.15% for residential property and 29% for non-residential property may not allow the flexibility that some communities seek when it comes to shaping their own property tax bases.

To be clear, these and other potential consequences may not come to pass, and if they do, it does not necessarily mean that better alternatives will be identified and pursued. However, in the event that policymakers, stakeholders, and the general public decide to review potential alternatives, the discussion may center on a number of structural elements that already exist in Colorado and other Western states.

Property Tax System Comparisons Across Western State

The process for determining property taxes is complex and varies across states. While homes and non-residential properties exist in every state, the tax systems that arrive at the final collected amounts of revenue vary. As Colorado examines potential paths forward, it is important to note that property tax structures across states all have tradeoffs, thus there is no silver bullet.

However, the steps along the way to reach the final tax requirement follow a sequence of related steps that are all similar in each state.

- Define the type of property that is subject to taxation.
- Determine how much of the total value of property is subject to taxation.
- Determine the taxing authorities that are legally able to apply a tax.
- Determine the tax rate charged by each taxing authority.

Along with determining the manner with which properties are taxed, there are also often statutory or constitutional parameters that limit or restrict different aspects of the collection process. Those different areas of limitation include.

- Whether different classes of property are, or can legally be taxed at different rates.
- The amount of annual growth for assessment rates.
- Limitation on growth in assessed values for each property.
- Limitations on growth rates in mills or district tax rates.
- Limitations on growth rates of revenue collection by district.
- Required minimum levels for local tax revenue contributions towards education funding.

While these steps may capture the general process of determining property taxes, the actual manner with which any state actually taxes property is far more complex. The following set of tables outlines several key dimensions to property taxation across seven western states often viewed as competitors or peers to Colorado.

<u>Key Dimensions to State Property Tax Systems</u>

1. Are Property Tax Rates Determined at Local or State Level?
2. Does Each Type of Property Pay Equivalent Tax Rates?
3. Are There Established Formulas That Limits Growth Rates in New Revenue or Taxes?
4. Are Tax and Assessment Rates Fixed or Do They Fluctuate Based on Budget Demand?
5. Does the State Require Some Minimum Level of Funding for Education from Local Area?
6. Where Does Local Property Tax Revenue Get Spent?

Are Property Tax Rates Determined at Local or State Level?

The amount of property tax due for each taxable property is primarily determined by two factors:

1. The taxable value of the property
2. The sum of all tax rates for districts that cover the property

How these two factors are governed in each state varies slightly, however one important dimension to consider is whether those rates are set by the state or by the local district. Figure 3 gives a summary on the degree to which each of these two aspects of state property taxes are determined by the state or local government.

Key findings

- All seven states have assessment rates that apply uniformly across entire state.
- Six of the seven states studied allows each taxing district to establish their respective mill levy or tax rate within other legal constraints.
- California is only state with a fixed starting tax rate set by the state government. However, the state allows for several other types of voter approved taxes to be applied to local property on top of the base rate.

Figure 3

Are Property Tax Rates Set at Local or State Level?
Comparison of Statewide vs Regional Tax Rates

State	Assessments	Tax Rates
Arizona	State - There are nine legal classes of property, each with a different statewide assessment rate.	Local - Mill levies are set by each local taxing districts, within certain restrictions on growth rates and levels.
California	State - The assessment process is distinct for real property compared to personal property and state assessed property.	State and local - Proposition 13, 1978, established a 1% tax rate applied to all assessed property value. There may be additional tax rates for local voter-approved debt, additional assessments, Mello-Roos taxes and Parcel taxes.
Colorado	State - With passage of Amendment B in fall of 2020, Colorado will have fixed statewide assessment rates.	Local - Mill levies are set by each local taxing districts, within certain restrictions on growth rates and levels.
Idaho	State - All property in Idaho is assessed at 100% of market value prior to exemptions.	Local - Mill levies are set by each local taxing districts, within certain restrictions on growth rates and levels.
Texas	State - Generally, all property is assessed at 100% of market value prior to exemptions.	Local - Mill levies are set by each local taxing districts, within certain restrictions on growth rates and levels.
Utah	State - The Utah constitution requires all property to be assessed at 100% of fair market value prior to exemption.	Local - Mill levies are set by each local taxing districts, within certain restrictions on growth rates and levels.
Wyoming	State - Wyoming has statewide assessment rates for different property types set in statute.	Local - Mill levies are set by each local taxing districts, within certain restrictions on growth rates and levels.

Does Each Type of Property Pay Equivalent Tax Rates?

Every taxing district charges a single tax rate on all taxable property value within their boundaries. However, it is not always the case that the assessed value of the property being taxed is equivalent to its current market value. Therefore, while each property is subject to the same tax rate from each taxing district, certain properties will have different effective tax rates, as their tax bill will be a different percentage of their market value based on their taxable assessed value as a percent of their market value.

States and local governments lower the assessed value of a property relative to its market value in two ways:

1. Varying assessment rates across property types.
2. Varying partial or entire exemptions of property value by either class or status of property owner/occupant.

For public policy purposes there may be very legitimate reasons why laws have been created to modify the assessed value of property relative to its market value. As an example, an owner-occupied residential property does not generate an annual income for the owner in the same way commercial property or oil and gas production does. Therefore, whether by changing statute, or through the existence of a set formula, the amount of taxable value relative to market value is an area of property tax policy which changes most frequently.

Figure 4 offers a summary of how assessed value relative to market value differs across states.

Key findings

- Four of the seven states studied establish statewide assessment rates that differ across different property types. The other three states apply some property tax exemptions that establish a difference between the actual value and assessed value of certain property types.
- The largest property type exemption offered in states that assess property at 100% of actual value is for primary residences.
- All four of the states with different assessed rates for different property classes have a lower assessment rate for residential property relative to other property types.
- Colorado has the widest margin between the residential assessment rate and all other property assessment rates. This means that relative to the sum of the market value of residential property, this class provides the lowest relative share of revenue to other property types.

Figure 4

Does Each Type of Property Pay Equivalent Effective Tax Rates? Single/Multiple Classes of Property		
State	**Summary**	**Use of Property Type Exemptions**
Arizona	No - Arizona has nine legal classes of property types, each of which are assessed at unique statutory rates.	Arizona law does include 22 general property type exemptions the cover different property types and two individual exemptions for qualifying veterans, disabled persons and widows and widowers.
California	No - Real properties are assessed in a different manner from personal property and state assessed property. Taxable real properties are assessed by the value acquisition system, which is based upon a restricted growth rate that is applied to the property value at the time of sale. Personal property and state-assessed property are assessed at current market values. All taxable properties are subject to a 1% tax rate along with additional local taxes.	California offers a general exemption for homeowners, and individual exemptions for veterans, nonprofit and religious organizations, public schools and colleges, lessors, personal property, and others.
Colorado	No - There are four different assessment rates used across Colorado's 9 different property types.	Colorado property tax code does include several individual exemptions for properties owned and used for religious, charitable and private school purposes. It has some exemptions for qualifying seniors and disabled veterans.
Idaho	No - Idaho assesses all property at 100% of market value. However, there is a large exemption for primary residential property.	In Idaho there is a home-owners exemption of 50% of the value of a home and up to one acre of land with a limit of $100,0000 for primary residences. There are also several other tax reductions offered to qualifying groups of people such as veterans, widows, persons with disabilities, seniors along with other categories.
Texas	No - Texas assesses all properties at 100% of market value. However, state law offers many full and partial exemptions for property owners.	Texas offers a residential homestead exemption of $25,000 for primary residences in school districts. Local governments can increase this exemption and apply to other taxing districts up to 20% of property value. Other exemptions cover inherited residence homesteads, seniors, veterans, solar and wind-energy devices and charitable businesses and organizations.
Utah	No - Utah assesses all properties at 100% of fair market value. However, it also allows the legislature to exempt up to 45% of the fair market value of residential property. Rental properties are eligible for the exemption, but second homes are not.	In Utah, along with the 45% exemption for residential property value, there is a Veteran's exemption, a blind exemption, an indigent abatement and deferral and senior circuit breaker.
Wyoming	No - Wyoming currently has 4 different assessment rates across 6 property types.	The State of Wyoming currently has three property tax relief/credit/deferral programs available for qualifying veterans, disabled persons, seniors and low-income households.

Are There Established Formulas That Limits Growth Rates on Revenue or Taxes?

Along with laws that establish the fundamentals for how property taxes are determined, there are also a set of laws that often establish limitations to the fundamental structure. Often those laws fall under the general category of Truth-in-Taxation laws. While these laws vary from state to state, they generally cover a similar set of limitations intended to improve accountability, transparency and to restrict the growth in property tax revenue relative to the property value.

- Annual growth rates for district tax rates
- Annual growth rates for district revenue
- Annual growth rates in assessed values for individual properties
- Tax rate caps
- Notification of taxpayers on proposed changes to rates
- Voter approval or denial of proposed rates, and voter approval.

Coloradans are very familiar with the provisions of TABOR that limit the annual growth in revenue for both state and local governments and requires voter approval for tax increases.

The interaction of the Gallagher formula and TABOR resulted in a falling residential assessment rate and severe revenue reductions in some parts of the state over the years. As a result, many local property tax districts have received approval from voters to override one, or both limitations of TABOR. Therefore, while TABOR remains an integral part of the state's constitution, it currently has varying impacts on local property tax decisions.

Key findings

- All states apply at least one limitation to the growth of property taxes across the different possible growth areas.
- None of the other six states reviewed had a similar formula to the repealed Gallagher amendment which maintained a fixed ratio of residential property tax revenue relative to other property classes.
- Colorado and California are the only two states that do not allow tax rates to increase without voter approval. However, most Colorado tax districts have received voter approval to at least partially over-ride this limitation. Many of the voter approved taxes in California can increase based on budget demand without further approval.
- Several states require notification, and public hearings in the event a local tax district proposes a rate increase.

Figure 5

Are There Established Formulas That Limits Growth Rates in New Revenue or Taxes?				
State	**Assessment Rates or Value**	**District Rates**	**Total District Revenue**	**Tax Rate Notification Requirements**
Arizona	Yes - Property type assessment rates are set in statute and only adjust through legislative action. The annual growth in the assessed value of each property is restricted to the Limited Property Value (LPV) which caps the annual growth rate at no more than 5% and the LPV cannot exceed the Full Cash Value (FCV).	Yes - The combined primary tax from all jurisdictions of Legal Class 3 property may not exceed 1% of their combined Limited Value.	Yes - The Arizona Constitution limits the growth in property tax revenue for each district to no more than 2% per year, excluding the value of new construction.	Yes - If a county, city, or town proposes to increase the primary property tax levy over the prior year, the governing body must publish notice of the tax increase twice in the newspaper, issue a press release containing the truth in taxation notice, and hold a truth in taxation hearing.
California	Yes - Real property assessment value for each property grows annually by 2% or inflation, whichever is lower, starting with the acquisition value or last purchase price. Other properties are assessed at their current market value.	Yes - All property is subject to a cap in the tax rate of 1%. Certain other smaller taxes including voter approved taxes can be in addition with no overall cap.	No - There are no fixed limits to annual growth rates in total revenue by district.	No - There is no uniform requirement on notifications.
Colorado	Yes - TABOR restricts the increase in assessment rates, through requiring a vote of the people.	Yes - TABOR restricts increases to district mill levies, however a majority of local districts have received voter approval to increase mills under certain circumstances without going to a vote.	Yes - There is a statutory limit, separate from TABOR, which restricts most statutory local governments by prohibiting the annual growth in new property tax revenue to no more than 5.5%. Home rule municipalities are exempted.	No - There is no uniform requirement on notifications aside from where voter approval is still required.
Idaho	Yes - All property is assessed at 100% of market value. Exemptions to further limit the assessed value would need to be set by the state legislature.	No - No legal limit to how much a single property tax bill can increase.	Yes - Each taxing district cannot increase the property tax portion of their budget by more than 3% outside of new voter approved revenues or new construction.	No - There is no uniform requirement on notifications.
Texas	Yes - All property is assessed at 100% of market value. Exemptions are statutory. Barring improvements, the appraised value for tax purposes cannot increase more than 10% annually.	Yes - Texas has a formula for 'rollback' rates. If a proposed tax rate goes above a specific rate it may either automatically trigger a rollback election, or prompt a citizen led election.	Yes - 2019 legislation will now restrict annual district revenue growth to no more than 3.5% annually. School districts are limited to 2.5%.	Yes - Required to make voters aware of tax increases.
Utah	Yes - The Utah Constitution requires all property to be assessed at 100% of fair market value. The effective assessed value after exemptions, has been adjusted by the state legislature.	Yes – In Utah, taxing entities are required to disclose proposed rate increases and hold public hearings if the new rate is more than a 'certified tax rate'. There are also maximum tax rates for different taxing entities.	No - The overall growth in district revenue is impacted by the calculation of the certified tax rate, but there is no set cap.	Yes - If the taxing entity proposes a property tax rate more than the certified tax rate, it must provide notice to individual property owners and hold a public hearing.
Wyoming	Yes - Assessment rates are set by state statute	Yes - There are both minimum and maximum mill levy requirements for different districts but no fixed limit on growth rates.	No - There are no fixed limits to annual growth rates in total revenue by district.	No - There is no uniform requirement on notifications.

Figure 6

Assessment Rates by Property Type							
Arizona		**Colorado**		**Utah**		**Wyoming**	
Property type	Assessment rate	Property type	Assessment rate	Property type	Assessment rate	Property type	Assessment rate
Legal Class 1	18%	Vacant	29%	Primary Residential	55%(with type exemptions)	Agricultural	9.50%
Legal Class 2	15%	Residential	7.15%	Commercial & Industrial	100%	Residential	9.50%
Legal Class 3	10%	Commercial	29%	Other Real	100%	Commercial	9.50%
Legal Class 4	10%	Industrial	29%	Personal	100%	Industrial	11.50%
Legal Class 5	15%	Agricultural	29%	Natural Resources	100%	Utilities	11.50%
Legal Class 6	5%	Natural Resources	29%	Utilities	100%	Natural Resources	100%
Legal Class 7	18%	Mines	25%				
Legal Class 8	10%	Oil and Gas	88%				
Legal Class 9	1%	State Assessed	29%				

Are Tax and Assessment Rates Fixed or Do They Fluctuate Based on Budget Demand?

The largest components when determining local property taxes are related to addressing the taxable assessed value and the local tax rate. However, how those factors can change differs across states.

Most taxing entities determine their property tax rate by dividing their budget by total taxable value. This means that fluctuation in tax rate can occur based on changes in either the assessed value or budgetary needs or both.

Key findings

- California is the only state with a formula for determining assessed value that starts with the most recent sales price, rather than current market value.
- In Colorado, prior to passage of Amendment B in 2020, the formula established by the Gallagher Amendment stood out for several reasons:
    - It was the only formula that adjusted assessment rates to maintain fixed ratios of assessed value across property types.
    - It was the only formula that adjusted assessment rates based on changes in value rather than through changes in statute.
- While other limitations apply, California is the only state where the local tax rate is primarily fixed and does not adjust based on local budgetary needs or changes in taxable value.

Figure 7

Are Tax and Assessment Rate Fixed or Do They Fluctuate? Set Rate/Rate Set Based on Budget Demand		
State	**Assessment**	**District Tax Rate**
Arizona	Fixed - Assessment rates are set in state statute and would only change with further legislative action.	Fluctuate - Tax levies are set by governing board of each taxing district based on budget demand. Certain state provisions limit the level and growth of each tax levy.
California	Fixed - The formula to assess property is fixed and the allowable annual growth rate of 2% or inflation does not change.	Both - The primary tax rate of 1% does not change, however certain additional mill levies may fluctuate based on the specific costs of whatever they fund.

Colorado	Fixed - Assessments are set in state statute. With the passage of Amendment B in November 2020, property type assessment rates will remain fixed, and will no longer adjust based upon the previous mechanisms dictated by the Gallagher Amendment. They will only change with further legislation.	Both - Mill levies are set by each taxing district based on budget demand. TABOR and other provisions limit the growth and level of mill levies. Mill levies exempted from TABOR can fluctuate while those subject to TABOR cannot increase without a vote of the people.
Idaho	Fixed - All property is assessed at 100% of market value. Property tax exemptions would have to change in state statute.	Fluctuate - Property tax rates are set annually by each local taxing district as a portion of anticipated budgetary needs.
Texas	Fixed - No Assessment rates. Exemptions could change in statute.	Fluctuate - Each taxing district in Texas must review budgetary needs every year in August. They adopt annual tax rates by "calculating and publishing the no-new-revenue (NNR) tax rate and the voter approval tax rate." The only exception to taxing districts setting rates before the adoption of the annual budget is for some school districts.
Utah	Fixed - Assessment rates are fixed at 100%	Fluctuate - Tax rates in Utah are set based on budgetary needs and taxable value but are subject to limitations.
Wyoming	Fixed - Property class assessment rates are set in statute	Fluctuate - Tax rates in Wyoming are set by taxing districts and approved by county assessors. The tax rate can change yearly based upon budgetary needs within specified caps and minimums in mills.

Does the State Require Some Minimum Level of Funding for Education from Local Area?

All the states evaluated in this report fund public education with both local and state funding, along with other sources. A primary objective of education funding for many states is to "equalize" funding across all parts of the state to ensure all students have similar opportunities to learn and exceed through equivalent public funding.

The primary challenge in achieving this objective can be weighing the balance of local funds compared to state funds. If the state establishes a desired amount of spending on a per-student basis for instance, then it has a financial incentive to ensure that each local district contributes a certain amount to the total, or else the state may be required to fund the desired amount in full, crowding out other state spending priorities. Therefore, a minimum amount of local funding is set by the state, to either receive the additional state funds or to simply comply with state law.

The two main ways that the seven states studied establish minimum funding requirements for education are through either mandatory minimum tax rates, or through establishing a required portion of local education funding to be provided by local property taxes.

Key findings

- Of the states evaluated, Idaho is the only state which does not have a required minimum contribution towards local school districts. California technically also does not have a mandatory minimum however its fixed 1% tax rate acts as a minimum.
- Wyoming is the only state where the state government collects additional local property taxes that are used to distributes across all school districts.

Figure 8

Does the State Require Some Minimum Level of Funding for Education from Local Area? Mandatory Minimum Property Tax Requirements	
State	**Summary**
Arizona	Yes - Arizona establishes a qualifying tax rate for each school district determined by a formula in state statute. The state also applies a state equalization tax rate to further offset state costs in some circumstances.
California	Effectively Yes - Given the universal 1% tax rate, there is no minimum required local funding support. The school finance formula establishes a way to apply state revenue to equalize education funding across the state.
Colorado	Yes - The Colorado school finance formula does establish a "Local Share" of Total Program funding and 2007 legislation established a freeze in mill levies that for most districts means the mill levy cannot drop below the previous year's mill rate. There is not a statewide mandatory minimum mill levy requirement.
Idaho	No - No uniform mandatory minimum contribution of local funding required for education.
Texas	Yes - Nearly all Texas school districts are required to have a minimum tax rate of $1 per $100 of assessed value with a cap of $1.17.
Utah	Yes - Utah statute establishes a minimum basic tax levy for school districts.
Wyoming	Yes - In Wyoming, all school districts assess 25 mills for operation costs of the district. In addition, 6 mills are required for county support of the school districts that lie within each county, and another 12 mills are required for the state school foundation fund. The county school mill levies and the foundation mills are collected and redistributed back to the districts based on a formula determined by the State Department of Education.

Where Does Local Property Tax Revenue Get Spent?

Unlike income taxes or sales taxes, revenue generated from local property taxes goes primarily to local government functions. These taxing districts, as they are often referred, include school districts, county governments, city governments along with a wide range of local districts, broadly described as special districts.

Key findings

- Arizona is the only state that has any property tax revenue allocated towards state government spending.
- Colorado has the highest percentage of revenue going towards special districts and all states have some form of special taxing districts.
- Wyoming is the only state where the state government collects additional property tax revenue to redistribute to local school districts across the state.

Figure 9

Where Does Local Property Tax Revenue Get Spent?						
State	**School**	**County**	**City/Municipalities**	**Special and other districts****	**College-related (i.e., local and community colleges)**	**State**
Arizona	48.9%	19.4%	8.9%	7.5%	11.3%	4.0%
California	53.9%	14.3%	12.4%	19.4%	X	X
Colorado	51.2%	22.7%	4.8%	20.1%	1.3%	X
Idaho	30.5%	26.7%	26.5%	14.7%	1.6%	X
Texas	54.1%	16.0%	16.4%	13.5%	X	X
Utah	57.6%	16.2%	14.1%	12.1%	X	X
Wyoming	54.1%	17.9%	1.9%	26.1%*	X	X

X indicates this taxing district does not exist in the state

*WY Foundation Program is included in this category

**Special and other districts have been conflated

Arizona Summary

Excerpts from description of Arizona property tax system from the Arizona Department of Revenue 2020 "Abstract of the Assessment Rolls."

"Since 1980, Arizona has operated under two distinct valuation bases for levying the ad valorem property tax. Every property has two values, referred to as the Limited Value and the Full Cash Value. On November 6, 2012, voters approved Proposition 117 which amended the Arizona Constitution. Under the provisions of Proposition 117, beginning in Tax Year 2015, all property taxes, both primary and secondary, are levied against the Limited Value.

Primary taxes are tax dollars generated and used for the maintenance and operation of counties, cities/towns, school districts and community college districts.

Secondary taxes are tax dollars generated and used for debt retirement, voter-approved budget overrides, and the maintenance and operation of special service districts such as sanitary, fire, and road improvement districts.

Limited Property Value (LPV)

The Limited Property Value can equal but cannot exceed the Full Cash Value of a property. Limited Property Valuations are derived on an individual parcel basis by using one of the following methods:

(a) For parcels in existence in the previous year that did not undergo modification through construction, destruction, split, assemblage or change in use, current year Limited Values are established based on the previous year's Limited Value with no more than a 5 percent increase over the prior year's Limited Value.

(b) For parcels subject to modification through construction, destruction, or change in use, and for new parcels, including those that were the result of a split or assemblage, Limited Values are established by applying a ratio of Full Cash Value to Limited Property Value of existing properties of the same use or legal classification.

The Limited and Full Cash Values of personal property (except mobile homes) and most centrally valued property are the same.

Full Cash Value (FCV)

Full Cash Value means the value determined as prescribed by statute. If no statutory method is prescribed, Full Cash Value is synonymous with market value. The valuation information displayed in this publication contains both Limited and Full Cash composite valuations for:

(a) Centrally (State) valued property, both real and personal, (utilities, mines, railroads, etc.)

(b) Locally assessed property, both real and personal.”

Links to Arizona Property Tax Data and Description –
https://azdor.gov/businesses-arizona/property-tax

2019 Arizona Annual Report –
https://azdor.gov/sites/default/files/media/REPORTS_ANNUAL_2019_ASSETS_fy19_annual_report.pdf

Arizona 2020: Abstract of the Assessment Roll –
https://azdor.gov/sites/default/files/media/PROPERTY_AbstractAssessmentRoll.pdf
https://sboe.az.gov/faq

Legal class property tax clarifications –
https://www.steptoe.com/images/content/1/5/v1/1585/2545.pdf

Figure 10

Arizona Assessed and Full Cash Value by Property Type ($ Millions)

Property Type	Total limited property value	Total full cash value	Total assessed value based on LPV	Exempt amount	Net assessed	Type as a % of total LPV	Type as a % of FCV	Type as a % of net assessed	LPV as a % of FCV
Commercial Property - General	$73,085	$98,898	$13,155	$796	$12,360	11%	11%	18%	74%
Vacant land and agricultural property	$83,849	$115,845	$12,577	$9,773	$2,804	12%	13%	4%	72%
Primary residential property	$299,963	$379,626	$29,997	$141	$29,856	44%	43%	43%	79%
Gas and electric	$27,686	$27,686	$4,983	$1,384	$3,600	4%	3%	5%	100%
Non-primary residential property	$86,038	$108,909	$8,604	$54	$8,550	13%	12%	12%	79%
Residential-rental property	$55,093	$84,284	$5,509	$66	$5,443	8%	10%	8%	65%
Shopping centers	$9,618	$11,258	$1,731	$3	$1,729	1%	1%	2%	85%
All other property values	$41,887	$48,525	$5,954	$381	$5,573	6%	6%	8%	86%
Statewide totals	$677,219	$875,031	$82,511	$12,597	$69,915	100%	100%	100%	77%

Figure 11

Arizona Property Class Types		
Property Type	**Description of Property Types and Assessment Rate**	**Assessment Rate**
Legal Class 1	Producing Mines; Standing Timber; Gas and Electric; Airport Fuel Delivery; Producing Oil and Gas; Water Utility Companies; Pipelines; Shopping Centers; Golf Courses (Commercial); Manufacturing; Telecommunications; Commercial Property – General; Commercial Personal Property – General; Electric Cooperatives	18%
Legal Class 2	Property Burdened By A Conservation Easement; Vacant Land, Agricultural, and Other Real Property; Agricultural and Personal Property; Golf Course Real Property - non-commercial; Golf Course Personal Property - non-commercial	15%
Legal Class 3	Primary Residential Property; Primary Residence of Qualified Family Member of Owner; Primary Residence Also Leased or Rented to Lodgers	10%
Legal Class 4	Non-Primary Residential, Bank Owned, or Residential Property not in Other Classes; Leased or Rented Residential Property; Child Care Facilities; Non-profit Residential Housing Facilities for Handicapped or Seniors; Licensed Residential or Nursing Care Institutions for Handicapped or Seniors; Bed and Breakfast; Agricultural Housing Residences not Included in Class Three; Residential Common Areas; Timeshares; Non Primary Residential Leased or Rented to Lodgers	10%
Legal Class 5	Railroads, Private Rail Cars, and Flight Property	15%
Legal Class 6	Residential Non-commercial Historic Property; Foreign Trade Zones; Military Reuse Zones; Environmental Technology Property; Environmental Remediation Property; Healthy Forests; Biodiesel Fuel Manufacturing; Renewable Energy Equipment, Manufacturing	5%
Legal Class 7	Commercial Historic Property -- Base Value; Commercial Historic Renovation Value (Assessed at 1%)	18%
Legal Class 8	Rented Residential Historic Property - Base Value; Rented Residential Historic Renovation Value (Assessed at 1%)	10%
Legal Class 9	Certain Improvements Located on Federal, State, County, or Municipal Property.	1%

California summary

Excerpts from description of California's property tax overview from their Board of Equalization office.

"Prior to 1912, the state derived up to 70 percent of its revenue from property taxes. The state no longer relies on property taxes as its primary source of funds—since 1933, the only property tax directly levied, collected, and retained by the state has been the tax on privately owned railroad cars. Currently, the state's principal revenue sources are personal income taxes, sales and use taxes, bank and corporation taxes, and a series of excise taxes.

Unless the California Constitution or federal law specifies otherwise, all property is taxable. Property is defined as all matters and things—real, personal, and mixed—that a private party can own. Today, it is California's counties, cities, schools, and special districts that depend on the property tax as a primary source of revenue.

Real Property is defined as: the possession of, claim to, ownership of, or right to the possession of land; all mines, minerals, and quarries in the land, all standing timber whether or not belonging to the owner of the land, and all pertinent rights and privilege; improvements—defined as all buildings, structures, fixtures, and fences erected on or affixed to the land, and all fruit, nut bearing, or ornamental trees and vines, not growing naturally, and not exempt from taxation, except date palms under eight years old. Real property, interests in real property, and taxable possessory interests are taxable in the county where they are located, regardless of where the owner lives. If a parcel of real property spans more than one revenue district, the portion lying within each district is taxable in that district.

Personal Property is defined as: all property except real property. Personal property is either tangible or intangible. Generally, all tangible personal property is taxable except where specific exemptions are provided. Tangible personal property is any property, except land or improvements, that may be seen, weighed, measured, felt, or touched, or which is in any other manner perceptible to the senses.

Secured Roll The county tax collector is responsible for preparing property tax bills. Bills for the regular secured assessment roll (generally real property) are mailed by November 1 and are due in two equal installments. The first installment is due November 1 and becomes delinquent December 10. The second installment is due on February 1 and becomes delinquent April 10. If taxes are not paid by the delinquent date, there is a 10 percent penalty. If a taxpayer receives a notice of impending default, and the taxes remain unpaid on the date the notice says they are due, the property is declared tax-defaulted. Monthly redemption penalties of 1.5 percent are added to the unpaid taxes. The property owner has the right to redeem the property by paying the taxes, penalties, and costs within five years of the date the property becomes tax-defaulted. If the property is not redeemed within five years, the property may be sold at public auction or acquired by a public agency.

Unsecured Roll Property on the unsecured roll is primarily tenant-owned personal property and fixtures (such as office equipment and machinery), boats, aircraft, and possessory interests. Property taxes on the unsecured roll are due in one payment. They are due on January 1 and become delinquent August 31. The property tax rate on unsecured property is based on the previous year's secured property tax rate. To collect delinquent property taxes on the unsecured roll, the tax collector may seize and sell the property, file suit for taxes owed, seek a summary judgment against the assessee, or file a certificate of lien."

Figure 12

California Assessed Value by Property Type		
Summary Property Tax Types	**Assessed Value**	**% of Total Assessed Value**
Secured Commercial and Industrial	$1,249,376,048,093	20.2%
Multi-family	$589,722,317,770	9.5%
Single-family	$3,176,108,578,171	51.3%
Condominiums	$498,626,528,934	8.1%
Personal Property	$211,533,899,819	3.4%
Other Properties	$466,806,093,704	7.5%

Links to California Property Tax Data and Description

California Property Tax, An Overview –
https://www.boe.ca.gov/proptaxes/pdf/pub29.pdf

California's Legislative Analyst's Office 2012 Property Tax Structure Summary – https://lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx#:~:text=Under%20California's%20tax%20system%2C%20the,%2C%20and%20other%20permanent%20structures

California State Board of Equalization 2017-18 Annual Report –
https://www.boe.ca.gov/legdiv/2017-2018/pub306.pdf

California Property Tax Exemptions -
https://www.boe.ca.gov/proptaxes/exempt.htm

California School Finance Formula –
https://www.cde.ca.gov/fg/aa/lc/lcffoverview.asp
https://ed100.org/lessons/lcff

Colorado summary

The following is an excerpt from the description of the Colorado property tax system from the Colorado Legislative Council Staff July 2020 memo "The Gallagher Amendment."

"In Colorado, all property taxes are imposed by and paid to local governments. There is no federal or state property tax. Property taxes are paid on residential and nonresidential property. Nonresidential property includes commercial, industrial, agricultural, business, and oil and gas property, among others. The largest classes of property are residential, commercial, and oil and gas properties. How are property taxes calculated? Property taxes are determined by the actual value of the property, the assessment rate or share of the property value that is taxable, and the number of mills levied by local governments. Figure 1 shows the calculation of property taxes along with examples of property taxes on residential and nonresidential properties valued at $300,000."

Figure 1
Property Tax Calculation

Example 1: Home valued at $300,000 and taxed at 100 mills

Taxable value	= Property value	×	Assessment rate	
	$300,000	×	7.15%*	= $21,450 taxable value
Property taxes	= Taxable value	×	Tax rate (Mills/1000)	
	$21,450	×	0.100	= **$2,145 owed**

Example 2: Business property valued at $300,000 and taxed at 100 mills

Taxable value	= Property value	×	Assessment rate	
	$300,000	×	29%**	= $87,000 taxable value
Property taxes	= Taxable value	×	Tax rate (Mills/1000)	
	$87,000	×	0.100	= **$8,700 owed**

**2019 and 2020 residential assessment rate.*
***Assessment rate for most nonresidential property.*

"County assessors determine the actual value of locally assessed property in their county. The division determines the actual value of large utilities and property that exists in multiple counties. The state legislature sets the RAR every two years based on requirements in Gallagher and state law. Finally, mills are a local tax rate determined by local governments, including school districts, cities, counties, and special districts. The taxable value or assessed value of a property is equal to the actual value of the property multiplied by the assessment rate. The property tax base of a given local government is the sum of all the taxable values of individual properties within its jurisdiction, an area commonly known as a taxing district.

The actual value of most real property is updated on a two-year reassessment cycle to reflect current property values. For residential property, county assessors use recent sales of similar properties to reassess every property in the county. For most nonresidential property, county assessors use recent sales, recent income, or recent cost estimates to value the property. For the 2021 reassessment cycle, county assessors will value each property as of July 1, 2020 and the property will be taxed on that value beginning January 1, 2021. The actual value will remain constant for 2021 and 2022 and be reassessed in 2023. If assessment rates do not change, the taxable value of a property will change proportionally to the change in the property's actual value. The nonresidential assessment rate for most nonresidential property is fixed at 29 percent in the Constitution, and the residential assessment rate is adjusted every two years, following the reassessment cycle based on the requirements of Gallagher."

Figure 13

Colorado Taxable Value by Property Type				
Type/Class	Assessed Value	% of Total Assessed by Type	Estimated Market Value	% of Total Market by Type
Vacant	$4,543,963,424	3.4%	$15,668,839,393	1.4%
Residential	$62,485,519,661	46.1%	$873,923,351,902	79.9%
Commercial	$40,169,383,608	29.6%	$138,515,115,890	12.7%
Industrial	$5,040,827,019	3.7%	$17,382,162,134	1.6%
Agricultural	$1,421,477,102	1.0%	$4,901,645,179	0.4%
Natural Resources	$301,259,944	0.2%	$1,038,827,393	0.1%
Producing Mines	$511,012,744	0.4%	$2,044,050,976	0.2%
Oil and Gas	$13,802,427,777	10.2%	$15,684,577,019	1.4%
Total Assessed by County Assessor	$128,275,871,279	94.6%	$1,069,158,569,887	97.7%
State Assessed	$7,296,127,349	5.4%	$25,159,059,824	2.3%
Total w Exemptions	$135,571,998,628	100.0%	$1,094,317,629,711	100.0%
Exempt Properties	$22,812,966,790			
Total w/o Exemptions	$158,384,695,418			

Links to Colorado Property Tax Data and Description

Colorado Special District – https://cdola.colorado.gov/special-districts
Colorado Counties, Inc. Resources – https://ccionline.org/info-center-library/research-miscellaneous-publications/
Colorado School Finance Formula - https://www.cde.state.co.us/cdefinance/generalinfo
DOLA Division of Property Taxation 2019 Annual Report- https://drive.google.com/file/d/1QyS0LzOrYeygHMH9dDfR2UYw0J5-apJ8/view

Idaho Summary

Excerpts are from Idaho's, "Understanding Property Tax" review.

"To understand Idaho's tax assessments and rates, the structure needs to be understood. Counties levy and collect property tax to provide local services and support for independent local taxing districts, such as cities and schools. The State of Idaho doesn't receive any property tax. Property tax applies to all nonexempt property including: Homes (including manufactured housing); Farmland; Commercial properties; Industrial properties; Business personal property (if owned by a single taxpayer and with an aggregate value greater than $100,000 per county).

The role of the Tax Commission is to oversee the property tax system and ensure compliance with state laws. The Tax Commission also determines the assessed value of operating property such as electric utility companies, railroads and railcar companies. The Tax Commission doesn't collect property tax. Each year the county assessor's office must estimate how much a typical buyer would pay for your property as of January 1. It is assessed at 100% of market value less any exceptions. One can check with their county assessor to determine what constitutes as an exemption. Generally speaking, assessors use sales prices from properties in the county to develop guidelines. They also consider features that could influence what a buyer would pay for the property. These features include size, location, quality of construction, age and condition.

Idaho law doesn't limit increases or decreases to property value from year to year

Your property value can change periodically for reasons: changes to the market value of all properties in your neighborhood; your county assessor's office discovers more accurate information.

Several factors can affect your property value. These factors include the addition of new structures or making other improvements that add value. Market conditions also can affect your property value, even if you don't make any physical changes to it.

There's no legal limit to how much any property's tax bill can increase or decrease. But each taxing district can raise the property tax portion of its budget by no more than 3% unless one or both of these apply: voters approve an increase to property tax revenue (e.g., bonds, overrides); your taxing districts apply new construction or new annexations."

Figure 14

Idaho								
Class of Property	**Taxable Value**	**Market Value**	**Taxes Charged**	**Actual Tax Rate**	**Effective Tax Rate**	**% of Total Taxable**	**% of Total Market Value**	**Taxable Value as % of Market Value**
Primary Residential: (Homeowner's Exemption)	75,118,187,688	141,465,513,537	899,509,704	1.197%	0.636%	42.9%	58.6%	53%
Other Residential: (No Homeowner's Exemption)	47,170,834,983	47,170,834,983	483,125,789	1.024%	1.024%	27.0%	19.5%	100%
Commercial	39,884,558,619	39,884,558,619	521,041,157	1.306%	1.306%	22.8%	16.5%	100%
Agricultural	4,906,510,288	4,906,510,288	49,365,409	1.006%	1.006%	2.8%	2.0%	100%
Timber	883,248,954	883,248,954	8,736,417	0.989%	0.989%	0.5%	0.4%	100%
Mining	480,590,852	480,590,852	4,321,728	0.899%	0.899%	0.3%	0.2%	100%
Operating	6,555,683,721	6,555,683,721	69,075,469	1.054%	1.054%	3.7%	2.7%	100%
Statewide Total	174,999,615,105	241,346,940,954	2,035,175,763	1.163%	0.843%	100.0%	100.0%	73%
Total Urban	105,477,861,993	131,071,687,231	1,410,958,679	1.338%	1.076%	60.3%	54.3%	80%
Total Rural	69,521,753,112	81,836,462,702	642,216,994	0.924%	0.785%	39.7%	33.9%	85%

Links to Idaho Property Tax Data and Description

Idaho State Tax Commission

Understanding Property Tax – https://tax.idaho.gov/i-1129.cfm

Market Value Reports - https://tax.idaho.gov/search-reports.cfm?ch=EPB00132

2019 Annual Report – https://tax.idaho.gov/reports/EPB00033_12-16-2019.pdf

Property Tax Reductions – https://tax.idaho.gov/i-1052.cfm

Utah summary

Excerpts are from the "Utah Property Tax Annual Statistical Report."

"Property Value with the exception of state-assessed properties, county assessors value all taxable real property and personal property which are collectively referred to as locally assessed property. The Property Tax Division of the State Tax Commission values utilities, mines and railroads, which are collectively referred to as centrally assessed property.

All taxable property in Utah is valued at 100 percent of its fair market value, based upon its location and status as of January 1st of each year. Fair market value less any exemptions equals taxable value. Taxable value is the value against which the tax rate is applied to compute taxes charged.

Fair market value means the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.

See Utah Code Annotated Section 59-2-103. 3 See Utah Code Annotated Section 59-2-501 through 516. 4 Age based fees are not based on market value. Numbers in this report are converted to an estimated market value. This value per Administrative Rule R884-24P-60(M) is calculated by dividing age-based revenues by 0.015.
Currently, primary residential properties receive a 45% exemption. Primary residential property is any dwelling used as a person's primary residence, including condominiums, apartments and rental property, and includes up to one acre of land. The taxable value of all other properties, except some agricultural land, is assessed at 100% of fair market value. Utah motor vehicles are charged a fee-in-lieu of property taxes which is identified throughout this report as "fee-in-lieu." This report addresses taxable value.

The relationship of taxable value to fair market value is illustrated in the table below."

Figure 15

Utah Taxable and Market Value by Property Type					
Class of Property	**Taxable Value**	**Market Value**	**% of Total Taxable Value**	**% of Total Market Value**	**Taxable Value as a % of Market Value**
Primary Residential Commercial	$161,294,773,746	$293,263,224,993	26%	28%	55%
Commercial	$69,264,564,495	$69,264,564,495	11%	7%	100%
Other Real*	$38,860,173,312	$38,860,173,312	6%	4%	100%
Personal	$1,903,534,573	$19,035,345,753	0.3%	2%	10%
Natural Resources	$9,778,940,171	$9,778,940,171	2%	1%	100%
Utilities	$17,342,823,185	$173,428,233,185	3%	17%	10%
Statewide w/o Motor Vehicle	$315,576,620,662	$447,545,071,909	51%	43%	71%
State Total	**$614,021,430,144**	**$1,051,175,553,818**	**100%**	**100%**	**58%**

Links to Utah Property Tax Data and Description

Utah Property Tax Annual Statistical Reports –
https://propertytax.utah.gov/annual-reports/2019annual.pdf

How Property Taxes Work in Utah –
https://www.webercountyutah.gov/Assessor/how_tax.php

Utah Association of Special Districts – https://www.uasd.org/about-us

Utah Certified Tax Rates - https://propertytax.utah.gov/rates/

Utah Basic Tax Levy for Education –
https://le.utah.gov/xcode/Title59/Chapter2/59-2-S902.html

Utah Property Tax Descriptions from Dept Board of Education -
https://www.schools.utah.gov/financialoperations/propertytax?mid=2198&tid=0

Texas Summary

Excerpts are from the "Texas Property Tax Basics," report.

"The state of Texas has no property tax. Local governments set tax rates and collect property taxes that are used to provide local services including schools, streets, roads, police, fire protection, and many other services.

Texas law requires property values used in determining taxes to be equal and uniform and establishes the process to be followed by local officials in determining property values, setting tax rates, and collecting taxes. The Texas Property Taxpayer Bill of Rights requires all property to be taxed equally and uniformly. No single property or type of property should be taxed more than its fair market value.

There are several types of local governments may tax property Texas counties and local school districts tax all nonexempt property within their jurisdiction Cities and special purpose districts such as hospitals, junior colleges or water districts, may also collect certain property taxes.

The Comptroller's office helps ensure that taxpayers have the information needed to preserve their rights and pursue appropriate remedies. In keeping with this commitment, the Comptroller's Property Tax Assistance Division (PTAD) created the summary of property tax rights.

As a taxpayer, it is important for a property owner to understand how government spending affects the size of a tax bill. Changes in property values may affect a tax bill, but do not necessarily increase or decrease the total amount of taxes paid to a taxing unit; that is determined by the taxing unit's budget. Total taxes collected increase only when government spending increases, but Texas law gives taxpayers a voice in decisions affecting property tax rates."

Figure 16

Texas Assessed and Market Values by Property Type (School Districts Only)					
Class of Property	**Taxable Value**	**Market Value**	**% of Total Taxable**	**% of Total Market Value**	**Taxable Value as % of Market Value**
A Single-Family Residential	$1,102,060,365,694	$1,411,962,733,403	46%	46%	78%
B Multifamily Residential	$174,165,715,650	$176,227,047,818	7%	6%	99%
D1, D2 and E Qualified Open-Space Land, Farm and Ranch Improvements, and Rural Land and Improvements	$88,776,363,290	$369,044,546,468	4%	12%	24%
F1 and L1 Commercial Real and Personal	$601,853,544,685	$603,990,295,349	25%	20%	100%
F2 and L2 Industrial Real and Personal	$181,847,476,718	$255,594,264,002	8%	8%	71%
G Oil, Gas, & Subsurface Interest	$75,081,343,182	$75,081,343,182	3%	2%	100%
J Utilities	$74,634,872,554	$75,823,725,228	3%	2%	98%
Other	$74,193,432,797	$75,912,587,782	3%	2%	98%
Sum Total	**$2,372,613,114,570**	**$3,043,636,543,232**	**100%**	**100%**	**78%**

Links to Texas Property Tax Data and Description

Texas Property Tax Basics – https://comptroller.texas.gov/taxes/property-tax/docs/96-1425.pdf

Texas Comptroller of Public Accounts
Biennial Property Tax Report –
https://comptroller.texas.gov/search/?site=ctg_collection&q=property+tax+biennial
Texas Comptroller: Property Tax Assistance -
https://comptroller.texas.gov/taxes/property-tax/

School funding requirement - https://comptroller.texas.gov/economy/fiscal-notes/2019/jan/funding.php

Wyoming Summary

Excerpts are from the "Wyoming Tax Facts: Property Tax," report.

"If you own real estate in Wyoming, you pay property taxes on that property. Property taxes are applied to land and anything attached to the land, such as a home or other building, fence, or shed. Property taxes are an important source of funding for our local governments; however, because many homeowners have their property tax bill rolled into their monthly mortgage payment, it's easy to forget or ignore the annual bill that we pay. Even though we may not see the separate bill every month, it is important for property owners in Wyoming to understand the property taxes we pay and what our property taxes fund.

Property tax is an 'ad valorem' tax, which means it is based on the value of the thing being taxed, so the value of your property determines how much tax you pay, the greater the property value, the higher the tax.

A tax district is a geographical area where a certain taxing authority has the right to levy, or collect, a tax. Taxing authorities include school districts, counties or cities, water districts, fire districts, and other specially formed districts that have been designated by state statute. These taxing authorities have a geographical boundary, or district, where they can levy a tax. Sometimes a tax district encompasses an entire city or county, but usually it divides a county into smaller areas for taxation purposes. For example, most counties in Wyoming have multiple school districts. Depending on where you live in a county, you fall within one specific school district's boundary. This determines which school you or your children attend, and it also determines which school district receives funds from the property taxes you pay. Some tax districts even span multiple counties; for example, a hospital district might levy taxes on individuals residing within its boundary, which might include multiple counties.

The simple definition of a "mill" is one one-thousandth (1/1,000, or 0.001). When we consider a "mill" in relation to property taxes, a mill is how much money someone pays for every thousand dollars of taxable property they own. Each taxing authority or tax district has a legal right to collect a certain number of mills on the property in its district and is subject to certain minimum and maximum limits of mills.

The "mill levy" is the total number of mills applied to the assessed value of property. Depending on where the property is located, it may fall into several distinct tax districts: a school district, community college district, fire district, weed and pest district, and so on. These tax districts, typically governed by a board of directors, determine their budgetary needs each year. Then they determine the mills necessary to provide the funds to meet their budget, and the county commissioners in that county approve the mill levies each year. The mill levy is the combined total of all of the mills charged by all the tax districts that have taxing authority in the area where your property is located."

Figure 17

Wyoming Taxable and Market Value by Property Type								
Class of Property	**Taxable Value**	**Market Value**	**Taxes Charged**	**Actual Tax Rate**	**Effective Tax Rate**	**% of Total Taxable**	**% of Total Market Value**	**Taxable Value as % of Market Value**
Residential	$5,860,018,685	$61,684,407,211	$403,614,647	6.89%	0.65%	26%	49%	9.5%
Commercial	$1,620,805,724	$17,061,112,884	$111,634,615	6.89%	0.65%	7%	14%	9.5%
Industrial	$3,643,533,283	$31,682,898,113	$250,951,998	6.89%	0.79%	16%	25%	11.5%
Agricultural Lands	$331,977,858	$3,494,503,768	$22,865,307	6.89%	0.65%	1%	3%	9.5%
Non-Mineral Sub-total	$11,456,335,550	$113,922,921,976	$761,667,942	6.65%	0.67%	50%	91%	10.1%
Minerals	$11,341,425,218	$11,341,425,218	$710,919,453	6.27%	6.27%	50%	9%	100.0%
Statewide Total	**$22,797,760,768**	**$125,264,347,194**	**$1,472,587,395**	**6.46%**	**1.18%**	**100%**	**100%**	**18.2%**

*Shaded areas are estimated using taxable value and the statewide average mill levy of 68.876, given actual revenue by these property classes is not reported. These should be viewed as rough estimates and will not sum to total property tax revenue.

Links to Wyoming Property Tax Data and Description

Wyoming Tax Facts: Property Tax – http://wyoextension.org/publications/html/MP130-3/

State Board of Equalization – http://taxappeals.state.wy.us

Wyoming Property Tax Division – http://wyo-prop-div.wyo.gov/tax-districts

Wyoming Property Tax Relief - http://wyo-prop-div.wyo.gov/tax-relief

Wyoming DOR Annual Report - http://revenue.wyo.gov/dor-annual-reports

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[i] https://gazette.com/colorado_politics/fitch-maintains-colorado-s-credit-ratings-in-wake-of-ballot-initiatives/article_0a1f9f4c-f6b8-51cd-a97f-7352116e4a0e.html

[ii] https://www.reporterherald.com/2020/11/06/moodys-praises-gallagher-amendment-repeal-as-a-boon-for-colorados-creditworthiness/

[iii] https://commonsenseinstituteco.org/the-inherent-tradeoffs-in-amendment-b/

[iv] Active Colorado Local Governments (4,180 local governments) | Colorado Department of Local Affairs