



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Room 029 State Capitol, Denver, CO 80203-1784
Phone: (303) 866-3521 • Fax: (303) 866-3855
lcs.ga@state.co.us • leg.colorado.gov/lcs

Memorandum

August 17, 2018

This is not a legal opinion.

TO: Alternatives to the Gallagher Amendment Interim Study Committee

FROM: Legislative Council Staff

SUBJECT: Gallagher Amendment Proposal Considerations

Summary

This memorandum provides a brief description of policy options raised before the Alternatives to the Gallagher Amendment Interim Solutions Committee. More specifically, a description, preliminary fiscal impact, estimated residential assessment rate, and other considerations are discussed for each of the following policy options:

- Freezing the residential assessment rate;
- Reducing residential and nonresidential assessment rates and creating a new property class for second homes;
- Reclassifying short-term rentals as nonresidential properties;
- Allowing local governments to raise mill levies;
- Implementing a four-year reassessment period instead of a two-year reassessment period;
- Repealing the Gallagher Amendment;
- Replacing the assessment rates in the constitution with rates in statute; and
- Using regional residential rate assessments instead of statewide assessments.

Contents

Background and Assumptions	1
Timing and Other Considerations	2
<u>Policy Proposals</u>	
Summary Proposal Table	4
Freezing the Rate	5
Buescher Proposal	6
Reclassify Short-term Rentals	7
Raise Mill Levies	8
Four-year assessment	9
Repeal Gallagher	10
Repeal and Replace	11
Regional RAR	12
Maps and Appendices	13-22

Background and Assumptions

For 2017 and 2018 property tax years, the residential assessment rate (RAR) is set at 7.20 percent under current law. The residential assessment rate is set in statute by the General Assembly every two years to comply with the Gallagher Amendment in the state constitution and is based on a report prepared by the Division of Property Taxation (DPT) within the Department of Local Affairs. Similar to prior

years, the DPT will prepare estimates of the target percentage and RAR for 2019, with data provided by each county assessor and the State Assessed Properties Section of DPT. A preliminary estimate of the residential assessment rate will be prepared by January 15, 2019 and a final estimate will be prepared in the spring of 2019.

Fiscal impact assumptions. The fiscal impacts of policy changes described in this memo are compared with the December 2017 Legislative Council Staff forecast of assessed values for 2019. This forecast projects that the RAR will be 6.11 percent in 2019 and 2020 and is based on anticipated growth in residential and nonresidential actual values. The change in actual values include new construction, natural resource production, and new market values due to the 2019 reassessment.

The actual RAR will likely differ from the 6.11 percent assumption for 2019 and 2020 property tax years due to forecast error, residential and non-residential growth, and/or changes in state law. The actual impact of any policy change on the 2019 target percentage and RAR is contingent on the change's effective date. Depending on when a law is enacted, statutory changes may be included in DPT's final 2019 Residential Assessment Rate Study. However, constitutional changes will require voter approval, which could occur in either November 2019 or November 2020. Therefore, the actual impact of the policy proposals in this memo on the 2019 target percentage and RAR may vary from the estimates provided here.

The fiscal notes for committee bills will reflect the actual bill text requested by the committee and may include estimates that differ from those shown here. Fiscal notes prepared during the 2019 legislative session will be based on the best available information, including the 2018 December Legislative Council Staff assessed value forecast, DPT's Residential Assessment Rate Study, and updated information from county assessors.

Timing and Other Considerations

Voter approval requirements and election timing. Constitutional changes require voter approval, and could not occur until either November 2019 or November 2020. General elections are held in November of even-numbered years and certain TABOR elections may be held in November of odd-numbered years. Therefore, any proposed measures that include a state matter arising under TABOR, such as a tax increase, could be referred to the voters as soon as the 2019 November election. Any proposed changes to the constitution that do not include a state matter arising under TABOR may not be referred to voters until the 2020 November election.¹

Additionally, constitutional amendments require at least 55 percent voter approval to pass, except that constitutional amendments limited to repealing any constitutional provision, in whole or in part, require only a majority vote (at least 50 percent) to pass. It is not necessary to refer a statutory change to the voters unless it includes a tax increase that requires prior voter approval under TABOR.²

Local government budget and administrative considerations. Under current law, local governments (including counties, municipalities, and special districts) must adopt and certify their budgets by

¹1-1-104 (17), C.R.S and 1-41-102, C.R.S.

²Colo Const. art V, § 14(B)

December 15 each year.³ Property taxes are collected in the budget year following the property tax year. Therefore, 2019 local government budgets will be adopted in December 2018 and local government budgets for both 2018 and 2019 will use the current RAR of 7.20 percent. Local government budgets for 2020 and 2021 will use the RAR that is set by the General Assembly in the spring of 2019. Local government budgets using the 2020 and 2021 RAR will be set in December 2019 and December 2020, respectively. Any proposal in which an assessment rate for a property tax year is changed as a result of an election conducted in November of the same year will create administrative burdens on county assessors due to the short amount of time between the election and when budgets are due. Further, if a measure is passed at a November election, conforming statutory changes may be needed to allow for implementation. Unless these conforming changes are made prior to the election, county assessors may face additional administrative burdens or implementation of changes may be delayed.

Relatedly, if the General Assembly refers a measure that makes a change to the property tax that applies for the property tax year in which the election is held, then it may be necessary to enact legislation to allow county assessors to accommodate the change.

Initiative #93. Initiative #93, which will appear on the November 2019 ballot, fixes the RAR for school districts only at 7.0 percent and reduces the nonresidential assessment rate for school districts only to 24 percent. These rate changes would begin for property tax year 2019. If initiative #93 is enacted by voters, subsequent policy proposals impacting property taxes might consider the changes under the measure and/or be limited to other local governments, including counties, municipalities, and special districts.

Policy Options for Consideration

The following section summarizes policy options presented to the Alternatives to the Gallagher Amendment Interim Solutions Committee during meetings held on July 13, 2018, and July 18, 2018, or requested by interim committee members. Preliminary fiscal impacts are estimated on assessed values and not property taxes or school finance impacts. Property tax impacts and school finance impacts are dependent on timing, local mill levies, and school finance decisions by the General Assembly. These impacts are summarized in Table 1 and described below.

³29-1-109, C.R.S and 39-5-128, C.R.S.

**Table 1
Policy Option Impacts Summarized**

Policy Proposal	2019 RAR	Non-Residential Rate	Fiscal Impacts	Constitutional or Statutory	Page Number/Appendix
Freezing RAR at 7.20 percent	7.20%	29.00%	Increased residential assessed value	Constitutional	5
Buescher Proposal	6.85%	27.50%	Increased assessed value statewide Increased residential assessed value Decreased non-residential assessed value	Constitutional	6/ Appendix A
Reclassify Short-Term Rentals	7.17%	29.00%	Increase nonresidential assessed value Decrease residential assessed value	Statutory	7/ Appendix B
Local Govts. Raise Mill Levies	6.11%	29.00%	Conditional local government revenue impact if mill levies are increased	Constitutional	8
Four-Year Reassessment Period	7.20%	29.00%	Impacts vary by county Residential and Nonresidential actual values would not include 2016/2017 activity. Increased residential assessed value	Statutory	9/ Appendix C
Repeal Gallagher	7.20% or other specified rate	29.00%	Increased residential assessed value	Constitutional	10
Repeal and Replace in Statute	6.11%	29.00%	No impact assuming same language is replaced in statute.	Constitutional/ Statutory	11
Regional Residential Rate Assessments	Varies by region. See Map D	29.00%	Varies by region. Regions with a RAR above 6.11 percent will have increased assessed value, regions below 6.11 percent will have decreased assessed value	Constitutional	12

Freezing the Residential Assessment Rate at 7.20 Percent

Description. Freezing the RAR at the current statutory RAR of 7.20 percent in the state constitution would eliminate the requirement that the RAR be adjusted in the future based on the Gallagher Amendment.

Preliminary fiscal analysis. Assuming the rate freeze is enacted by the General Assembly in the spring of 2019, this would increase assessed values beginning in FY 2019-20 (local government budget year 2020).

Estimated 2019 RAR. 7.20 percent.

Other considerations.

- Would a measure be referred to the voters at the November 2019 election or a subsequent election?
- To change assessment rates and/or establish a new classification of property with a separate assessment rate would require an amendment to the state constitution with approval of at least 55 percent of voters.
- Should the General Assembly adjust the RAR for 2019 and 2020 based on the Gallagher Amendment in case voters reject the proposed change?
- If the General Assembly is required to adjust the RAR under the Gallagher Amendment when there is a change in the level of value on January 1, 2019, is the establishment of an RAR at 7.20 percent freezing the rate or increasing it?
- The General Assembly would have no authority to change the RAR or the nonresidential rate in the future and any change to either rate would require another constitutional amendment.

Reducing Residential and Nonresidential Rates (Buescher Proposal)

Description. Provided to the committee by former Representative and Secretary of State Bernie Buescher, this policy option would amend the state constitution to reduce both residential and nonresidential assessment rates and create a new property classification for “non-principal real estate.” This policy option proposes an approximately 5 percent rate reduction, reducing the current RAR from 7.20 percent to 6.85 percent and the nonresidential rate from 29 percent to 27.50 percent. This proposal also creates a new property class for properties in which the principle resident spends less than 200 days per year. Under this proposal, these non-principle real estate properties would have an assessment rate of 21 percent.

The RAR is currently projected to be 6.11 percent in 2019. Applying the 5 percent assessment rate reduction to the 2019 projected RAR would result in a RAR of 5.80 percent.

Preliminary fiscal analysis. This policy option would increase assessed values statewide. Relative to the projected 6.11 percent RAR, residential assessed values would be higher under a 6.85 percent RAR for primary homes and a 21 percent assessment rate for secondary homes. These increases would be partially offset by a decrease in nonresidential values due to the decrease in the residential assessment rate from 29 percent to 27.50 percent. The estimated impacts are shown in Appendix A.

Estimated 2019 RAR. 6.85 percent.

Other considerations.

- To change assessment rates and/or establish a new classification of property with a separate assessment rate would require an amendment to the state constitution with approval of at least 55 percent of voters.
- This change would modify the definition of residential property in the state, requiring assessors to apply this new classification in 2019.
- Most of the property under the new classification will be residential property. Therefore, the increase of the assessment rate to 21 percent for these properties may require statewide voter approval under TABOR. While there are other elements to this proposal, the increase may allow for the measure to be referred at the odd-year election in November 2019.
- The General Assembly would have no authority to change any of the assessment rates so that any future change to any one of the three rates would require another constitutional amendment.

Reclassifying Short-term Rentals as Nonresidential Properties

Description. Based on witness testimony, residential properties used as short-term rental properties are typically considered residential property and assessed using the RAR. This proposal would statutorily reclassify properties used as short-term rentals as nonresidential properties, which would be assessed at the nonresidential rate of 29 percent.

Preliminary fiscal analysis. This policy option would increase the assessed value of nonresidential property and reduce the assessed value of residential property. Counties with short-term rentals will have increased assessed values. If the target percentage is not adjusted for the reclassification, there will be upward pressure on the RAR. Counties with residential property will have increased assessed values due to a higher RAR. Based on the estimates of all short-term rentals, the estimated change in 2019 assessed values by county are shown in Appendix B.

Estimated 2019 RAR. 7.17 percent. This estimate assumes the reclassification takes effect in time to include it in the 2019 DPT Residential Assessment Rate Study.

Other considerations.

- This change could be made statutorily. However, if it results in a non-*de minimus* net tax increase, it may require voter approval under TABOR.
- The General Assembly has the authority to define "residential real property" or "hotel and motel." How would these definitions be amended to allow for the change?
- Would the properties be apportioned as part residential and part nonresidential or entirely nonresidential?
- This change may be difficult for the assessors to administer and may require different approaches for an assessor than those used for residential property.

Giving Local Governments Authority to Raise Mill Levies

Description. Under TABOR, local governments require prior voter approval to levy a mill above that for the prior year. This option would create an exception to this requirement to allow local governments to increase their mill levies without prior voter approval to offset any reduction in assessed values resulting from a reduction in the RAR. For example, when the RAR decreases in 2019 from 7.20 percent to 6.11 percent, this option would allow local governments to increase (or “float”) their mill levy to ensure property tax revenue collections remain constant. The policy could include conditions limiting when local governments may raise mills without prior voter approval.

Preliminary fiscal analysis. This policy option would allow local governments to maintain property tax revenue when assessed values decrease. This would result in a conditional local government revenue impact.

Estimated 2019 RAR. 6.11 percent.

Other considerations.

- This proposed change would require a 55 percent vote to amend the state constitution.
- This would create an exception to the TABOR prior voter approval requirement, but would not itself be a mill levy increase.
- This would not allow the local government to exceed its fiscal year spending limit unless specified in the proposed measure.
- Should these offsetting mills be uniform on all property or should a local government be able to levy some or all mills only on residential property?
- It does not appear that this would qualify for the 2019 election and therefore would appear on the ballot after the rate has been adjusted for the 2019 and 2020 reassessment cycle.

Implementing a Four-year Reassessment Period

Description. The trigger for the Gallagher Amendment is the change in actual value, which occurs as part of the residential reassessment cycle. There is no constitutional requirement that the reassessment cycle be a specific period. This policy option would modify state statute to establish a residential property valuation reassessment of four years instead of the current two-year reassessment period. Following the four-year assessment period, the General Assembly would set the RAR as required under the Gallagher Amendment.

Preliminary fiscal analysis. This policy option would have two impacts on residential property:

- 1) actual values would not be updated to capture home price appreciation between 2016 and 2018; and
- 2) the RAR would remain at 7.20 percent for 2019 and 2020.

Actual values of most classes of nonresidential property would not be updated and the increase in market values between 2016 and 2018 would not be captured in the tax base. Counties across the state would experience different impacts. The estimated change in 2019 assessed values by county are shown in Appendix C.

Estimated 2019 RAR. 7.20 percent. There is no reassessment, therefore there is no adjustment to the RAR required under the Gallagher Amendment.

Other considerations.

- In the past the General Assembly has changed the length of the reassessment cycles, but not since TABOR was approved by voters.
- Is this proposal done in conjunction with another proposal to amend the Gallagher Amendment before the next reassessment cycle?
- This idea would create additional work for county assessors and make much of the work they have done prior to the change in the law unnecessary.

Repealing the Gallagher Amendment

Description. This policy option would fully repeal the Gallagher Amendment. Repealing the Gallagher Amendment would remove the required valuation ratio and set assessment rates at the amounts listed in statute. Currently under state statute, the residential assessment rate is 7.20 percent and the nonresidential assessment rate is 29 percent.

Preliminary fiscal analysis. The fiscal impact of this policy option depends on the statutory replacement of the Gallagher Amendment. If the RAR remains at 7.20 percent, districts with residential property will have increased assessed values compared with what they would have been with a RAR of 6.11 percent.

Estimated 2019 RAR. 7.20 percent, or any RAR set in statute.

Other considerations.

- This proposed change would require a majority vote to amend the state constitution.
- What is the scope of the repeal? Is it just the requirement that the RAR be adjusted to ensure the target percentage or does it include other elements that were referred in the same measure to the voters in 1982?
- What is the RAR when it is referred? Will the General Assembly adjust the RAR this session so that the new RAR, which is presumably lower than 7.20 percent, is the one that is left in statute or can the General Assembly delay making the required Gallagher Amendment adjustment until after the election?
- Is the TABOR prior voter approval requirement for assessment rates repealed as well? If not, then the General Assembly would have the authority to lower the rate, but any increase in the RAR would still require prior voter approval.
- The General Assembly may have authority to establish different RARs for different classes of residential property after the repeal.
- This would not directly address the gap in the assessment rates but would allow a future General Assembly to increase the residential assessment rate with prior voter approval.
- If the nonresidential rate is removed from the state constitution, then the general assembly could address the assessment rate equity by lowering the assessment rate for nonresidential property.

Replacing the Assessment Rates in the Constitution with Statute

Description. This policy option would repeal sections of the Gallagher Amendment and place them in statute.

Preliminary fiscal analysis. If the target percentage calculation is placed in statute and the RAR is set based on that calculation, there is no change to assessed values.

Estimated 2019 RAR. 6.11 percent, assuming the same language is replaced in statute.

Other considerations. The following should be considered by the committee before recommending to replace the assessment rates in the constitution with state;

- It is unlikely that these elements could be combined in a single measure.
- The repeal would require a majority vote to amend the state constitution.
- The other considerations from the prior repeal idea apply to this one.
- How are the two different?

Regional Residential Rate Assessments

Description. Under current law, the RAR is adjusted to maintain the required ratio between the statewide share of residential valuation and nonresidential assessed values. This policy option would require a constitutional amendment to allow regional calculations and adjustments to the RAR.

Preliminary fiscal analysis. The impact will be determined by the specific regions for the RAR calculation. Any districts in a county with a RAR above 6.11 percent will have higher assessed values. Any districts in a county with an RAR below 6.11 percent will have decreased assessed values.

Estimated 2019 RAR. Varies by region. Map D shows a DPT analysis of the 2017 RAR using target percentages for each Department of Local Affairs region.

Other considerations.

- This proposed change would require a 55 percent vote to amend the state constitution.
- What are the regions? It may not be possible to draw boundaries without school districts or special districts that are in multiple regions.
- If the regional calculation is based on a regional version of the Gallagher Amendment, then the measure would need to identify the starting RAR, the base year for a regional target percentage, and who is responsible for the calculation.
- If the regional calculation is not based on the Gallagher Amendment then how is it determined?
- Would the regional RAR be subject to the TABOR voter approval requirement for increases in the assessment rate?

Appendix A
Estimated Change in 2019 Assessed Values from the Buescher Proposal*

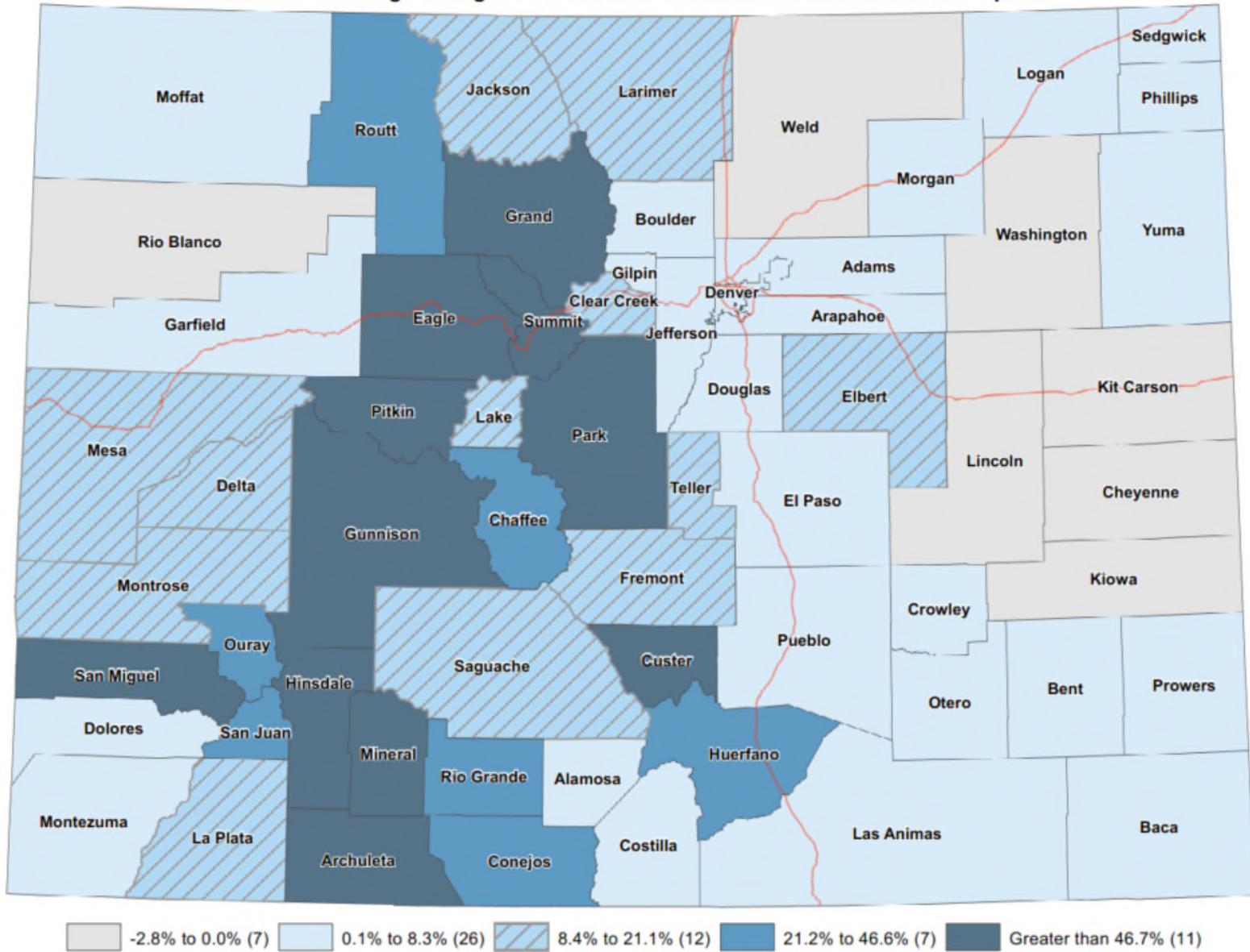
County	2019 Assessed Value	Estimated Percent of Second Homes	Change in Value from Reclassifying Second Homes		Change Due to 6.85% RAR		Change Due to 27.5% Non Res		Total Change in Assessed Values	
Adams	\$6,604,624,821	0.0%	\$0	0.0%	\$419,792,745	6.4%	(174,060,651)	-2.6%	245,732,094	3.7%
Alamosa	\$177,694,509	9.1%	\$10,180,917	5.7%	\$5,041,937	2.8%	(6,821,731)	-3.8%	8,401,122	4.7%
Arapahoe	\$12,038,941,461	0.0%	\$0	0.0%	\$709,034,911	5.9%	(327,718,036)	-2.7%	381,316,875	3.2%
Archuleta	\$278,688,491	38.8%	\$143,570,148	51.5%	\$11,249,623	4.0%	(6,563,284)	-2.4%	148,256,488	53.2%
Baca	\$98,025,798	29.9%	\$4,418,978	4.5%	\$515,371	0.5%	(4,756,407)	-4.9%	177,942	0.2%
Bent	\$87,760,482	26.2%	\$3,865,360	4.4%	\$540,826	0.6%	(4,226,322)	-4.8%	179,864	0.2%
Chaffee	\$11,069,335,465	2.9%	\$384,461,891	3.5%	\$644,327,260	5.8%	(296,428,633)	-2.7%	732,360,518	6.6%
Cheyenne	\$426,975,094	23.4%	\$115,738,773	27.1%	\$18,839,576	4.4%	(11,582,522)	-2.7%	122,995,827	28.8%
Clear Creek	\$115,045,428	20.6%	\$2,068,472	1.8%	\$397,194	0.3%	(5,737,092)	-5.0%	(3,271,426)	-2.8%
Conejos	\$373,463,763	23.9%	\$55,858,935	15.0%	\$8,829,559	2.4%	(14,360,635)	-3.8%	50,327,859	13.5%
Costilla	\$67,646,082	30.9%	\$18,901,115	27.9%	\$2,104,543	3.1%	(2,198,971)	-3.3%	18,806,687	27.8%
Crowley	\$127,392,625	41.3%	\$13,168,382	10.3%	\$931,312	0.7%	(5,912,041)	-4.6%	8,187,652	6.4%
Custer	\$92,437,151	51.1%	\$58,782,769	63.6%	\$2,792,246	3.0%	(2,341,096)	-2.5%	59,233,918	64.1%
Delta	\$251,694,005	14.7%	\$46,162,899	18.3%	\$13,280,781	5.3%	(6,366,994)	-2.5%	53,076,686	21.1%
Denver	\$17,154,742,794	3.1%	\$579,118,664	3.4%	\$896,650,408	5.2%	(541,870,613)	-3.2%	933,898,458	5.4%
Dolores	\$133,830,887	40.0%	\$10,368,493	7.7%	\$773,904	0.6%	(6,371,706)	-4.8%	4,770,690	3.6%
Douglas	\$6,908,088,391	0.3%	\$27,346,644	0.4%	\$467,284,937	6.8%	(158,345,341)	-2.3%	336,286,240	4.9%
Eagle	\$2,859,264,646	38.0%	\$1,714,362,909	60.0%	\$138,774,824	4.9%	(58,405,883)	-2.0%	1,794,731,849	62.8%
El Paso	\$7,731,207,690	2.2%	\$223,441,492	2.9%	\$486,857,201	6.3%	(191,333,899)	-2.5%	518,964,794	6.7%
Elbert	\$330,318,947	2.7%	\$14,437,005	4.4%	\$25,954,899	7.9%	(5,694,390)	-1.7%	34,697,514	10.5%
Fremont	\$425,279,101	13.2%	\$57,313,794	13.5%	\$18,779,335	4.4%	(12,760,573)	-3.0%	63,332,555	14.9%
Garfield	\$2,302,403,519	10.4%	\$190,462,339	8.3%	\$81,900,816	3.6%	(80,198,367)	-3.5%	192,164,789	8.3%
Gilpin	\$329,439,256	26.3%	\$19,430,484	5.9%	\$2,703,239	0.8%	(15,473,075)	-4.7%	6,660,647	2.0%
Grand	\$639,752,767	60.7%	\$538,883,222	84.2%	\$17,339,459	2.7%	(14,247,847)	-2.2%	541,974,834	84.7%
Gunnison	\$545,457,972	41.5%	\$292,315,494	53.6%	\$20,520,655	3.8%	(13,737,274)	-2.5%	299,098,875	54.8%
Hinsdale	\$56,271,898	76.8%	\$46,077,845	81.9%	\$692,537	1.2%	(1,636,866)	-2.9%	45,133,516	80.2%
Huerfano	\$112,738,248	40.6%	\$30,289,283	26.9%	\$2,198,701	2.0%	(4,249,403)	-3.8%	28,238,581	25.0%
Jackson	\$56,139,723	51.9%	\$11,569,429	20.6%	\$533,517	1.0%	(2,430,371)	-4.3%	9,672,575	17.2%
Jefferson	\$10,237,855,542	2.3%	\$333,589,775	3.3%	\$694,952,335	6.8%	(240,688,967)	-2.4%	787,853,143	7.7%
Kiowa	\$37,437,272	27.2%	\$1,361,647	3.6%	\$180,845	0.5%	(1,830,276)	-4.9%	(287,784)	-0.8%
Kit Carson	\$234,821,444	15.0%	\$8,173,447	3.5%	\$2,298,207	1.0%	(10,990,955)	-4.7%	(519,301)	-0.2%
La Plata	\$1,828,352,077	16.6%	\$239,318,128	13.1%	\$59,711,360	3.3%	(63,989,354)	-3.5%	235,040,134	12.9%
Lake	\$183,997,335	29.7%	\$31,898,601	17.3%	\$3,748,794	2.0%	(7,239,057)	-3.9%	28,408,339	15.4%
Larimer	\$5,824,571,477	6.4%	\$500,346,784	8.6%	\$366,110,702	6.3%	(149,300,112)	-2.6%	717,157,374	12.3%
Las Animas	\$340,579,908	31.6%	\$36,196,922	10.6%	\$3,901,051	1.1%	(15,228,438)	-4.5%	24,869,536	7.3%
Lincoln	\$147,654,684	17.9%	\$4,119,572	2.8%	\$937,116	0.6%	(7,149,657)	-4.8%	(2,092,970)	-1.4%

Appendix A (Cont.)
Estimated Change in 2019 Assessed Values from the Buescher Proposal*

County	2019 Assessed Value	Estimated Percent of Second Homes	Change in Value from Reclassifying Second Homes		Change Due to 6.85% RAR		Change Due to 27.5% Non Res		Total Change in Assessed Values	
Logan	\$342,179,259	12.3%	\$18,669,171	5.5%	\$6,621,544	1.9%	(14,945,638)	-4.4%	10,345,078	3.0%
Mesa	\$2,038,238,873	9.8%	\$189,797,281	9.3%	\$87,311,129	4.3%	(65,125,360)	-3.2%	211,983,049	10.4%
Mineral	\$39,273,821	70.2%	\$29,231,794	74.4%	\$617,286	1.6%	(1,147,344)	-2.9%	28,701,736	73.1%
Moffat	\$363,923,535	17.2%	\$18,547,855	5.1%	\$4,453,066	1.2%	(16,528,173)	-4.5%	6,472,748	1.8%
Montezuma	\$553,867,706	9.1%	\$25,346,375	4.6%	\$12,613,234	2.3%	(22,723,583)	-4.1%	15,236,026	2.8%
Montrose	\$521,285,704	11.7%	\$62,441,582	12.0%	\$23,329,571	4.5%	(15,674,311)	-3.0%	70,096,842	13.4%
Morgan	\$695,753,556	11.6%	\$28,628,367	4.1%	\$10,810,823	1.6%	(30,762,610)	-4.4%	8,676,580	1.2%
Otero	\$173,085,752	16.5%	\$13,951,085	8.1%	\$3,498,548	2.0%	(7,226,748)	-4.2%	10,222,886	5.9%
Ouray	\$150,997,696	31.3%	\$54,318,305	36.0%	\$5,919,592	3.9%	(4,129,239)	-2.7%	56,108,657	37.2%
Park	\$434,730,169	47.0%	\$254,148,103	58.5%	\$14,265,905	3.3%	(10,999,257)	-2.5%	257,414,751	59.2%
Phillips	\$111,877,119	17.5%	\$6,799,393	6.1%	\$1,594,131	1.4%	(4,961,622)	-4.4%	3,431,902	3.1%
Pitkin	\$2,885,594,599	38.1%	\$1,725,784,930	59.8%	\$139,640,162	4.8%	(52,989,146)	-1.8%	1,812,435,946	62.8%
Prowers	\$139,883,199	21.8%	\$11,248,468	8.0%	\$2,002,956	1.4%	(6,222,236)	-4.4%	7,029,187	5.0%
Pueblo	\$1,717,349,503	7.5%	\$106,375,258	6.2%	\$65,201,580	3.8%	(61,199,923)	-3.6%	110,376,914	6.4%
Rio Blanco	\$759,308,782	24.8%	\$20,505,694	2.7%	\$3,093,453	0.4%	(37,518,235)	-4.9%	(13,919,087)	-1.8%
Rio Grande	\$190,670,093	32.2%	\$47,507,297	24.9%	\$4,975,871	2.6%	(6,728,859)	-3.5%	45,754,308	24.0%
Routt	\$1,101,910,568	37.8%	\$502,965,108	45.6%	\$41,201,448	3.7%	(30,979,122)	-2.8%	513,187,433	46.6%
Saguache	\$71,864,032	31.3%	\$15,033,188	20.9%	\$1,642,126	2.3%	(2,696,773)	-3.8%	13,978,542	19.5%
San Juan	\$47,141,895	55.5%	\$14,071,173	29.8%	\$560,478	1.2%	(1,900,353)	-4.0%	12,731,298	27.0%
San Miguel	\$774,551,445	45.1%	\$459,196,816	59.3%	\$27,836,126	3.6%	(18,428,656)	-2.4%	468,604,285	60.5%
Sedgwick	\$62,291,739	21.6%	\$2,591,870	4.2%	\$466,982	0.7%	(2,967,540)	-4.8%	91,312	0.1%
Summit	\$1,867,251,277	58.3%	\$1,669,033,745	89.4%	\$59,256,182	3.2%	(36,040,591)	-1.9%	1,692,249,336	90.6%
Teller	\$539,202,699	22.7%	\$101,470,783	18.8%	\$17,201,825	3.2%	(18,776,146)	-3.5%	99,896,462	18.5%
Washington	\$148,844,061	18.3%	\$4,537,087	3.0%	\$1,007,339	0.7%	(7,172,325)	-4.8%	(1,627,899)	-1.1%
Weld	\$8,385,654,146	1.2%	\$38,737,174	0.5%	\$162,617,729	1.9%	(370,119,800)	-4.4%	(168,764,897)	-2.0%
Yuma	\$243,434,941	12.2%	\$8,753,805	3.6%	\$3,130,896	1.3%	(11,068,543)	-4.5%	816,158	0.3%
State Total	\$114,639,287,646	7.4%	\$11,199,956,362	9.8%	\$5,831,854,088	5.1%	(3,333,552,650)	-2.9%	13,698,257,799	11.9%

* These estimates utilize vacant home data by county from the State Demographer (<https://demography.dola.colorado.gov/data/>). Actual fiscal impacts could vary depending on draft language, should a bill be drafted.

Map A
Estimated Percentage Change in 2019 Assessed Values from the Buescher Proposal



Map prepared by Colorado Legislative Council Staff.

Appendix B
Estimated Change in 2019 Assessed Values Reclassifying Short-term Rentals
As Nonresidential Property*

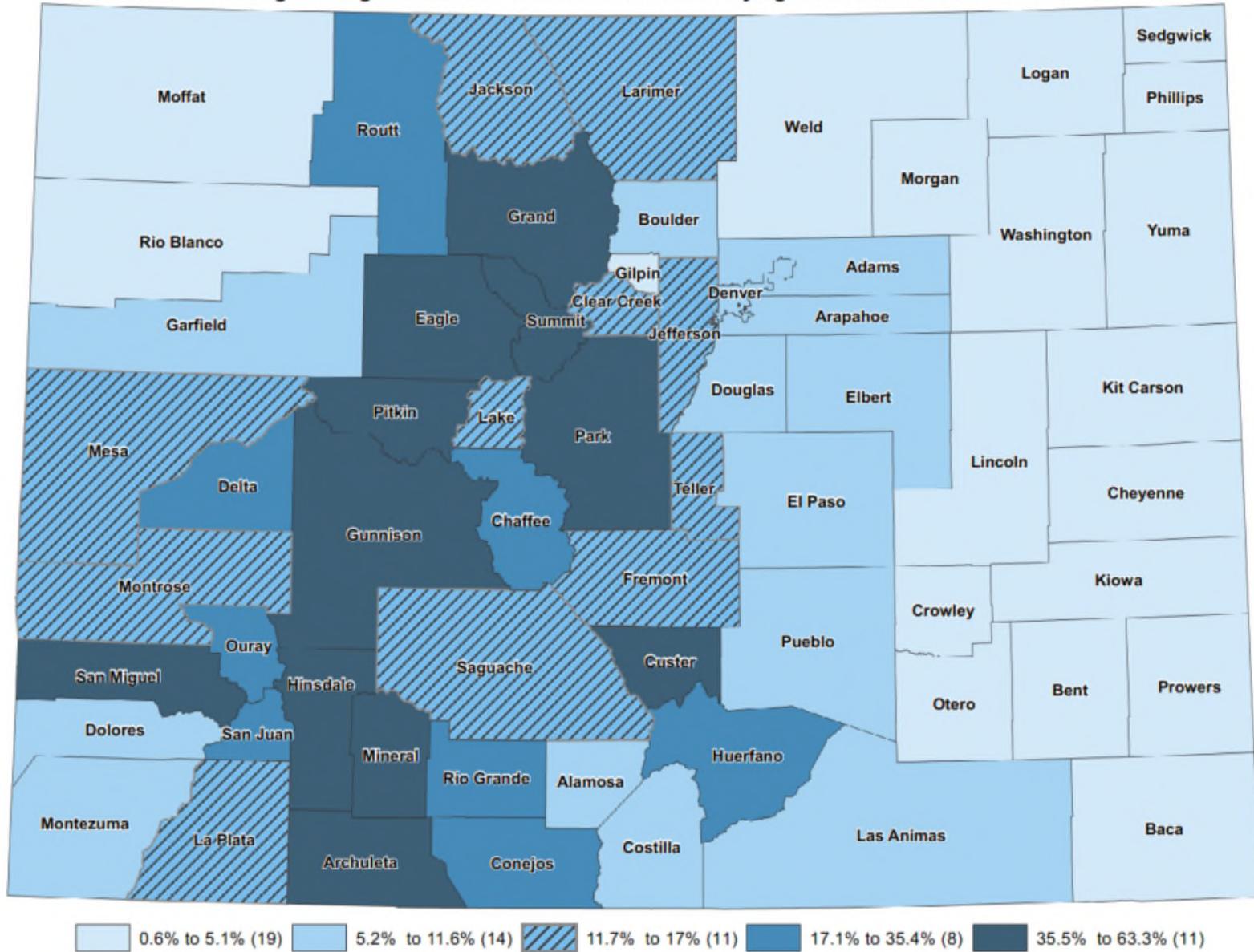
County	2019 Assessed Value	Estimated Percent of Housing Units Used as Short-term Rentals	Change in Value from		Change Due to 7.17% RAR		Total Change in Assessed Values	
			Reclassifying Vacant Homes					
Adams	\$6,604,624,821	0.0%	\$0	0.0%	\$601,324,743	9.1%	\$601,324,743	9.1%
Alamosa	\$177,694,509	3.6%	\$6,260,341	3.5%	\$7,657,093	4.3%	\$13,917,434	7.8%
Arapahoe	\$12,038,941,461	0.0%	\$0	0.0%	\$1,015,644,602	8.4%	\$1,015,644,602	8.4%
Archuleta	\$278,688,491	15.5%	\$88,282,625	31.7%	\$22,246,670	8.0%	\$110,529,295	39.7%
Baca	\$98,025,798	0.0%	\$0	0.0%	\$1,052,816	1.1%	\$1,052,816	1.1%
Bent	\$87,760,482	0.0%	\$0	0.0%	\$1,049,867	1.2%	\$1,049,867	1.2%
Boulder	\$11,069,335,465	1.2%	\$236,409,206	2.1%	\$939,376,873	8.5%	\$1,175,786,079	10.6%
Chaffee	\$426,975,094	9.4%	\$71,168,852	16.7%	\$31,929,997	7.5%	\$103,098,849	24.1%
Cheyenne	\$115,045,428	0.0%	\$0	0.0%	\$716,206	0.6%	\$716,206	0.6%
Clear Creek	\$373,463,763	9.6%	\$34,348,181	9.2%	\$15,033,662	4.0%	\$49,381,843	13.2%
Conejos	\$67,646,082	12.3%	\$11,622,472	17.2%	\$3,821,944	5.6%	\$15,444,416	22.8%
Costilla	\$127,392,625	16.5%	\$8,097,361	6.4%	\$1,896,505	1.5%	\$9,993,866	7.8%
Crowley	\$49,190,724	0.0%	\$0	0.0%	\$907,849	1.8%	\$907,849	1.8%
Custer	\$92,437,151	20.5%	\$36,146,073	39.1%	\$6,510,505	7.0%	\$42,656,578	46.1%
Delta	\$251,694,005	5.9%	\$28,385,998	11.3%	\$20,995,588	8.3%	\$49,381,586	19.6%
Denver	\$17,154,742,794	1.2%	\$356,105,472	2.1%	\$1,309,127,153	7.6%	\$1,665,232,626	9.7%
Dolores	\$133,830,887	16.0%	\$6,375,683	4.8%	\$1,551,436	1.2%	\$7,927,120	5.9%
Douglas	\$6,908,088,391	0.1%	\$16,815,707	0.2%	\$670,522,162	9.7%	\$687,337,869	9.9%
Eagle	\$2,859,264,646	15.2%	\$1,054,177,756	36.9%	\$272,011,536	9.5%	\$1,326,189,293	46.4%
El Paso	\$7,731,207,690	0.9%	\$137,396,260	1.8%	\$706,933,952	9.1%	\$844,330,212	10.9%
Elbert	\$330,318,947	0.0%	\$0	0.0%	\$38,206,390	11.6%	\$38,206,390	11.6%
Fremont	\$425,279,101	5.3%	\$35,242,787	8.3%	\$29,348,185	6.9%	\$64,590,972	15.2%
Garfield	\$2,302,403,519	4.1%	\$117,117,070	5.1%	\$125,452,647	5.4%	\$242,569,717	10.5%
Gilpin	\$329,439,256	10.5%	\$11,947,986	3.6%	\$4,702,145	1.4%	\$16,650,131	5.1%
Grand	\$639,752,767	24.3%	\$331,364,324	51.8%	\$47,855,047	7.5%	\$379,219,370	59.3%
Gunnison	\$545,457,972	16.6%	\$179,747,526	33.0%	\$41,880,191	7.7%	\$221,627,717	40.6%
Hinsdale	\$56,271,898	30.7%	\$28,333,697	50.4%	\$2,960,147	5.3%	\$31,293,844	55.6%
Huerfano	\$112,738,248	16.3%	\$18,625,163	16.5%	\$4,443,244	3.9%	\$23,068,407	20.5%
Jackson	\$56,139,723	20.7%	\$7,114,150	12.7%	\$1,258,395	2.2%	\$8,372,545	14.9%
Jefferson	\$10,237,855,542	0.9%	\$205,127,466	2.0%	\$1,009,720,961	9.9%	\$1,214,848,427	11.9%
Kiowa	\$37,437,272	0.0%	\$0	0.0%	\$355,982	1.0%	\$355,982	1.0%
Kit Carson	\$234,821,444	0.0%	\$0	0.0%	\$3,873,883	1.6%	\$3,873,883	1.6%
La Plata	\$1,828,352,077	6.6%	\$147,158,951	8.0%	\$95,754,538	5.2%	\$242,913,489	13.3%
Lake	\$183,997,335	11.9%	\$19,614,748	10.7%	\$6,732,387	3.7%	\$26,347,135	14.3%

Appendix B (Cont.)
Estimated Change in 2019 Assessed Values Reclassifying Short-term Rentals
As Nonresidential Property*

County	2019 Assessed Value	Estimated Percent of Housing Units Used as Short-term Rentals	Change in Value from Reclassifying Vacant Homes		Change Due to 7.17% RAR	Total Change in Assessed Values		
Larimer	\$5,824,571,477	2.5%	\$307,667,908	5.3%	\$545,800,271	9.4%	\$853,468,179	14.7%
Las Animas	\$340,579,908	12.6%	\$22,257,825	6.5%	\$7,134,080	2.1%	\$29,391,906	8.6%
Lincoln	\$147,654,684	0.0%	\$0	0.0%	\$1,635,622	1.1%	\$1,635,622	1.1%
Logan	\$342,179,259	0.0%	\$0	0.0%	\$10,813,949	3.2%	\$10,813,949	3.2%
Mesa	\$2,038,238,873	3.9%	\$116,708,120	5.7%	\$133,174,147	6.5%	\$249,882,267	12.3%
Mineral	\$39,273,821	28.1%	\$17,974,903	45.8%	\$2,132,806	5.4%	\$20,107,708	51.2%
Moffat	\$363,923,535	6.9%	\$11,405,249	3.1%	\$7,170,955	2.0%	\$18,576,204	5.1%
Montezuma	\$553,867,706	3.6%	\$15,585,723	2.8%	\$19,150,231	3.5%	\$34,735,954	6.3%
Montrose	\$521,285,704	4.7%	\$38,395,912	7.4%	\$36,085,115	6.9%	\$74,481,027	14.3%
Morgan	\$695,753,556	0.0%	\$0	0.0%	\$17,523,790	2.5%	\$17,523,790	2.5%
Otero	\$173,085,752	0.0%	\$0	0.0%	\$6,004,594	3.5%	\$6,004,594	3.5%
Ouray	\$150,997,696	12.5%	\$33,400,833	22.1%	\$10,799,526	7.2%	\$44,200,358	29.3%
Park	\$434,730,169	18.8%	\$156,278,041	35.9%	\$31,290,431	7.2%	\$187,568,472	43.1%
Phillips	\$111,877,119	0.0%	\$0	0.0%	\$2,767,525	2.5%	\$2,767,525	2.5%
Pitkin	\$2,885,594,599	15.2%	\$1,061,201,264	36.8%	\$273,738,946	9.5%	\$1,334,940,210	46.3%
Prowers	\$139,883,199	0.0%	\$0	0.0%	\$3,669,863	2.6%	\$3,669,863	2.6%
Pueblo	\$1,717,349,503	3.0%	\$65,411,139	3.8%	\$97,940,488	5.7%	\$163,351,627	9.5%
Rio Blanco	\$759,308,782	9.9%	\$12,609,143	1.7%	\$5,307,027	0.7%	\$17,916,170	2.4%
Rio Grande	\$190,670,093	12.9%	\$29,212,680	15.3%	\$9,156,789	4.8%	\$38,369,469	20.1%
Routt	\$1,101,910,568	15.1%	\$309,277,940	28.1%	\$80,501,555	7.3%	\$389,779,495	35.4%
Saguache	\$71,864,032	12.5%	\$9,244,048	12.9%	\$2,994,351	4.2%	\$12,238,399	17.0%
San Juan	\$47,141,895	22.2%	\$8,652,496	18.4%	\$1,403,872	3.0%	\$10,056,368	21.3%
San Miguel	\$774,551,445	18.0%	\$282,364,409	36.5%	\$59,487,149	7.7%	\$341,851,557	44.1%
Sedgwick	\$62,291,739	0.0%	\$0	0.0%	\$853,432	1.4%	\$853,432	1.4%
Summit	\$1,867,251,277	23.3%	\$1,026,304,430	55.0%	\$156,170,299	8.4%	\$1,182,474,730	63.3%
Teller	\$539,202,699	9.1%	\$62,395,332	11.6%	\$28,974,597	5.4%	\$91,369,929	16.9%
Washington	\$148,844,061	0.0%	\$0	0.0%	\$1,765,934	1.2%	\$1,765,934	1.2%
Weld	\$8,385,654,146	0.5%	\$23,819,850	0.3%	\$234,593,499	2.8%	\$258,413,349	3.1%
Yuma	\$243,434,941	0.0%	\$0	0.0%	\$5,107,969	2.1%	\$5,107,969	2.1%
State Total	\$114,639,287,646		\$6,803,153,098	5.9%	\$8,836,004,113	7.7%	\$15,639,157,212	13.6%

* These estimates utilize vacant home data by county from the State Demographer (<https://demography.dola.colorado.gov/data/>) and assumes that 40 percent of vacant homes are used for short-term rentals. Actual fiscal impacts could vary depending on draft language, should a bill be drafted.

Map B
Estimated Percentage Change in 2019 Assessed Values Reclassifying Short-term Rentals as Nonresidential



Map prepared by Colorado Legislative Council Staff.

Appendix C
Estimated Change in 2019 Assessed Values of a 4-Year Reassessment Cycle*

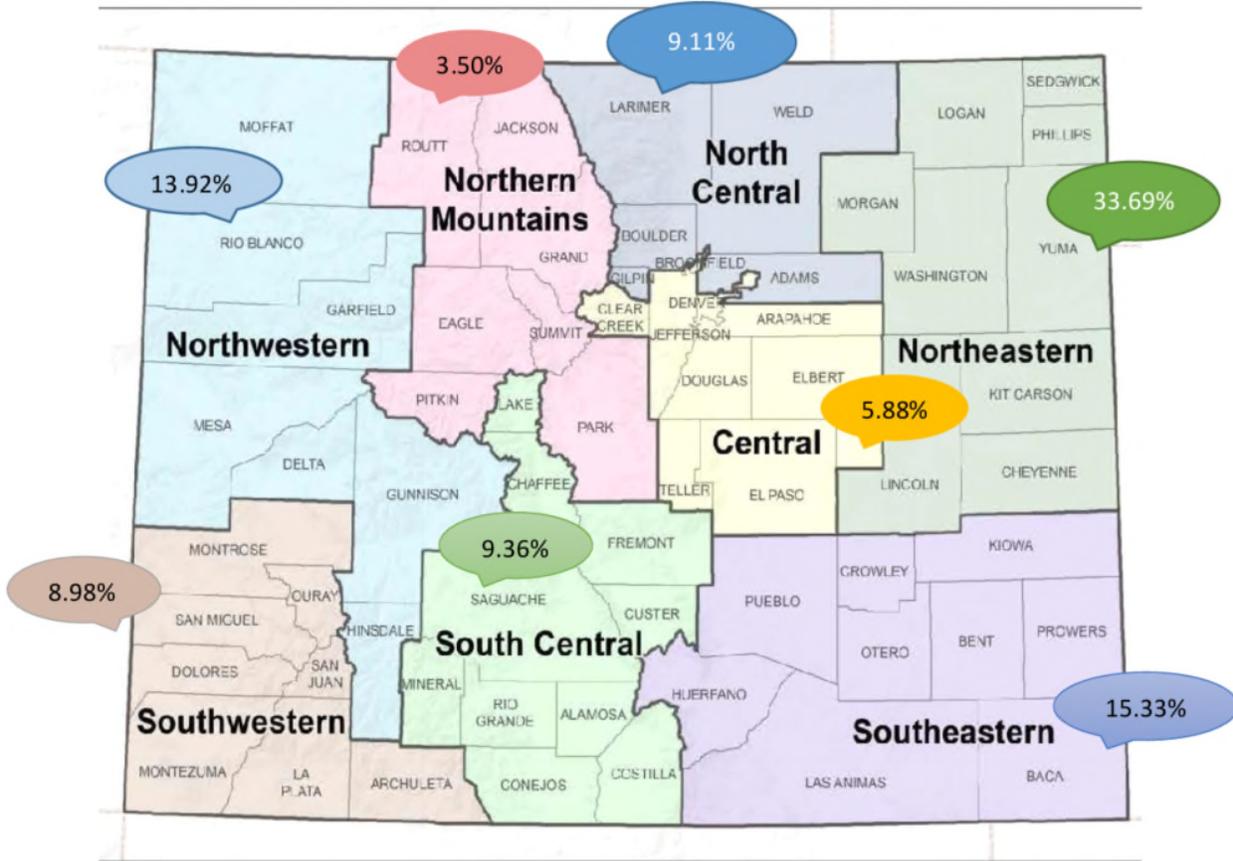
County	2019 Assessed Value	Change in Non-residential Assessed Value		Change in Residential Assessed Value		Total Change	
Adams	\$6,604,624,821	-\$115,668,833	-1.8%	\$20,096,199	0.3%	-\$95,572,634	-1.4%
Alamosa	\$177,694,509	\$2,391,633	1.3%	\$6,603,078	3.7%	\$8,994,711	5.1%
Arapahoe	\$12,038,941,461	-\$478,405,569	-4.0%	-\$4,357,976	0.0%	-\$482,763,545	-4.0%
Archuleta	\$278,688,491	-\$3,009,121	-1.1%	\$14,589,641	5.2%	\$11,580,519	4.2%
Baca	\$98,025,798	-\$1,146,871	-1.2%	\$1,077,088	1.1%	-\$69,783	-0.1%
Bent	\$87,760,482	-\$1,298,829	-1.5%	\$981,704	1.1%	-\$317,125	-0.4%
Boulder	\$11,069,335,465	-\$513,645,881	-4.6%	-\$106,469,715	-1.0%	-\$620,115,596	-5.6%
Chaffee	\$426,975,094	-\$6,907,831	-1.6%	\$20,291,835	4.8%	\$13,384,004	3.1%
Cheyenne	\$115,045,428	-\$699,052	-0.6%	\$756,824	0.7%	\$57,772	0.1%
Clear Creek	\$373,463,763	\$7,925,956	2.1%	\$12,921,707	3.5%	\$20,847,663	5.6%
Conejos	\$67,646,082	-\$1,247,551	-1.8%	\$4,195,923	6.2%	\$2,948,372	4.4%
Costilla	\$127,392,625	-\$818,910	-0.6%	\$2,240,613	1.8%	\$1,421,703	1.1%
Crowley	\$49,190,724	-\$1,172,449	-2.4%	\$828,132	1.7%	-\$344,317	-0.7%
Custer	\$92,437,151	-\$1,606,111	-1.7%	\$7,952,823	8.6%	\$6,346,712	6.9%
Delta	\$251,694,005	-\$12,770,307	-5.1%	\$17,735,934	7.0%	\$4,965,627	2.0%
Denver	\$17,154,742,794	-\$479,289,572	-2.8%	-\$96,226,123	-0.6%	-\$575,515,694	-3.4%
Dolores	\$133,830,887	\$1,560,583	1.2%	\$1,644,208	1.2%	\$3,204,791	2.4%
Douglas	\$6,908,088,391	-\$263,663,430	-3.8%	\$29,131,346	0.4%	-\$234,532,084	-3.4%
Eagle	\$2,859,264,646	-\$97,979,699	-3.4%	\$196,479,568	6.9%	\$98,499,869	3.4%
El Paso	\$7,731,207,690	-\$256,055,373	-3.3%	\$152,923,233	2.0%	-\$103,132,139	-1.3%
Elbert	\$330,318,947	-\$4,291,913	-1.3%	-\$5,753,505	-1.7%	-\$10,045,418	-3.0%
Fremont	\$425,279,101	-\$4,751,405	-1.1%	\$22,196,035	5.2%	\$17,444,630	4.1%
Garfield	\$2,302,403,519	-\$89,391,105	-3.9%	\$51,393,627	2.2%	-\$37,997,478	-1.7%
Gilpin	\$329,439,256	\$1,509,022	0.5%	\$2,091,498	0.6%	\$3,600,520	1.1%
Grand	\$639,752,767	-\$2,731,936	-0.4%	\$35,429,889	5.5%	\$32,697,954	5.1%
Gunnison	\$545,457,972	-\$14,700,404	-2.7%	\$31,751,129	5.8%	\$17,050,726	3.1%
Hinsdale	\$56,271,898	-\$836,870	-1.5%	\$3,226,659	5.7%	\$2,389,789	4.2%
Huerfano	\$112,738,248	-\$1,658,418	-1.5%	\$6,443,051	5.7%	\$4,784,633	4.2%
Jackson	\$56,139,723	-\$22,323	0.0%	\$1,056,582	1.9%	\$1,034,259	1.8%
Jefferson	\$10,237,855,542	-\$584,449,031	-5.7%	\$115,592,199	1.1%	-\$468,856,832	-4.6%
Kiowa	\$37,437,272	-\$212,920	-0.6%	\$284,226	0.8%	\$71,306	0.2%
Kit Carson	\$234,821,444	-\$7,277,471	-3.1%	\$2,768,105	1.2%	-\$4,509,367	-1.9%
La Plata	\$1,828,352,077	-\$16,124,385	-0.9%	\$62,380,688	3.4%	\$46,256,302	2.5%
Lake	\$183,997,335	-\$938,454	-0.5%	\$6,151,633	3.3%	\$5,213,180	2.8%
Larimer	\$5,824,571,477	-\$109,698,458	-1.9%	\$27,255,012	0.5%	-\$82,443,446	-1.4%
Las Animas	\$340,579,908	-\$5,335,280	-1.6%	\$7,700,211	2.3%	\$2,364,931	0.7%
Lincoln	\$147,654,684	-\$1,211,194	-0.8%	\$1,504,821	1.0%	\$293,626	0.2%
Logan	\$342,179,259	-\$4,730,964	-1.4%	\$6,446,426	1.9%	\$1,715,462	0.5%

Appendix C (Cont.)
Estimated Change in 2019 Assessed Values of a 4-Year Reassessment Cycle*

County	2019 Assessed Value	Change in Non-residential Assessed Value	Change in Residential Assessed Value	Total Change
Mesa	\$2,038,238,873	-\$53,595,467	-2.6%	\$82,550,475 4.1%
Mineral	\$39,273,821	-\$145,465	-0.4%	\$2,769,650 7.1%
Moffat	\$363,923,535	-\$3,908,803	-1.1%	\$6,548,808 1.8%
Montezuma	\$553,867,706	\$1,957,027	0.4%	\$15,890,869 2.9%
Montrose	\$521,285,704	-\$11,899,325	-2.3%	\$21,036,253 4.0%
Morgan	\$695,753,556	-\$6,297,500	-0.9%	\$11,056,428 1.6%
Otero	\$173,085,752	-\$2,681,171	-1.5%	\$5,525,726 3.2%
Ouray	\$150,997,696	-\$3,525,701	-2.3%	\$7,547,870 5.0%
Park	\$434,730,169	-\$3,922,479	-0.9%	\$21,169,079 4.9%
Phillips	\$111,877,119	-\$1,594,368	-1.4%	\$2,057,552 1.8%
Pitkin	\$2,885,594,599	-\$90,866,638	-3.1%	\$163,004,547 5.6%
Prowers	\$139,883,199	-\$2,540,199	-1.8%	\$2,910,287 2.1%
Pueblo	\$1,717,349,503	-\$4,745,015	-0.3%	\$61,334,239 3.6%
Rio Blanco	\$759,308,782	-\$17,115,093	-2.3%	\$4,740,678 0.6%
Rio Grande	\$190,670,093	-\$1,965,856	-1.0%	\$6,438,134 3.4%
Routt	\$1,101,910,568	-\$42,068,689	-3.8%	\$45,076,646 4.1%
Saguache	\$71,864,032	-\$498,319	-0.7%	\$2,962,802 4.1%
San Juan	\$47,141,895	-\$1,508,359	-3.2%	\$902,226 1.9%
San Miguel	\$774,551,445	-\$15,320,684	-2.0%	\$37,840,575 4.9%
Sedgwick	\$62,291,739	-\$558,906	-0.9%	\$746,958 1.2%
Summit	\$1,867,251,277	-\$47,307,778	-2.5%	\$105,573,222 5.7%
Teller	\$539,202,699	-\$8,555,137	-1.6%	\$23,948,622 4.4%
Washington	\$148,844,061	-\$4,067,706	-2.7%	\$1,370,034 0.9%
Weld	\$8,385,654,146	-\$35,104,968	-0.4%	\$27,681,376 0.3%
Yuma	\$243,434,941	-\$2,384,183	-1.0%	\$3,819,097 1.6%
Total	\$114,639,287,646	-\$3,430,581,508	-3.0%	\$1,325,816,483 1.2%

* Actual fiscal impacts could vary depending on draft language, should a bill be drafted.

Map D Regional Residential Assessment Rate for 2017-2018



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

Note: The regions on this map were chosen based on how the Division of Local Government has set up the eight Regional Managers across the state. These numbers are hypothetical, and represent what the residential assessment rates would have been for 2017 and 2018, if numbers from each region were used instead of statewide numbers. The target percentage was recalculated for each region and was determined using the actual 2015 non-residential value.