# Property Tax Assessment Rate Changes pursuant to SB23-303

(Contingent on the passage of Prop HH on November 7, 2023) May 29, 2023

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Type of	Property	Assessment Rates For property tax years 2022 (payable in 2023) Created under SB21-293	Assessment Rates For property tax year 2023 (payable in 2024) Created under SB22-238	Assessment Rates For property tax year 2024 (payable in 2025) Created under <u>SB22-</u> <u>238</u>	Assessment Rates For property tax year 2025 (payable in 2026)	Assessment Rates For property tax year 2026 (payable in 2027)	Assessment Rates For property tax year 2027 (payable in 2028)	Assessment Rates For property tax year 2028 (payable in 2029)	Assessment Rates For property tax year 2029 (payable in 2030)	Assessment Rates For property tax year 2030 (payable in 2031)	Assessment Rates For property tax year 2031 (payable in 2032)	Assessment Rates For property tax year 2032 (payable in 2033)
Non- residential	Hotels, motels and B &Bs – 'lodging properties'	29%		<del>29%</del> 27.85%	<del>29%</del> 27.85%	<del>29%</del> 27.85%	<del>29%</del> 27.65%	<del>29%</del> 27.65%	<del>29%</del> 26.9%	<del>29%</del> 26.9%	<del>29%</del> 25.9% or 26.9%* (*if growth trigger is met)	29% 25.9% or 26.9%* (*if growth trigger is met)
	Renewable Energy Production	26.4%	26.4%	26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 25.9% or 26.4%*	<del>29%</del> 25.9% or 26.4%*
	Agricultural Property	26.4%	26.4%	26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 26.4%	<del>29%</del> 25.9% or 26.4%*	<del>29%</del> 25.9% or 26.4%*
	Renewable Energy & Ag Properties	N/A	N/A	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%
	Commercial, Vacant, Industry	29%	27.9%-27.85% (For improved commercial only: reduce first \$30,000 of Actual Value)	<del>29%</del> 27.85%	<del>29%</del> 27.85%	<del>29%</del> 27.85%	<del>29%</del> 27.65%	<del>29%</del> 27.65%	<del>29%</del> 26.9%	<del>29%</del> 26.9%	<del>29%</del> 25.9% or 26.9%*	<del>29%</del> 25.9% or 26.9%*
	Oil & Gas	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%
Residential	Multi-family housing (i.e. apartments)	6.80%	6.765%-6.7% (Reduce first \$15,000 \$50,000 of Actual Value)	6.7% (Reduce first \$40,000 of Actual Value)	7.15% 6.7% (Reduce first \$40,000 of Actual Value)	<del>7.15%</del> 6.7% (Reduce first \$40,000 of Actual Value)	7.15% 6.7% (Reduce first \$40,000 of Actual Value)	<del>7.15% 6</del> .7% (Reduce first \$40,000 of Actual Value)	7.15% 6.7% (Reduce first \$40,000 of Actual Value)	7.15% 6.7% (Reduce first \$40,000 of Actual Value)	7.15% 6.7% (Reduce first \$40,000 of Actual Value)	7.15% 6.7% (Reduce first \$40,000 of Actual Value)
	All other residential property (i.e condo, single family home, townhomes etc.)	6.95%	6.765%-6.7% (Reduce first \$15,000 \$50,000 of Actual Value)	TBD 6.976% 6.7% (set at a level to hit a total revenue reduction over the 2023 & 2024 property tax years of \$700 million) (Reduce first \$40,000 of Actual Value)	7.15% 6.7% (owner- occupied rate & reduce \$40,000 of Actual Value) 6.7% (Investment properties rate)	7.15%-6.7% (owner-occupied rate & reduce \$40,000 of Actual Value) 6.7% (Investment properties rate)	7.15% 6.7% (owner- occupied rate & reduce \$40,000 of Actual Value) 6.7% (Investment properties rate)	7.15% 6.7% (owner-occupied rate & reduce \$40,000 of Actual Value) 6.7% (Investment properties rate)	7.15%-6.7% (owner-occupied rate & reduce \$40,000 of Actual Value) 6.7% (Investment properties rate)	7.15% 6.7% (owner- occupied rate & reduce \$40,000 of Actual Value) 6.7% (Investment properties rate)	7.15% 6.7% (owner- occupied rate & reduce \$40,000 of Actual Value) 6.7% (Investment properties rate)	7.15% 6.7% (owner-occupied rate & reduce \$40,000 of Actual Value) 6.7% (Investment properties rate)

# Backfill for Property Tax Years 2024 – 2032:

- No backfill for local government's whose 'real property' assessed value has increased by more than 20% from 2022 assessed valuation numbers (referred to as '20% trigger').
- The total amount available for backfill for non-school local governments is equal to 20% of the available dollars in the HH fund.
- Fire, EMS and Health Districts are first in line for backfill. Assuming there is sufficient funding, these entities will be made whole first and all other local governments will receive a portion of whatever remains. Fire, EMS and Health Districts who exceed the 20% trigger will receive 50% of their lost revenue.
- Only local governments in counties with less than 300,000 in population can become re-eligible for backfill in future years after hitting the 20% trigger.

# Backfill for Property Tax Year 2023 - 2032 (3 tiers - initially established in SB22-238).

1.) Local governments in counties with over 300,000 people will be made whole for 65% of their lost revenue.

9 counties: Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer and Weld

\*Fire, library, sanitation & water districts, health service districts & municipalities within these counties will receive a higher percentage backfill. Those with an assessed valuation of more than 10% will be made whole for 90% of their lost revenue. Those with an assessed valuation of less than 10% will be made whole for 100% of their lost revenue.

2.) Local governments in counties with a.) under 300,000 people and b.) an assessed valuation growth of over 10% will be made whole for 90% of their lost revenue.

3.) Local governments in counties with a.) under 300,000 and b.) an assessed valuation growth of under 10% will be made whole for 100% of their lost revenue.

#### Senior Homestead Exemption:

- \$140,000 (rather than \$100,000) in actual value reduction for those qualifying for the senior homestead exemption. (This amount includes the \$40k listed above.)
- Allow exemption to be portable
- Both of the above provisions take effect beginning January 1, 2025

# **Participatory Taxation:**

- Revenue growth tagged to inflation UNLESS governing body votes to override the cap.
- Does not apply to schools and other voter-approved mill levies.

# **State Revenue Debrucing Provision:**

- Seek voter approval in 2023 to allow state revenues to grow by inflation + population + 1% for 10 years.
- 80% of revenue will be used to backfill schools. The remaining 20% will be used to partially backfill local governments.
- Partial debrucing may continue beyond 10 years if legislature maintains or lowers assessment rates further.

