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| <p>SUPREME COURT OF COLORADO 2 East 14th Ave. Denver, CO 80203</p> | <p style="text-align: center;">▲ COURT USE ONLY ▲</p> |
| <p>Original Proceeding Pursuant to Colo. Rev. Stat. § 1-40-107(2) Appeal from the Ballot Title Board</p> <p>In the Matter of the Title, Ballot Title, and Submission Clause for Proposed Initiative 2021-2022 #110 (“Property Taxes”)</p> <p>Petitioners: Bernard Buescher</p> <p>v.</p> <p>Respondents: Steven Ward and Suzanne Taheri</p> <p>and</p> <p>Title Board: Theresa Conley, Ed DeCecco, and Kurt Morrison</p> | |
| <p>Attorneys for Petitioners:</p> <p>Mark G. Grueskin, #14621 Recht Kornfeld, P.C. 1600 Stout Street, Suite 1400 Denver, Colorado 80202 303-573-1900 (telephone) 303-446-9400 (facsimile) mark@rklawpc.com</p> | <p>Case Number:</p> |
| <p style="text-align: center;">PETITION FOR REVIEW OF FINAL ACTION OF BALLOT TITLE SETTING BOARD CONCERNING PROPOSED INITIATIVE 2021-2022 #110 (“PROPERTY TAXES”)</p> | |

Bernard Buescher (“Petitioner”), registered elector of the County of Mesa and the State of Colorado, through undersigned counsel, respectfully petition this Court pursuant to C.R.S. § 1-40-107(2), to review the actions of the Title Setting Board with respect to the title, ballot title, and submission clause set for Initiative 2021-2022 #110 (“Property Taxes”).

STATEMENT OF THE CASE

A. Procedural History of Proposed Initiative 2021-2022 #110.

Steven Ward and Suzanne Taheri (hereafter “Proponents”) proposed Initiative 2021-2022 #110 (the “Proposed Initiative”). Review and comment hearings were held before representatives of the Offices of Legislative Council and Legislative Legal Services. Thereafter, the Proponents submitted final versions of the Proposed Initiative to the Secretary of State for purposes of submission to the Title Board, of which the Secretary or his designee is a member.

A Title Board hearing was held on April 21, 2022, at which time titles were set for 2021-2022 #110. On April 27, 2022, Petitioner Bernard Buescher filed a Motion for Rehearing, alleging that a title was set for Initiative #110, contrary to the requirements of Colo. Const. art. V, sec. 1(5.5), and that the Title Board set titles which were misleading and incomplete as they do not fairly communicate the true intent and meaning of the measure. Objector Scott Wasserman, through

counsel, also filed a motion for rehearing in this matter and participated in the rehearing.

The rehearing was held on April 28, 2022, at which time the Title Board granted the Motions for Rehearing only to the extent that the Board made changes to the titles.

B. Jurisdiction

Petitioners are entitled to review before the Colorado Supreme Court pursuant to C.R.S. § 1-40-107(2). Petitioners timely filed the Motion for Rehearing with the Title Board. *See* C.R.S. § 1-40-107(1). Additionally, Petitioners timely filed this Petition for Review within seven days from the date of the hearing on the Motion for Rehearing. C.R.S. § 1-40-107(2).

As required by C.R.S. § 1-40-107(2), attached to this Petition for Review are certified copies of: (1) the draft, amended, and final version of the initiative filed by the Proponents; (2) the original ballot title set for this measure; (3) the Motion for Rehearing filed by the Petitioners; and (4) the ruling on the Motion for Rehearing as reflected by the title and ballot title and submission clause set by the Board. Petitioners believe that the Title Board erred in denying certain aspects of the Motion for Rehearing. The matter is properly before this Court.

GROUND FOR APPEAL

The titles set by the Title Board violate the legal requirements imposed on the Board pursuant to Colo. Const. art. V, sec. 1(5.5), precluding the Board from setting titles for this measure. The following is an advisory list of issues to be addressed in Petitioners' brief:

1. Whether the Title Board erred by setting a title for Initiative #110 whose subject could not be "clearly stated" as required by the Colorado Constitution, given the proponents' imprecision about what categories of "property" are subject to their measure's 2% ceiling on annual tax increases.

PRAYER FOR RELIEF

Petitioner respectfully requests that, after consideration of the parties' briefs, this Court determine that the titles are legally flawed, and direct the Title Board to return the initiative to the designated representative for lack of jurisdiction.

Respectfully submitted this 5th day of May, 2022.

s/ Mark G. Grueskin _____
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ATTORNEY FOR PETITIONERS

CERTIFICATE OF SERVICE

I, Erin Holweger, hereby affirm that a true and accurate copy of the **PETITION FOR REVIEW OF FINAL ACTION OF BALLOT TITLE SETTING BOARD CONCERNING PROPOSED INITIATIVE 2021-2022 #110 (“PROPERTY TAXES”)** was sent electronically via Colorado Courts E-Filing this day, May 5, 2022, to the following:

Counsel for the Title Board:
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Denver, CO 80202

Counsel for Objector Scott Wasserman:
Edward T. Ramey
Tierney Lawrence LLC
225 E. 16th St., Ste. 350
Denver, CO 80203

/s Erin Holweger _____



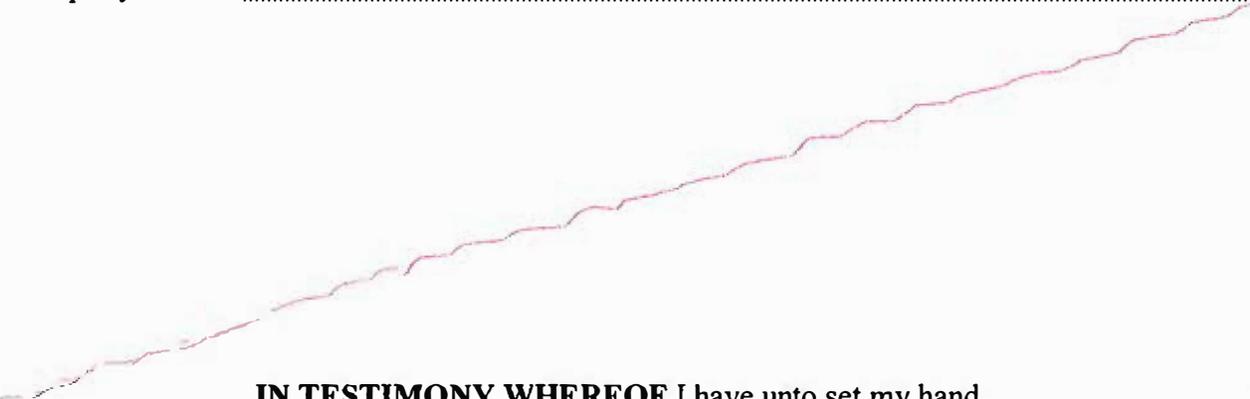
DATE FILED: May 5, 2022 12:29 PM

STATE OF COLORADO

DEPARTMENT OF STATE CERTIFICATE

I, **JENA GRISWOLD**, Secretary of State of the State of Colorado, do hereby certify that:

the attached are true and exact copies of the filed text, fiscal impact statement and abstract, motion for rehearing, and the rulings thereon of the Title Board for Proposed Initiative "2021-2022 #110 'Property Taxes'"



..... **IN TESTIMONY WHEREOF** I have unto set my hand
and affixed the Great Seal of the State of Colorado, at the
City of Denver this 3rd day of May, 2022.

Jena Griswold

SECRETARY OF STATE



Be it Enacted by the People of the State of Colorado:

SECTION 1. In the constitution of the state of Colorado, **amend** section 3 of article 10 as follows:

(1)(a) Each property tax levy shall be uniform upon all real and personal property not exempt from taxation under this article located within the territorial limits of the authority levying the tax. The actual value of all real and personal property not exempt from taxation under this article shall be determined under general laws, which shall prescribe such methods and regulations as shall secure just and equalized valuations for assessments of all real and personal property not exempt from taxation under this article. Valuations for assessment shall be based on appraisals by assessing officers to determine the actual value of property in accordance with provisions of law, which laws shall provide that actual value be determined by appropriate consideration of cost approach, market approach, and income approach to appraisal. However, the actual value of residential real property shall be determined solely by consideration of cost approach and market approach to appraisal; and, however, the actual value of agricultural lands, as defined by law, shall be determined solely by consideration of the earning or productive capacity of such lands capitalized at a rate as prescribed by law. NO TAX REVENUE ON A PROPERTY SHALL INCREASE MORE THAN 2% ANNUALLY UNLESS THE PROPERTY IS SUBSTANTIALLY IMPROVED BY ADDING MORE THAN 10% SQUARE FOOTAGE TO THE EXISTING BUILDINGS OR STRUCTURES OR ITS USE CHANGED IN WHICH CASE THE PROPERTY'S ACTUAL VALUE SHALL BE REAPPRAISED.

Ballot Title Setting Board

Proposed Initiative 2021-2022 #110¹

The title as designated and fixed by the Board is as follows:

Funding available for counties, school districts, water districts, fire districts, and other districts funded, at least in part, by property taxes shall be impacted by a reduction of \$1.5 billion in property tax revenue by an amendment to the Colorado constitution limiting the annual increase in tax revenue on a property to no more than 2% unless a property's use changes or its square footage increases by more than 10%, in which case, the property's actual value is reappraised.

The ballot title and submission clause as designated and fixed by the Board is as follows:

Shall funding available for counties, school districts, water districts, fire districts, and other districts funded, at least in part, by property taxes be impacted by a reduction of \$1.5 billion in property tax revenue by an amendment to the Colorado constitution limiting the annual increase in tax revenue on a property to no more than 2% unless a property's use changes or its square footage increases by more than 10%, in which case, the property's actual value is reappraised?

Hearing April 21, 2022:

Single subject approved; staff draft amended; titles set.

The Board determined that this proposed initiative adds language to the Colorado Constitution and will require a 55% vote to pass.

Board members: Theresa Conley, Ed DeCecco, Kurt Morrison

Hearing adjourned 5:47 P.M.

Rehearing April 28, 2022:

Motions for Rehearing granted only to the extent that the Board made changes to the titles.

The Board determined that this proposed initiative adds language to the Colorado Constitution and will require a 55% vote to pass.

Board members: Theresa Conley, Ed DeCecco, Kurt Morrison

Hearing adjourned 2:17 P.M.

¹ Unofficially captioned “**Property Taxes**” by legislative staff for tracking purposes. This caption is not part of the titles set by the Board.

Ballot Title Setting Board

Proposed Initiative 2021-2022 #110¹

The title as designated and fixed by the Board is as follows:

Funding available for counties, school districts, water districts, fire districts, and other districts funded, at least in part, by property taxes shall be impacted by a reduction of \$1.5 billion in property tax revenue by an amendment to the Colorado constitution limiting the annual increase in tax revenue on a property to no more than 2% unless the property is substantially improved by adding more than 10% square footage or its use changes.

The ballot title and submission clause as designated and fixed by the Board is as follows:

Shall funding available for counties, school districts, water districts, fire districts, and other districts funded, at least in part, by property taxes be impacted by a reduction of \$1.5 billion in property tax revenue by an amendment to the Colorado constitution limiting the annual increase in tax revenue on a property to no more than 2% unless the property is substantially improved by adding more than 10% square footage or its use changes?

Hearing April 21, 2022:

Single subject approved; staff draft amended; titles set.

The Board determined that this proposed initiative adds language to the Colorado Constitution and will require a 55% vote to pass.

Board members: Theresa Conley, Ed DeCecco, Kurt Morrison

Hearing adjourned 5:47 P.M.

¹ Unofficially captioned “**Property Taxes**” by legislative staff for tracking purposes. This caption is not part of the titles set by the Board.

BEFORE THE COLORADO BALLOT TITLE SETTING BOARD

Bernard Buescher, Objector,

vs.

Suzanne Taheri and Steven Ward, Proponents.

**MOTION FOR REHEARING ON INITIATIVE 2021-2022 #110
("Property Taxes")**

Bernard Buescher, registered elector of the County of Mesa and the State of Colorado, through his undersigned counsel, objects to the Title Board's (the "Board") title and ballot title and submission clause set for Initiative 2021-2022 #110.

The Board set a title for Initiative 2021-2022 #110 on April 21, 2022.¹ The Board designated and erroneously fixed titles for this measure.

I. This measure violates the constitutional single subject requirement.

The single-subject requirement in Article V, sec. 1(5.5) serves two purposes: (1) it ensures that the initiative "depends upon its own merits for passage"; and (2) it "protects against fraud and surprise occasioned by the inadvertent passage of a surreptitious provision 'coiled up in the folds' of a complex bill." *In re Title & Ballot Title & Submission Clause for 2005-2006 #55*, 138 P.3d 273, 277 (Colo. 2006) (citation omitted).

In applying this mandate, the Title Board must evaluate the measure to determine if it is constitutionally compliant. An initiative may not group "distinct purposes under a broad theme" to circumvent the single-subject requirement, nor can it "hide purposes unrelated to the [i]nitiative's central theme" to gain passage of a hidden provision. *Id.* at 277-78.

A. The initiative's ostensible purpose: property tax increase limit of 2%

Initiative #110 purports to only place a 2% cap on increases in any property's tax revenue. The proponents maintain that the single subject of their measure is limiting property tax increases for homeowners.

¹

Funding available for counties, school districts, water districts, fire districts, and other districts funded, at least in part, by property taxes shall be impacted by a reduction of \$1.5 billion in property tax revenue by an amendment to the Colorado constitution limiting the annual increase in tax revenue on a property to no more than 2% unless the property is substantially improved by adding more than 10% square footage or its use changes.

B. The initiative’s added purpose: reinstating the cost approach to appraisal for residential property

Since it was amended at the 1982 general election, Article, X, section 3 of the Colorado Constitution has provided, in relevant part:

Valuations for assessment shall be based on appraisals by assessing officers to determine the actual value of property in accordance with provisions of law, which laws shall provide that actual value be determined by appropriate consideration of cost approach, market approach, and income approach to appraisal. However, the actual value of **residential real property** shall be **determined solely by consideration of cost approach and market approach to appraisal....**

Colo. Const., art. X, sec. 3(1)(a) (emphasis added.) Thus, from 1983 on, residential property could be valued in two ways, using either the cost or the market approach to appraisal.

In 1992, however, Colorado voters adopted TABOR, and that provision contained a provision to restrict valuation methodology for residential property. “**Actual value shall be stated on all property tax bills and valuation notices and, for residential real property, determined solely by the market approach to appraisal.**” Colo. Const. Art. X, Section 20(8)(c) (emphasis added). Thus, instead of using cost *and* market approaches for residential valuation, assessors were to be limited to the market approach only.

A later-adopted measure that expressly conflicts with an earlier measure will be given effect as between the two. “Where an amendment to a constitution is anywise in conflict or in any manner inconsistent with a prior provision of the constitution, the amendment controls.” *In re Interrogatories by General Assembly concerning House Joint Resolution No. 1008, Second Regular Session, Forty-Seventh General Assembly*, 467 P.2d 56, 59 (Colo. 1970); *Colorado Common Cause v. Bledsoe*, 810 P.2d 201, 212 (Colo. 1991) (“To the extent that there is a conflict,... the subsequently enacted constitutional amendment, takes precedence”); *see also People ex rel Attorney General v. Cassidy*, 117 P. 357, 362 (Colo. 1911) (citation omitted).

Since it was adopted, TABOR’s change in the method of valuing residential property (limiting such valuations to the market approach) has been given full effect at all levels.

- The General Assembly amended state statute to reflect this fact. “The actual value of residential real property shall be determined solely by consideration of the market approach to appraisal.” C.R.S. § 39-1-103(5(a)).
- The courts held that the market approach is now the sole means of valuing residential property. *See, e.g., Antolovich v. Brown Group Retail, Inc.*, 183 P.3d 582, 595 (Colo. App. 2007) (citing TABOR’s mandate for using only market approach for such property).
- Assessors value residential property based solely on the market approach. *See, e.g., Jet Black, LLC v. Routt County Bd. of County Comm’rs*, 165 P.3d 744, 749 (Colo. App. 2006); <https://moffatcounty.colorado.gov/government/elected-officials/county->

[assessor/property-classification-and-valuation/real-property](#) (last viewed April 24, 2022)
 (“By law, residential property is valued using only the market approach to appraisal”).

Now, Initiative #110 seeks to amend subsection (1)(a) of article X, section 3, and, as is relevant here, expressly reenacts the sentence with which TABOR conflicted. Initiative #110 would readopt the provision in the Constitution, stating: “the **actual value of residential real property** shall be determined **solely by consideration of cost approach** and market approach to appraisal....” (Emphasis added.)

Voters who read Initiative #110 will see in that text the “cost approach” as a specifically authorized appraisal technique for residential property. When interpreting a voter-approved amendment to the Constitution, the courts strive to implement voter intent based, first, on a measure’s plain wording. *In re Interrogatories Relating to the Great Outdoors Colo. Trust Fund*, 913 P.2d 533, 538 (Colo. 1996). To that end in interpreting such measures, “**each clause** and sentence must be presumed to have **purpose and use.**” *Id.* at 542 (emphasis added); *see also Colo. Water Conservation Board v. Upper Gunnison River Water Conservancy Dist.*, 109 P.3d 585, 597 (Colo. 2005) (“In examining a statute’s plain language, we give effect to every word and render none superfluous”). The single subject requirement protects against a “voter of average intelligence... (from being) surprised” by hidden “procedural aspects” in a measure that otherwise makes substantive changes to the law. *In re Title, Ballot Title & Submission Clause for 2001-2002 #43*, 46 P.3d 438, 446 (Colo. 2002). The average voter will read Initiative #110 and assume he is giving effect to its entire text.

If adopted, Initiative #110 would be the later-enacted measure, and thus the conflict with TABOR is resolved in favor of the new language requiring use of cost and market approaches to appraisal for residential property. Initiative #110 would trump the contrary language in TABOR, a valuation restriction homeowners are familiar with and rely on in their property tax valuations.

Had Proponents sought to only adopt their 2% cap on property taxes, they could have, for instance, added a new subsection (3) to Article X, section 3 and placed the new limit language there. But they didn’t. And that decision must be deemed to have been intentional.

This change in the appraisal practice for one class of property (residential) is a separate subject from the overall, property-by-property tax cap, one that is not limited to any one class of taxable property. *See In re Title, Ballot Title & Submission Clause for 2021-2022 #16*, 2021 CO 55, ¶39, 489 P.3d 1217, 1225 (single subject violation by animal cruelty initiative, where certain provisions dealt with one species of animal and other provisions dealt with all animals).

Given that, Initiative #110 puts the cost approach back in play in valuing residential property, and that topic is separate and distinct from an annual cap on property tax increases, this measure cannot be titled.

II. This measure violates the clear title requirement for initiative titles.

The titles are misleading in that:

- A. They fail to state the initiative reestablishes the cost approach to appraisal as a means for valuing residential property;
- B. They fail to state that, when a property experiences a change in use or a 10% square footage increase, such property will be reappraised in order to determine its valuation; and
- C. The title's use of "is substantially improved" unnecessarily characterizes a property's change in use or its 10% increase in square footage, which changes may not, in reality, "substantially improve" that property, and thus this phrase is misleading and speculative, notwithstanding its use in the initiative text.

RESPECTFULLY SUBMITTED this 27th day of April, 2022.

RECHT KORNFELD, P.C.

s/ Mark G. Grueskin

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Objector's Address:
4350 N. Club Ct., Unit B
Grand Junction, CO 81506

CERTIFICATE OF SERVICE

I hereby affirm that a true and accurate copy of the **MOTION FOR REHEARING ON INITIATIVE 2021-2022 #110** was sent this day, April 27, 2022, via email to the proponents via their legal counsel:

Suzanne Taheri
Maven Law Group
STaheri@mavenlawgroup.com

s/ Erin Holweger

BEFORE THE COLORADO BALLOT TITLE SETTING BOARD

Scott Wasserman, Movant

vs.

Suzanne Taheri and Steven Ward, Designated Representatives of Proponents.

**MOTION FOR REHEARING ON INITIATIVE 2021-2022 #110
("Property Taxes")**

Scott Wasserman, a registered elector in the State of Colorado, through his undersigned counsel, respectfully submits the following Motion for Rehearing regarding Proposed Initiative 2021-2022 #110 ("Property Taxes").

I. Proposed Initiative 2021-2022 #110 contains more than a single subject.

Proposed Initiative 2021-2022 adds the following language to Colo. Const. art. X, §3:

NO TAX REVENUE ON A PROPERTY SHALL INCREASE MORE THAN 2% ANNUALLY UNLESS THE PROPERTY IS SUBSTANTIALLY IMPROVED BY ADDING MORE THAN 10% SQUARE FOOTAGE TO THE EXISTING BUILDINGS OR STRUCTURES OR ITS USE CHANGED IN WHICH CASE THE PROPERTY'S ACTUAL VALUE SHALL BE REAPPRAISED.

There was some discussion at the initial Title Board hearing on this measure on April 21, 2022, regarding its potential applicability to taxes other than general *ad valorem* property taxes for the general expenses of local government. The discussion was precipitated in part by the use of the terminology "*no tax revenue on a property shall increase more than 2% annually*" (subject to specified exceptions). The discussion was hi-lighted by the testimony of a particularly well-informed on-line participant who described a number of common assessments – often by municipalities and special districts that fund such specific services as waste water disposition and alley maintenance – that indisputably generate "tax revenue on property" but are neither *ad valorem* in nature nor dedicated to general expenses of government. These would include, for example, both excise taxes and special assessments (both of which are generally referred to a property taxes). *Cf., Bloom v. City of Fort Collins*, 784 P.2d 304, 307-308 (Colo. 1989).

As the plain language of Initiative 2021-2022 #110 limits all increases in “*tax revenue on a property*” to two percent annually, this limit necessarily incorporates such non-*ad-valorem* assessments as well as general property taxes. Tacking this language into Colo. Const. art. X, §3 doesn’t change that; at best it indicates that general *ad valorem* property taxes would have to be reduced – perhaps to zero or lower – should any other “tax revenue on a property” drive a combined total increase on a particular property above two percent. The result is a carefully – perhaps strategically – concealed second subject “coiled in the folds” of the initiative. *Cf., In re Title, Ballot Title and Submission Clause for 2009-2010 #91*, 235 P.3d 1071, 1077 (2010); *In re Title, Ballot Title and Submission Clause for 2007-2008 #17*, 172 P.3d 871, 876 (Colo. 2007).

Additionally, as Colo. Const. art. X, §3 addresses taxes on both real and personal property, its problematic application to the latter is at best a second subject and at worst sufficiently unclear and misleading as to prevent the setting of a comprehensible title.

II. If the language of Proposed Initiative 2021-2022 #110 cannot be understood clearly enough to allow the setting of a clear title, the Title Board must reject the initiative on that basis alone.

There was considerable discussion among the Title Board members, the proponents themselves (inconsistently), and other participants at the initial hearing (including most helpfully the on-line participant) – and now the present movants – as to what the language of the proposed measure (particularly “no tax revenue on a property”) means. At best – and giving every benefit of the doubt to the proponents – the meaning is unclear. The result is that a “single subject” cannot be clearly and comfortably stated.

“Before a clear title can be written, the Board must reach a definitive conclusion as to whether the initiatives encompass multiple subjects.” *In re Title, Ballot Title and Submission Clause, and Summary for 1999-2000 #25*, 974 P.2d 458, 468 (Colo. 1999). “While the Board must give deference to a proponent’s expression of his or her initiative’s intent . . . it may not do so at the expense of its other equally important duties. The Board must simultaneously consider the potential public confusion that might result from misleading titles and exercise its authority in order to protect against such confusion.” *Id.* at 469.

In the present case, the language of the initiative itself – particularly the core term and concept (“tax revenue on a property”) – is sufficiently confusing that the Board, at best, cannot fairly determine if the measure contains multiple subjects. It cannot, therefore, set a clear title.

III. The title set for Proposed Initiative 2021-2022 #110 is unclear and misleading.

Even were the Title Board to conclude that Proposed Initiative 2021-2022 #110 contains a single subject, it cannot formulate a title that “correctly and fairly express[es] the true intent and meaning” of the measure. C.R.S. §1-40-106(3)(b). Nor in this case has it been able to “avoid [a title] for which the general understanding of the effect of a ‘yes/for’ or ‘no/against’ vote will be unclear.” Id. Tracking the language of the measure, the title states the effect of the measure to be “limiting the annual increase in tax revenue on a property to no more than 2% . . .” As with the measure itself, it is wholly unclear at best – if not patently misleading to the voters at worst – as to whether this “tax revenue on a property” is limited to revenue generated only by general *ad valorem* property taxes for general expenses of government or inclusive of targeted excise tax and special assessment “tax revenue on a property” (as the language of the measure would suggest). Nor is its application to personal property discernable.

Movant would very much like to suggest a clearer and more accurate title, but he is in no better a position to do so than the Title Board. The present title – and any alternative we can conjure up – will simply fail to provide the voters any clear or meaningful “understanding of the effect of a ‘yes/for’ or ‘no/against’ vote” on this initiative.

Respectfully submitted April 27, 2022.

_____/s/
Edward T. Ramey
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225 East 16th Avenue, Suite 350
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Phone: 303-949-7676
Email: eramey@tierneylawrence.com

Counsel for Scott Wasserman

CERTIFICATE OF SERVICE

I hereby affirm that a true and accurate copy of this **MOTION FOR REHEARING ON INITIATIVE 2021-2022 #110** was delivered on April 27, 2022 to Proponents via their legal counsel:

Suzanne Taheri
Maven Law Group
STaheri@mavenlawgroup.com

/s/ Edward Ramey



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

Initiative 110

Fiscal Summary

| | | | |
|--------------|----------------|------------------------|------------------------------|
| Date: | April 19, 2022 | Fiscal Analyst: | Greg Sobetski (303-866-4105) |
|--------------|----------------|------------------------|------------------------------|

LCS TITLE: PROPERTY TAXES

Fiscal Summary of Initiative 110

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at www.colorado.gov/bluebook. This fiscal summary identifies the following impact.

Local government impact. Assuming that the measure first applies to 2022 property taxes paid in 2023, it reduces property tax revenue to local governments by at least \$150 million in 2023, at least \$1.5 billion in 2024, and larger amounts in future years. These estimates are based on school district-level assessed value forecasts. However, this method likely underestimates the measure's impact, particularly with respect to areas that include both fast-growing outlier properties, like many oil and gas producing properties, and other properties with slow growing or declining values.

The measure will require statutory changes to the processes that county assessors use to determine the amount of property tax due. Administrative costs in assessors' offices will depend on implementing legislation, and are expected to be significant in the initial years of implementation.

State revenue. The measure reduces property taxes paid by oil and gas producers, thereby reducing future tax credits that they can claim when calculating their severance taxes. This will increase state cash fund revenue from severance taxes beginning in FY 2023-24. The amount of this impact will depend on producers' specific tax situations and has not been estimated.

State expenditures. The measure reduces the local share of total program funding for school finance, correspondingly increasing the state aid requirement. If the property tax revenue impact for each parcel is distributed proportionally to current local mill levies, the measure is expected to increase the state aid requirement by at least \$75 million in FY 2022-23, at least \$475 million in FY 2023-24, and larger amounts in later years. Subsequent changes in levies by other local governments may reduce the amount of property tax received by school districts, thereby increasing the amount of the required state contribution to school finance.

Economic impacts. Limiting property tax growth will increase the amount of after-tax income available for homeowners and business property owners to spend or save, increasing their spending, saving, or investment elsewhere in the economy. The measure will decrease revenue available for counties, municipalities, school districts, and special districts relative to current law expectations, lowering the amount of funds available for public services. Any overall change in economic activity will depend on the net economic impacts of higher after-tax household and business income and reduced investment in public services.