



June 8, 2020

Dear Members of the Colorado General Assembly:

On Friday, June 5th, CCI members unanimously voted to oppose SCR20-001 Repeal Property Tax Assessment Rates.

Counties are grateful for the legislature's desire to address Section 3, Article X (aka the Gallagher Amendment) and the role it plays on the county tax base. We share this desire. We have worked for years – by your side - to develop alternatives that would create predictability and sustainability for county revenues.

SCR20-001, however, is not a solution that will result in the predictability and sustainability in tax revenues counties seek. Property taxes depend on two levers – assessment rates and mill levies. Assessment rates determine the percentage of taxable value that is subject to mill levies. Mill levies are then applied to the taxable value to determine someone's property tax bill.

This measure, should it be approved by 2/3 of the members in both chambers and approved by voters statewide, will grant the legislature authority to decrease assessment rates for the two existing property types – non-residential and residential – and to potentially create new assessment rates for various types of property going forward. Control is granted on only one of the two levers.

As the 'arm of the state' responsible for delivering state services to 5.5 million Coloradoans, commissioners take pride in serving their communities and in meeting legislative expectations. We know that the lobbying forces at the capitol are strong and influential. Given this, we anticipate unyielding pressure on the legislature to lower assessment rates. This means county commissioners will need to seek local voter approval for local mill levy increases to offset lower assessment rates.

We are encouraged that the legislature is seeking solutions to Gallagher and see ourselves as partners in that work. We believe, however, that SCR20-001 comes up short in addressing the issues and providing safeguards for property tax dependent local governments.

Jim Zwetzig
Morgan County Commissioner & CCI President
Colorado Counties, Inc.