

NO on Proposition HH

It's a tax increase.



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FISCAL POLICY
CENTER

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What You'll Learn

Proposition HH...

- Is NOT property tax reform.
- Would result in the largest property tax increase in state history.
- Would increase state taxes by taking away taxpayer refunds.
- Would produce a NET tax increase.
- Increases taxes most for renters and those making over \$70,000.
- Allows the state to keep and spend TABOR refund money indefinitely after 2032 WITHOUT additional voter approval.

But first

How did we get here?



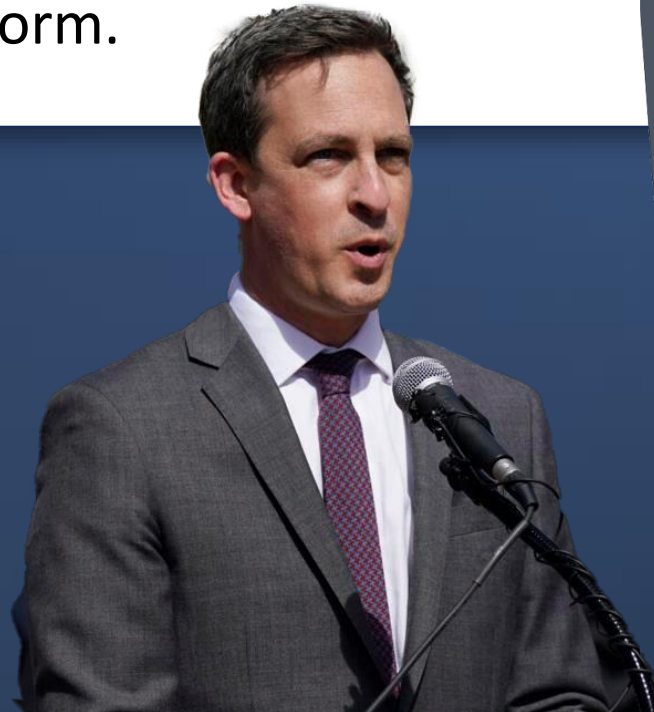


Property Taxes and Gallagher



Amendment B

- Repealed the Gallagher Amendment to the state constitution
- The Gallagher Amendment was bad policy and needed to be replaced.
- Gov. Polis and legislators promised to replace the Gallagher Amendment with a structural reform.



"I think the bigger question is what ways can we solve the structural problem and get property taxes on the more sustainable path for residences as well as for commercial properties."

Ballot Title

Amendment B

Without increasing property tax rates, to help preserve funding for local districts that provide fire protection, police, ambulance, hospital, kindergarten through twelfth grade education, and other services, and to avoid automatic mill levy increases, shall there be an amendment to the Colorado constitution to repeal the requirement that the general assembly periodically change the residential assessment rate in order to maintain the statewide proportion of residential property as compared to all other taxable property valued for property tax purposes and repeal the nonresidential property tax assessment rate of twenty-nine percent?

3 Questions:

1. What was the effect of repealing the Gallagher Amendment?
2. Does Proposition HH give us the long-term structural property tax reform lawmakers promised as a replacement to Gallagher?
3. Does Proposition HH come with any strings attached?

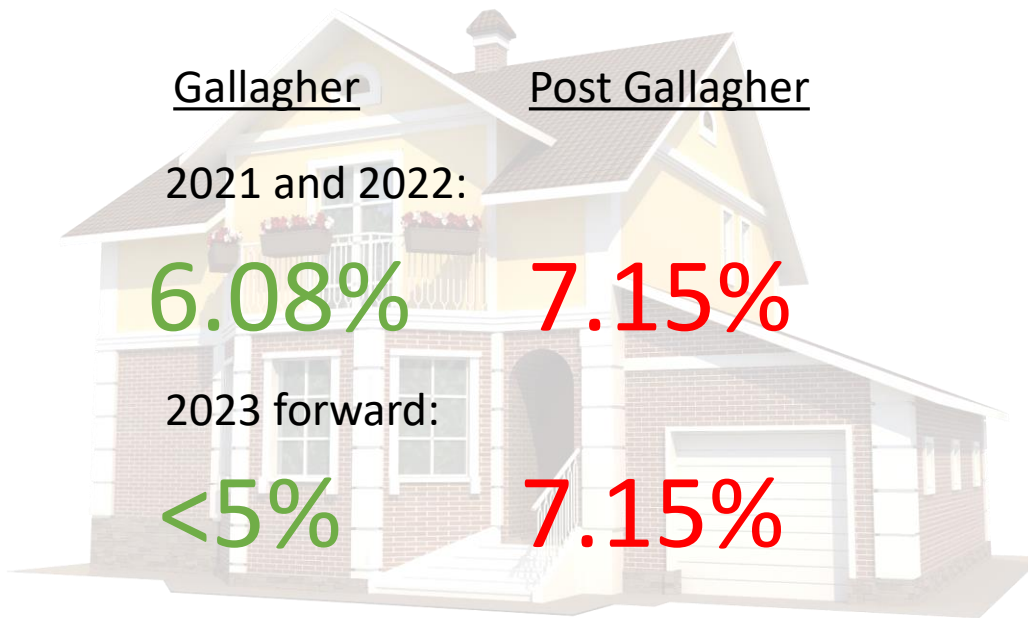


First Question

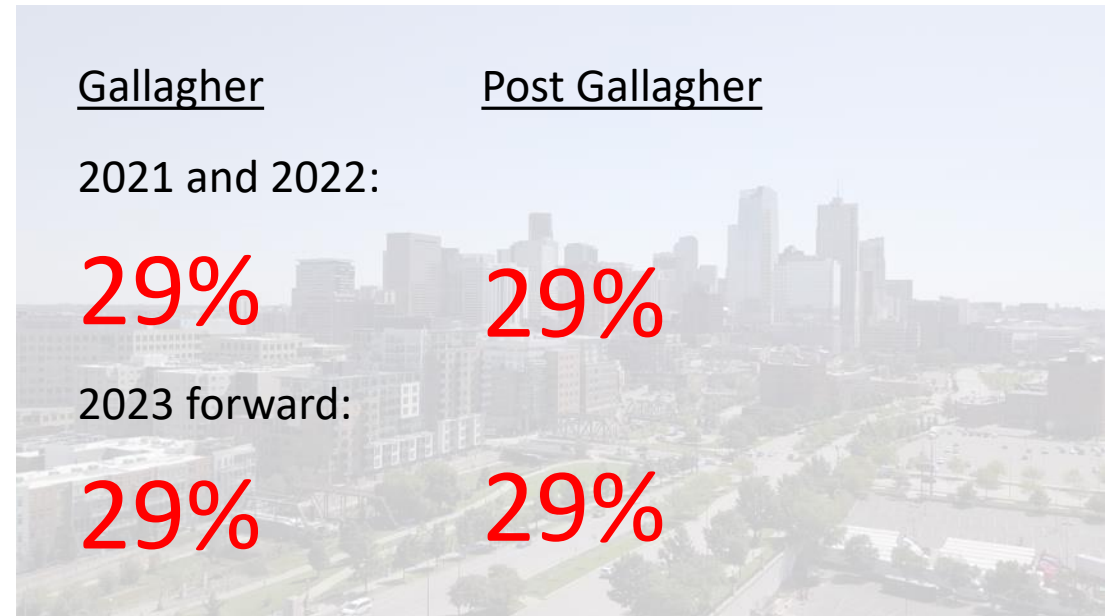
What was the effect of repealing the Gallagher Amendment?

Immediate Effect of Gallagher Repeal

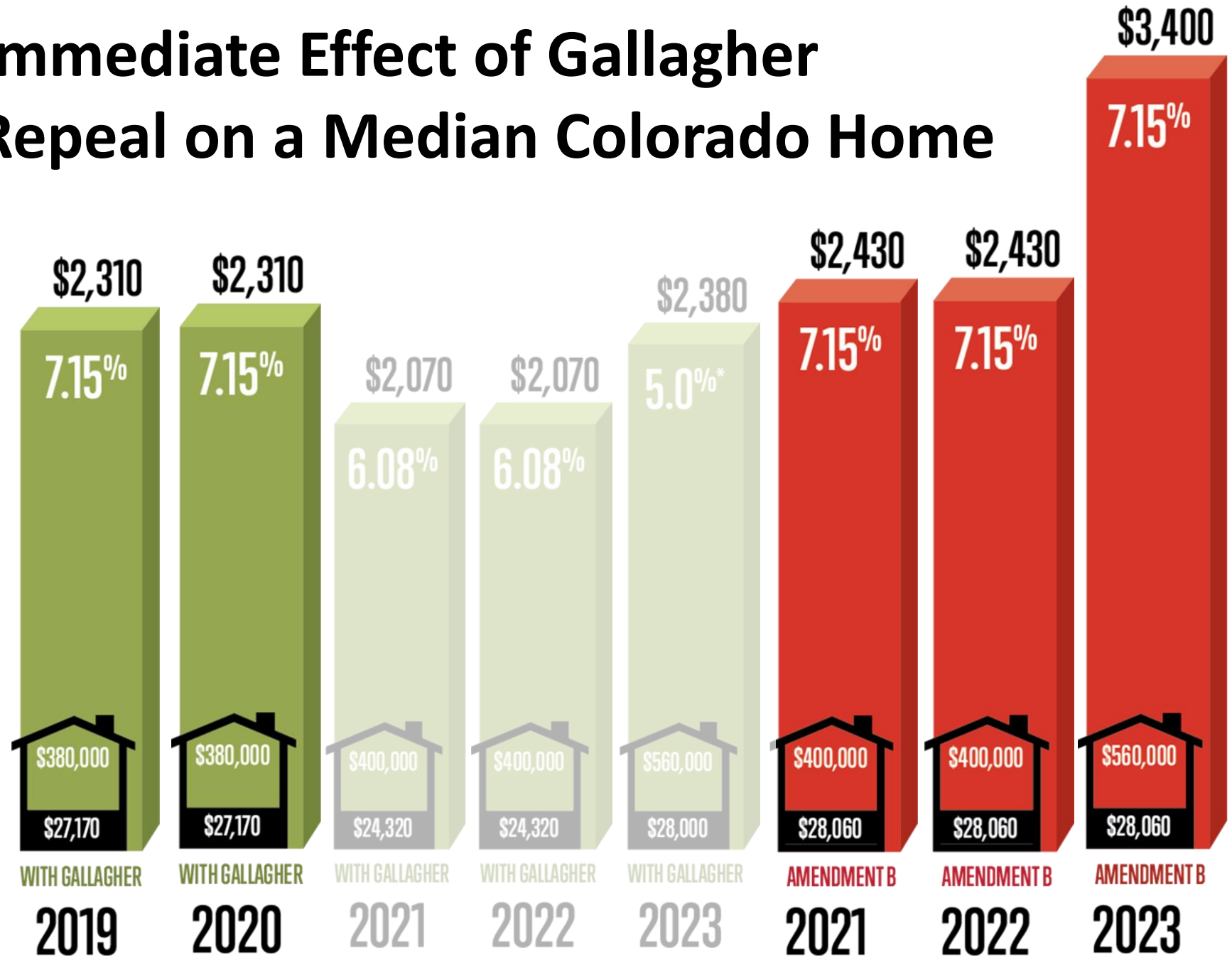
Residential



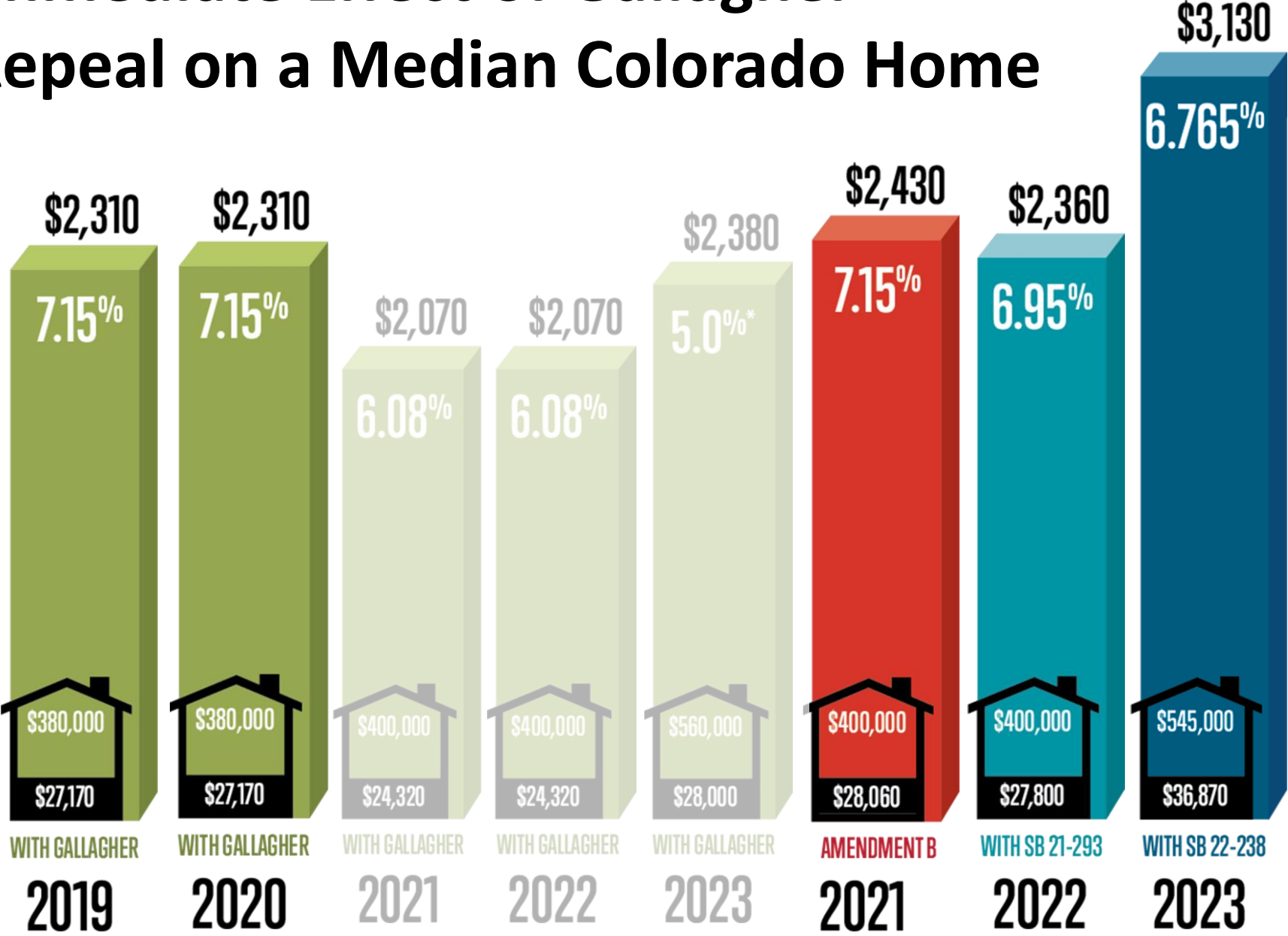
Commercial



Immediate Effect of Gallagher Repeal on a Median Colorado Home



Immediate Effect of Gallagher Repeal on a Median Colorado Home

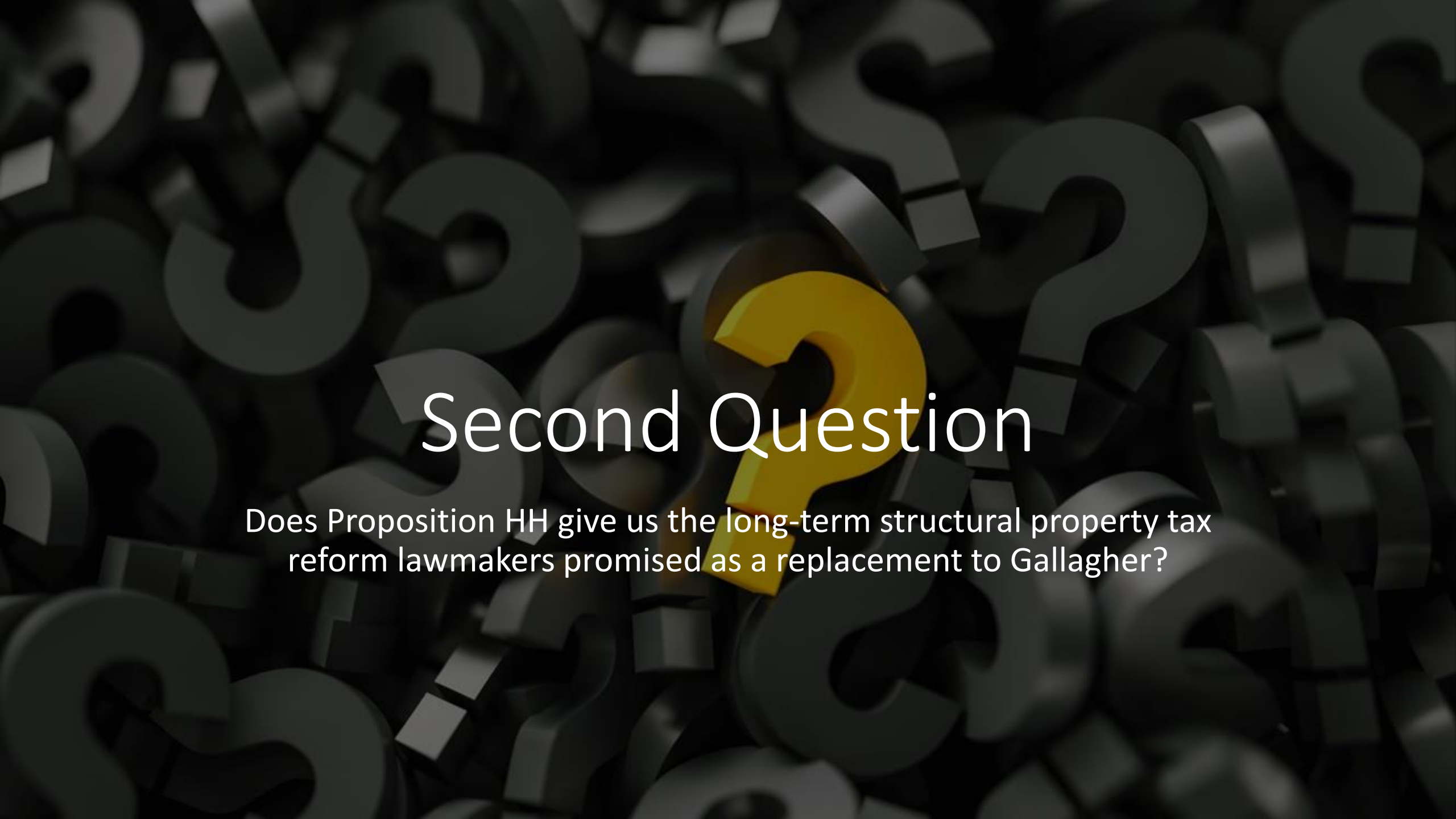




What was the effect of repealing the Gallagher Amendment?

It created the impending tax crisis for residential properties and did nothing to alleviate the tax burden for commercial properties....

...That is, unless lawmakers give us the long-term structural property tax reform they promised as a replacement for Gallagher!



Second Question

Does Proposition HH give us the long-term structural property tax reform lawmakers promised as a replacement to Gallagher?



Proposition HH

Your pain is their gain.

"SHALL THE STATE REDUCE PROPERTY TAXES FOR HOMES AND BUSINESSES, INCLUDING EXPANDING PROPERTY TAX RELIEF FOR SENIORS, AND BACKFILL COUNTIES, WATER DISTRICTS, FIRE DISTRICTS, AMBULANCE AND HOSPITAL DISTRICTS, AND OTHER LOCAL GOVERNMENTS AND FUND SCHOOL DISTRICTS BY USING A PORTION OF THE STATE SURPLUS UP TO THE PROPOSITION HH CAP AS DEFINED IN THIS MEASURE?"

Does Proposition HH give us the long-term structural property tax reform lawmakers promised?

• ~~Limit on local property tax revenues~~

(b) "LOCAL GOVERNMENT" MEANS A GOVERNMENTAL ENTITY AUTHORIZED BY LAW TO IMPOSE AD VALOREM TAXES ON TAXABLE PROPERTY LOCATED WITHIN ITS TERRITORIAL LIMITS; EXCEPT THAT THE TERM EXCLUDES SCHOOL DISTRICTS AND ANY COUNTY, CITY AND COUNTY, CITY, OR TOWN THAT HAS ADOPTED A HOME RULE CHARTER.

(5) THE FINAL DECISION BY A GOVERNING BODY TO IMPOSE A MILL LEVY THAT EXCEEDS THE PROPERTY TAX LIMIT IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN SUBSECTION (4) OF THIS SECTION IS DEEMED TO BE FINAL AND CONCLUSIVE AND IS NOT SUBJECT TO APPEAL TO COURT.

(I) PROPERTY TAX REVENUE FROM THE INCREASED VALUATION FOR ASSESSMENT WITHIN THE TAXING ENTITY FOR THE PRECEDING YEAR THAT IS ATTRIBUTABLE TO NEW CONSTRUCTION AND PERSONAL PROPERTY CONNECTED THEREWITH, AS DEFINED BY THE PROPERTY TAX ADMINISTRATOR IN MANUALS PREPARED PURSUANT TO SECTION 39-2-109 (1)(e);

(II) PROPERTY TAX REVENUE FROM THE INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION OR TO THE ANNEXATION OR INCLUSION OF ADDITIONAL LAND, THE IMPROVEMENTS THEREON, AND PERSONAL PROPERTY CONNECTED THEREWITH WITHIN THE TAXING ENTITY FOR THE PRECEDING YEAR;

(III) PROPERTY TAX REVENUE FOR PROPERTY THAT HAD PREVIOUSLY BEEN OMITTED FROM THE ASSESSMENT ROLL;

(IV) PROPERTY TAX REVENUE ABATED OR REFUNDED BY THE LOCAL GOVERNMENT DURING THE PROPERTY TAX YEAR;

(V) PROPERTY TAX REVENUE ATTRIBUTABLE TO PREVIOUSLY LEGALLY EXEMPT FEDERAL PROPERTY THAT BECOMES TAXABLE IF SUCH PROPERTY CAUSES AN INCREASE IN THE LEVEL OF SERVICES PROVIDED BY THE LOCAL GOVERNMENT; AND

(VI) ANY AMOUNT FOR THE PAYMENT OF EXPENSES INCURRED IN THE REAPPRAISAL OF CLASSES OR SUBCLASSES ORDERED OR CONDUCTED BY THE STATE BOARD OF EQUALIZATION FOR THE PAYMENT TO THE STATE OF EXCESS STATE EQUALIZATION PAYMENTS TO SCHOOL DISTRICTS, WHICH EXCESS IS DUE TO THE UNDERVALUATION OF TAXABLE PROPERTY.

(b) FOR PURPOSES OF CALCULATING THE PROPERTY TAX LIMIT, PROPERTY TAX REVENUE THAT IS FROM THE FOLLOWING SOURCES OR IS USED FOR THE FOLLOWING PURPOSES IS EXCLUDED FROM PROPERTY TAX REVENUE FOR THE PROPERTY TAX YEAR AND THE PRIOR PROPERTY TAX YEAR:

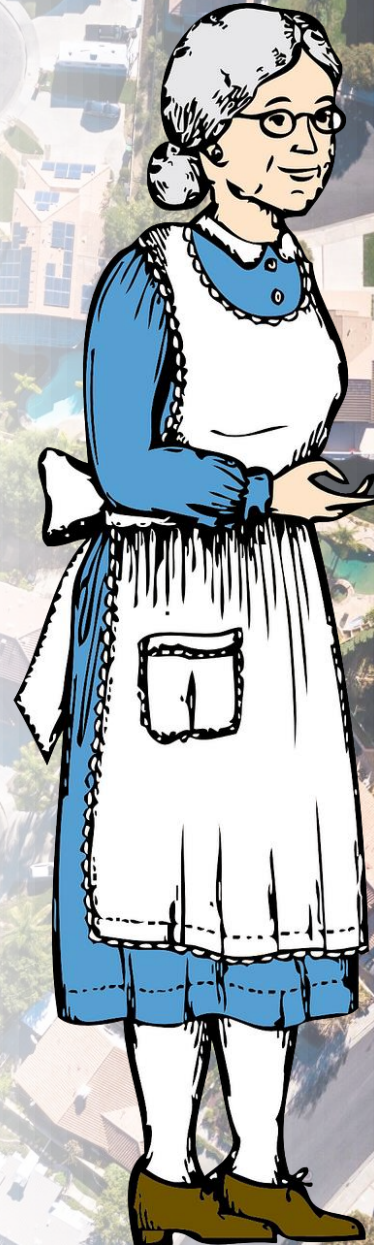
(I) PROPERTY TAX REVENUE FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS;

(II) AN AMOUNT TO PROVIDE FOR THE PAYMENT OF BONDS AND INTEREST THEREON, OR FOR THE PAYMENT OF ANY OTHER CONTRACTUAL OBLIGATION THAT HAS BEEN APPROVED BY A MAJORITY OF THE LOCAL GOVERNMENT'S VOTERS VOTING THEREON AT ANY ELECTION HELD BEFORE, ON, OR AFTER NOVEMBER 7, 2023; AND

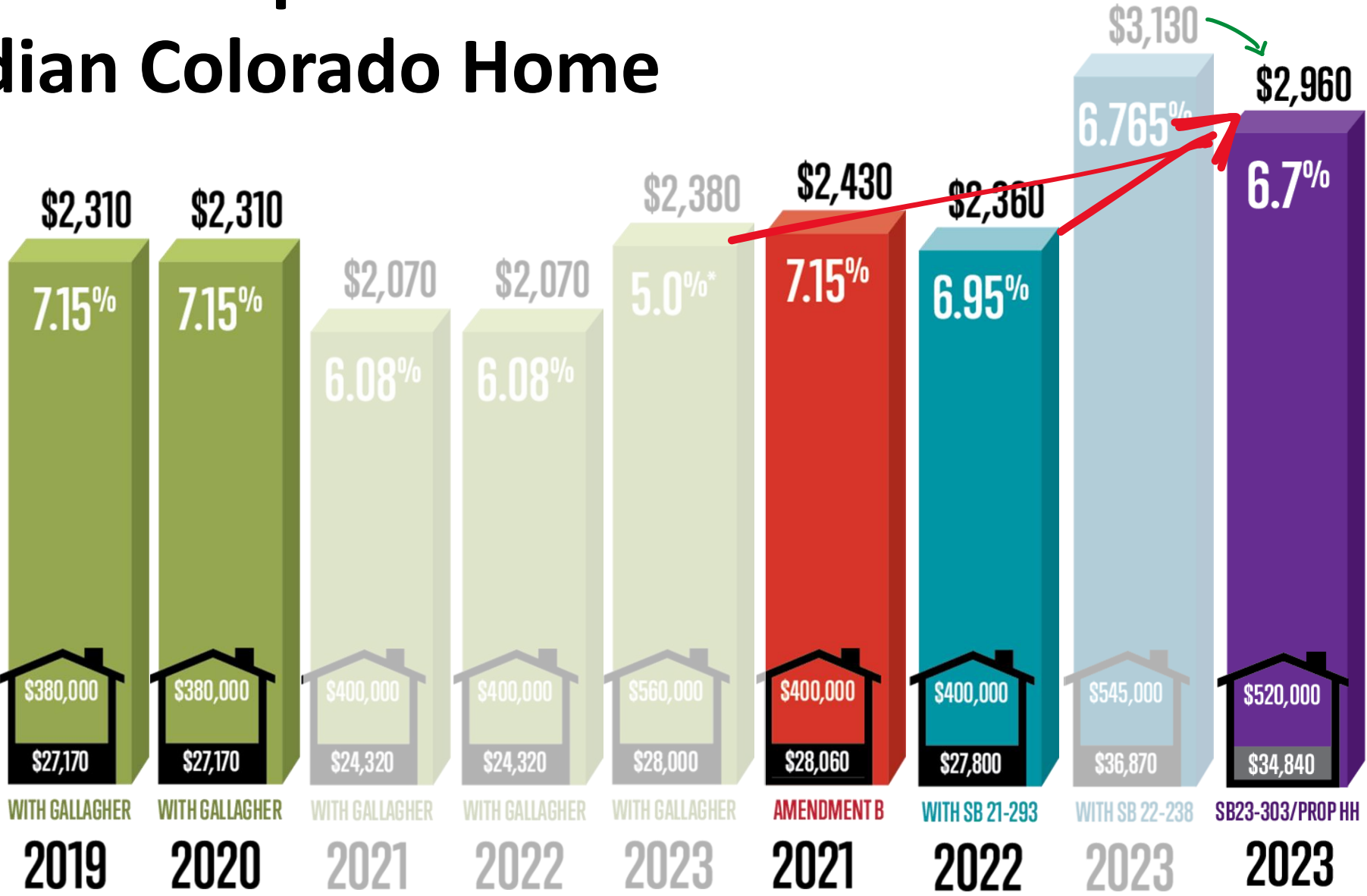
(III) ANY REVENUE FROM A MILL LEVY THAT HAS BEEN APPROVED BY VOTERS OF THE LOCAL GOVERNMENT, WITHOUT LIMITATION AS TO RATE OR AMOUNT, AT ANY ELECTION HELD BEFORE, ON, OR AFTER NOVEMBER 7, 2023.

Does Proposition HH give us
the long-term structural
property tax reform
lawmakers promised?

- ~~Limit on local property tax revenues~~
- Slightly lower assessment rates for residential and commercial properties
- Small exemption for residential properties
 - The alleged expansion in property tax relief for seniors is the same \$40,000 exemption all other residential properties receive, not in addition to it.
 - The lawmakers backing Prop HH killed a true senior homestead expansion this year.



Effect of Proposition HH on a Median Colorado Home



\$170 tax reduction relative to current law, or about 5.4%

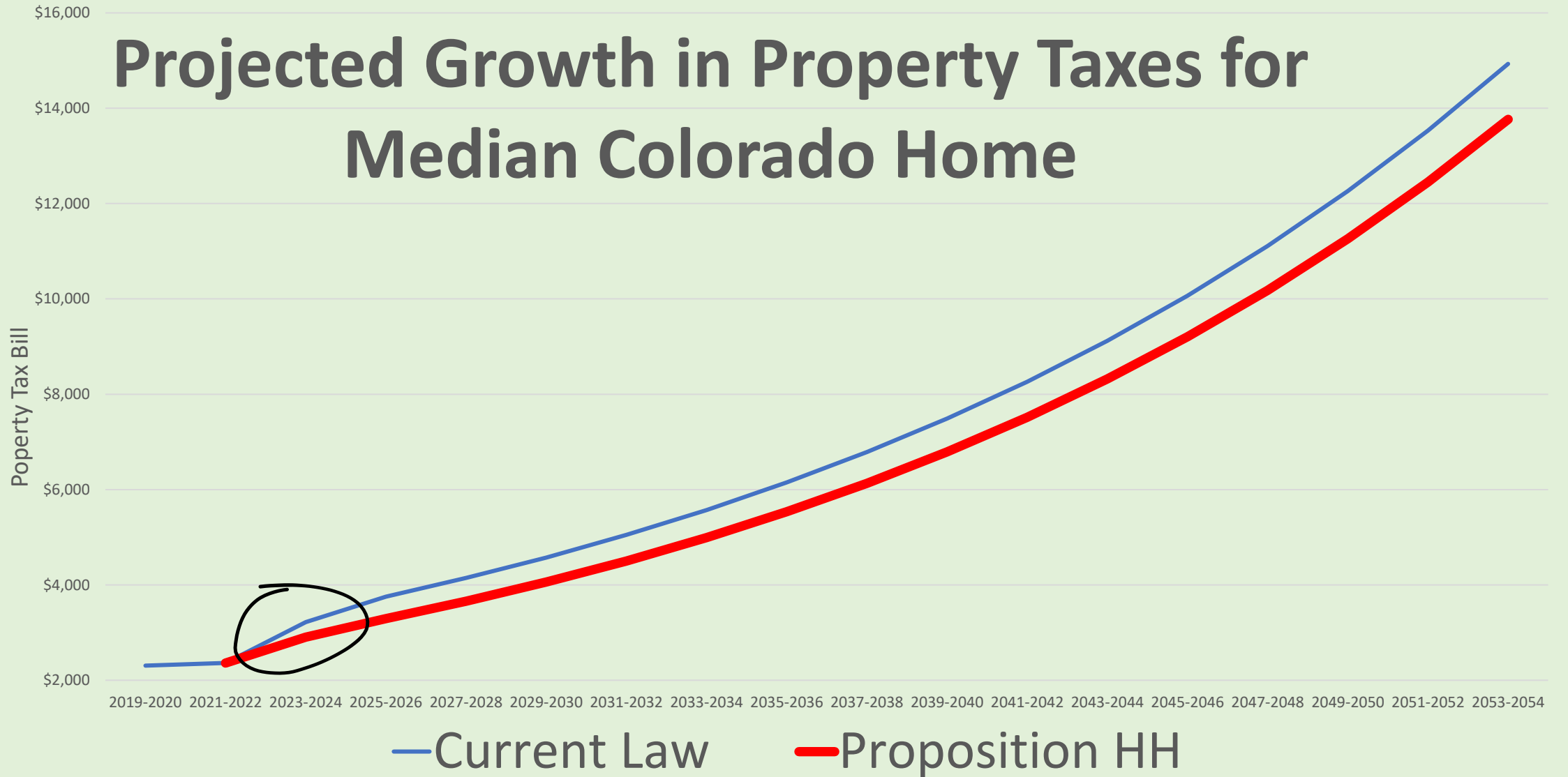
24.4% tax increase for 2023 relative to Gallagher

25.4% tax increase over last year

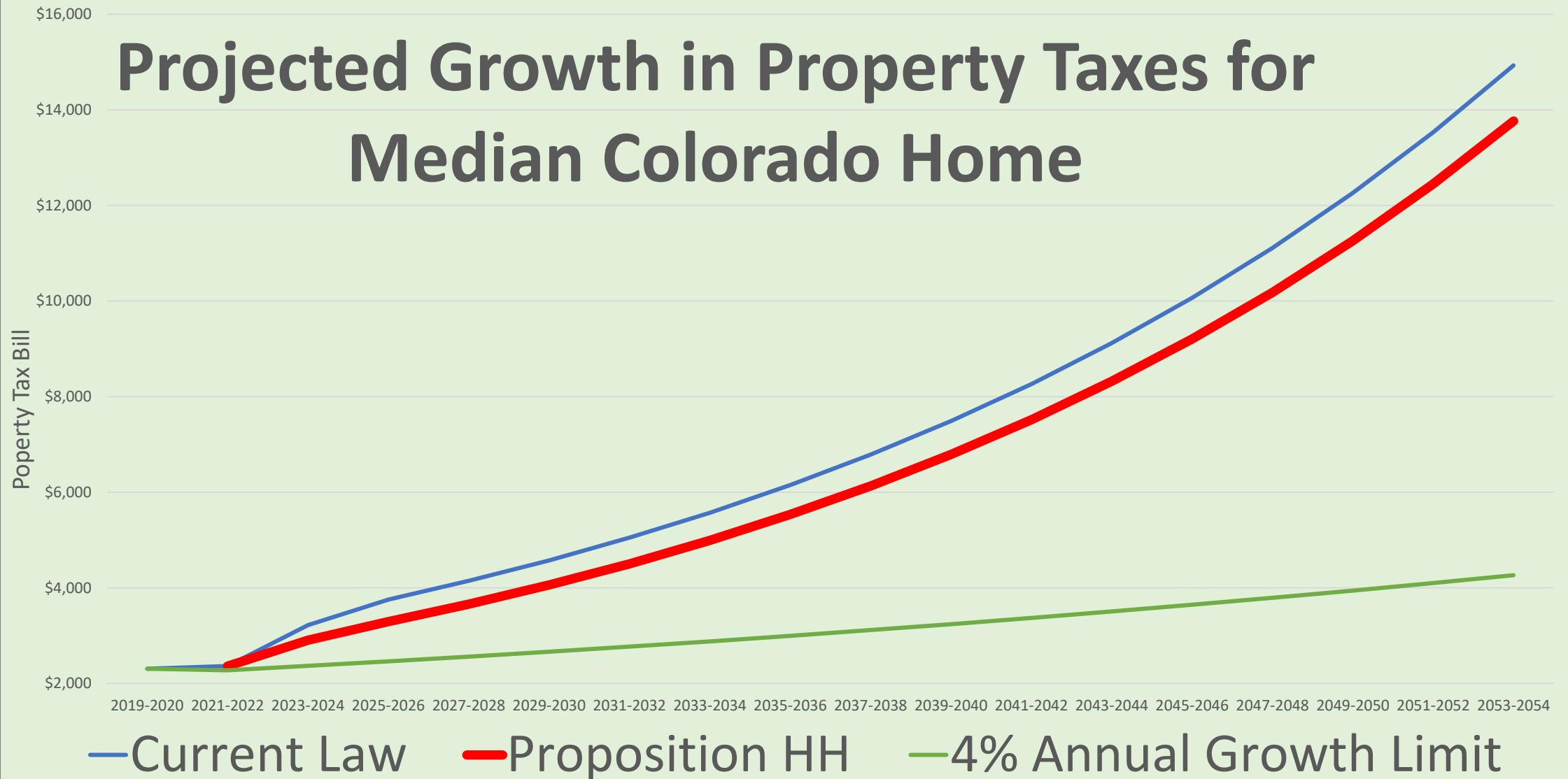
This is NOT
long-term
structural
property tax
reform!

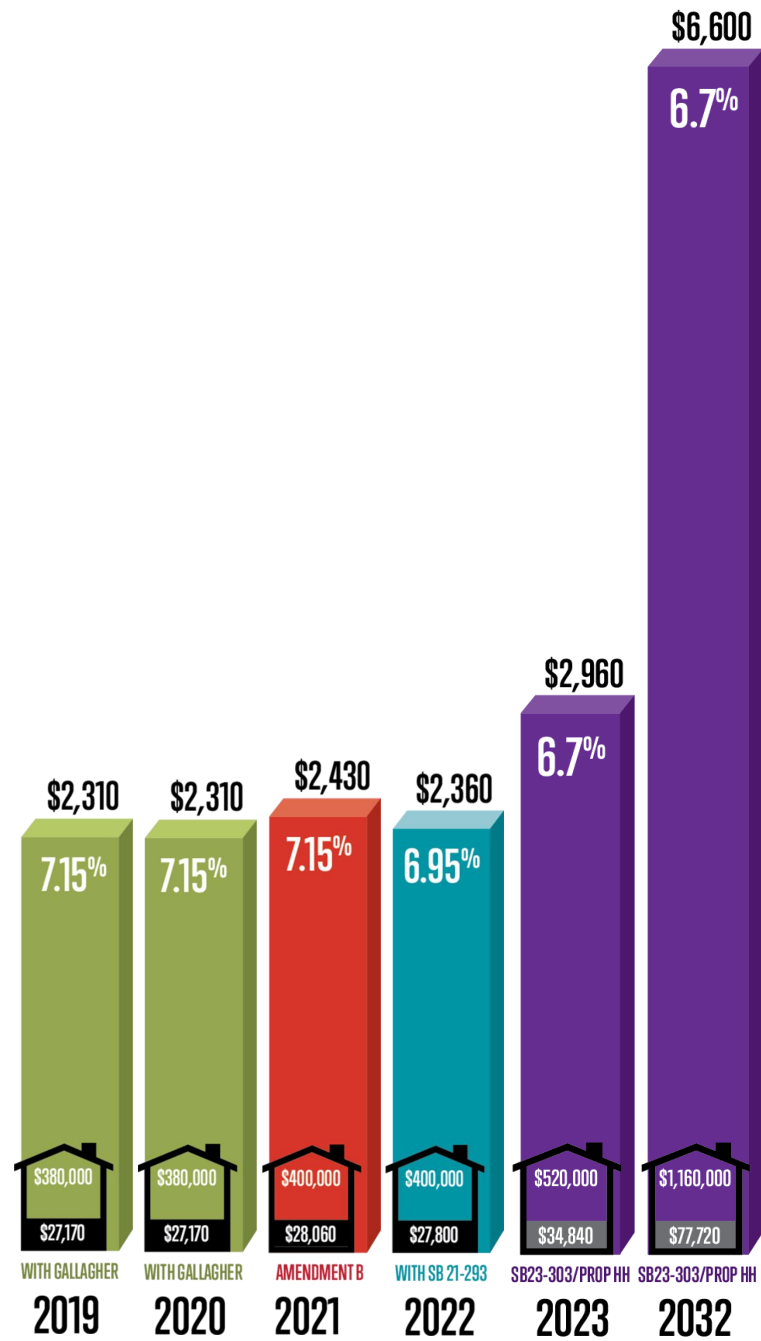


Projected Growth in Property Taxes for Median Colorado Home



Projected Growth in Property Taxes for Median Colorado Home






Does Proposition HH give us the long-term structural property tax reform lawmakers promised as a replacement to Gallagher?

NO!

On the **residential** side, it permanently locks in the historic tax increase caused by repealing the Gallagher Amendment.

And it does nothing to control the future *growth* in property taxes for either **residential** or **commercial** properties.



Third Question

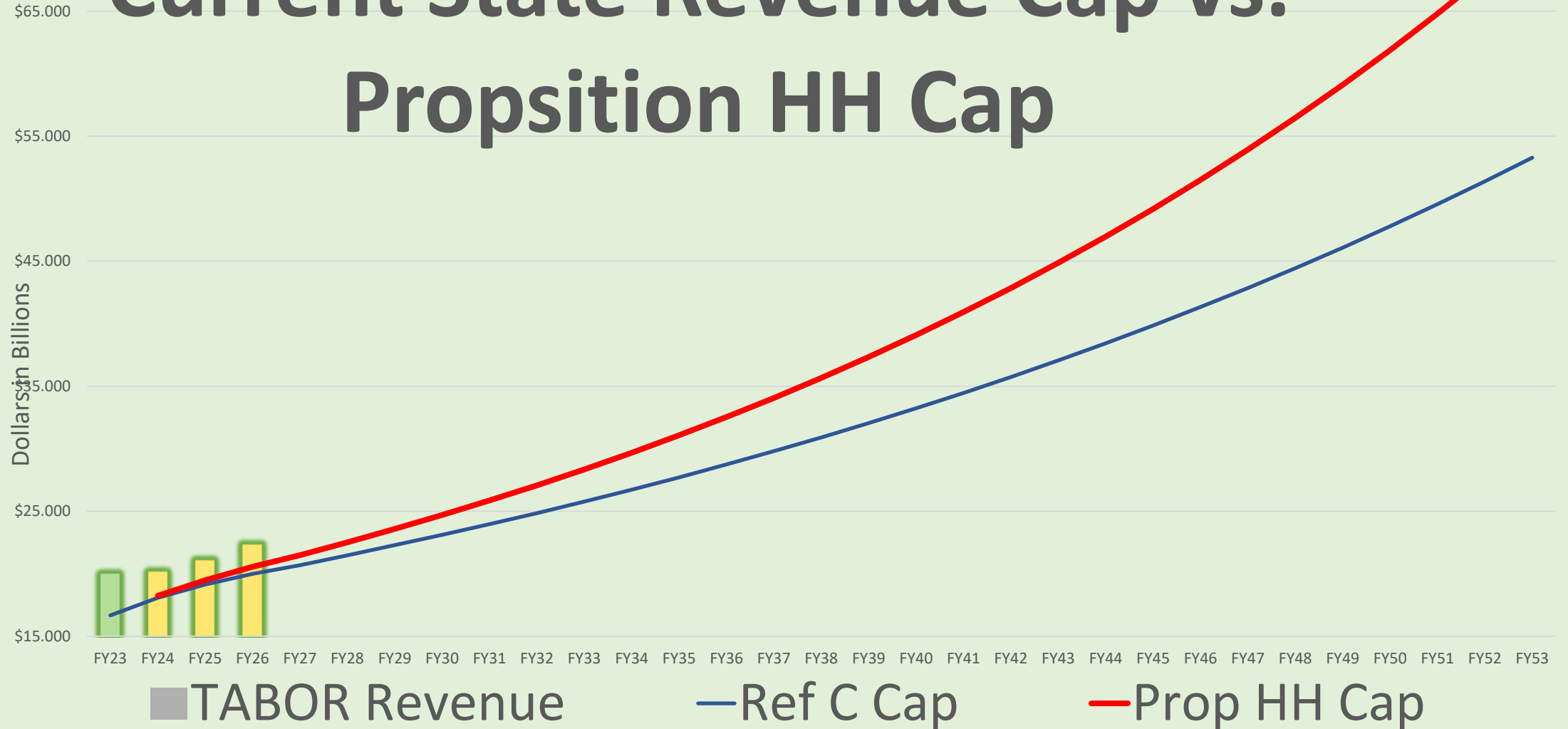
3. Does Proposition HH come with any strings attached?

YES

To get the property tax “relief” offered in Proposition HH, you must consent to a much larger increase in state taxes.



Current State Revenue Cap vs. Proposition HH Cap



How much of a tax increase is this?

- \$12.5 billion over the first decade
- \$65 billion over 2 decades
- Nearly \$200 billion over 3 decades

Referendum C has increased taxes by about \$32 billion over 2 decades.



Who will pay for this tax increase?



1. Renters
 - HB23-1311
2. Those making over \$70,000
 - Coloradans making between \$70,000 and \$200,000 pay 44% of all state taxes.
 - Coloradans with income over \$200,000 pay 41% of all state taxes.
 - Those making over \$70,000 together pay over 85% of all state taxes.

What does this mean for me?

- The average Coloradan will lose over \$5,000 in TABOR refunds—that's a \$5,000 tax increase—over the first decade.
- Renters would experience the large tax increase from the loss of their TABOR refunds without directly benefiting from lower assessment rates.
- If you accept the premise that this measure “reduces” property taxes, it’s still a net tax increase.
 - It will increase taxes on net by an estimated \$21.5 billion through 2040.
- The net tax increase grows exponentially larger the longer Prop HH stays in place.
- Prop HH gives the legislature the authority to continue this tax increase indefinitely without additional voter approval after 2032.



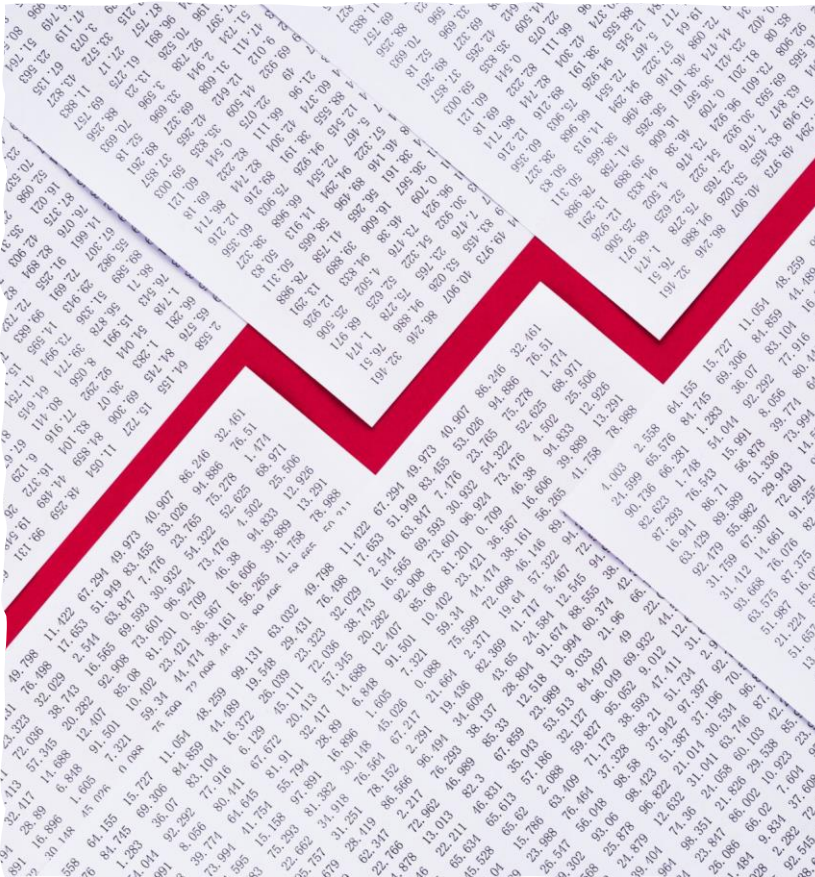
**Absolutely
NOT!**

For the Skeptics

Isn't this better than nothing?

Key Takeaways

1. **Proposition HH is a HUGE tax increase that would end TABOR refunds.**
 - Proposition HH would end TABOR tax refunds and Colorado Cash Back Checks, taking money right out of taxpayer's pockets and leaving it with the government.
2. **Proposition HH is an intentional attempt to mislead voters.**
 - Politicians are trying to hide that homeowners will see the largest tax hike in Colorado history – and eventually lose our TABOR tax refunds.
 - They don't need your vote to lower your taxes, only to increase them!
3. **The bill would permanently lock in the largest property tax increase in state history.**
 - Proposition HH would greenlight a massive property tax increase next year, which will push the dream of home ownership out of reach for working class and lower-income Coloradans and will cause Coloradans on fixed incomes to lose their homes.
 - In the future, property tax bills will continue to grow at the same rate they would without Proposition HH.



Vote NO on Prop HH

ACT NOW:



PropHHSellGame.com

1. Contact [Michael Alarcon](#) to join the volunteer team malarcon@afphq.org and [303-483-3217](tel:303-483-3217)
2. Join our virtual phone bank every **Wed 4-7pm** via Zoom.
3. Join our phone bank every **Wed 4-7pm** at Pietra's Pizzeria 9045 W 44th Ave, Wheat Ridge
4. Join our Grassroots Engagement Team for door knocking
5. Share this flyer, speak up in person and post on social media.

We need you. **Volunteer NOW!**

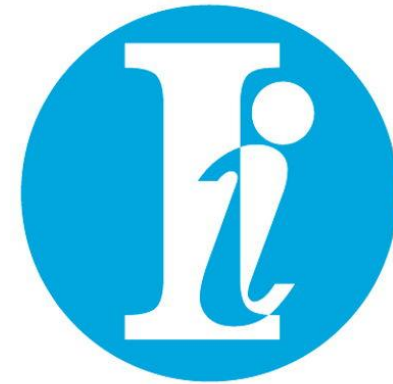
If knowledge
is power,
then ignorance
is servitude.



@benamurrey



Visit: www.mypropertytaxco.com to find out
how Proposition HH will impact your taxes.



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