

Second Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. R24B-0021.01 Christy Chase x2008

HCR24B-1002

HOUSE SPONSORSHIP

Bradley,

SENATE SPONSORSHIP

(None),

House Committees

Transportation, Housing & Local Government

Senate Committees

HOUSE CONCURRENT RESOLUTION 24B-1002

101 SUBMITTING TO THE REGISTERED ELECTORS OF THE STATE OF
102 COLORADO AN AMENDMENT TO THE COLORADO CONSTITUTION
103 CONCERNING THE VALUATION FOR ASSESSMENT USED TO
104 DETERMINE PROPERTY TAXES, AND, IN CONNECTION
105 THEREWITH, ESTABLISHING THE REQUIREMENT THAT THE
106 GENERAL ASSEMBLY PERIODICALLY CHANGE THE VALUATION
107 FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY IN ORDER
108 TO MAINTAIN THE STATEWIDE PROPORTION OF RESIDENTIAL
109 REAL PROPERTY AS COMPARED TO ALL OTHER TAXABLE
110 PROPERTY VALUED FOR PROPERTY TAX PURPOSES AND
111 PERMANENTLY ESTABLISHING THE VALUATION FOR ASSESSMENT
112 FOR NONRESIDENTIAL PROPERTY AS SPECIFIED IN LAW FOR THE
113 **2026** PROPERTY TAX YEAR.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

Resolution Summary

(Note: This summary applies to this resolution as introduced and does not reflect any amendments that may be subsequently adopted. If this resolution passes third reading in the house of introduction, a resolution summary that applies to the reengrossed version of this resolution will be available at <http://leg.colorado.gov/>.)

Under a provision commonly known as the "Gallagher Amendment", the state constitution previously required that the percentage of the aggregate assessed value attributable to residential real property remain the same as it was in the year immediately preceding a new reassessment cycle. Under the Gallagher Amendment, the assessment rate for most nonresidential property was fixed at 29% of actual value, and over time, as residential property values increased, the assessment rate for residential property was driven down, from 21% of actual value in 1985, to 7.15% of actual value in 2019, in order to maintain the required percentage of statewide assessed value attributable to residential property.

In 2020, the general assembly adopted, and the voters approved, an amendment to the state constitution to repeal the Gallagher Amendment, thus eliminating the required proportion of statewide assessed value attributable to residential real property and the constitutionally fixed assessment rate for most nonresidential property.

The concurrent resolution amends the state constitution to reestablish the essential components of the Gallagher Amendment by:

- Setting a new base year, which is the 2026 property tax year, for determining the percentage of the aggregate statewide assessed value that is attributable to residential real property;
- Requiring that percentage of the aggregate statewide assessed value attributable to residential real property to remain the same as the percentage in the year immediately preceding a new reassessment cycle;
- Requiring the general assembly to establish the valuation for assessment for residential real property to ensure compliance with the proportion required by the state constitution; and
- Permanently fixing the valuation for assessment for nonresidential property, other than producing mines and lands or leaseholds producing oil or gas, to be as set forth in state statute for the 2026 property tax year.

1 WHEREAS, The clauses appearing before Section 1 of this
2 measure express the intent of the general assembly in adopting the
3 measure and are intended to be included as part of the text of the measure
4 for purposes of publication pursuant to section 1-40-124, Colorado
5 Revised Statutes, and the ballot information booklet pursuant to section
6 1 (7.5) of article V of the state constitution and section 1-40-124.5,
7 Colorado Revised Statutes; and

8 WHEREAS, In 1982, Colorado voters approved an amendment to
9 the state constitution, commonly referred to as the "Gallagher
10 Amendment", that fixed in the constitution the valuation for assessment
11 of most nonresidential taxable property at twenty-nine percent of actual
12 value and required the general assembly to adjust the valuation for
13 assessment of residential real property as necessary to comply with the
14 requirement under the Gallagher Amendment that the percentage of
15 aggregate assessed value attributable to residential real property remains
16 the same as it was in the prior assessment cycle; and

17 WHEREAS, The original intent of the Gallagher Amendment was
18 to create a fairer balance between what homeowners were paying in
19 property taxes compared to what commercial property owners were
20 paying, but over time it had the effect of avoiding large property tax
21 increases on residential real property; and

22 WHEREAS, As property values increased over time, the Gallagher
23 Amendment resulted in a drop in the valuation for assessment of
24 residential real property from twenty-one percent of actual value in 1985
25 to seven and fifteen one-hundredths percent of actual value in 2019; and

26 WHEREAS, The significant drop in the valuation for assessment
27 of residential real property over time resulted in an effective tax rate for

1 nonresidential property owners that was approximately four times higher
2 than the tax rate for residential real property owners; and

3 WHEREAS, Recognizing the disproportionate tax burden imposed
4 on nonresidential property owners, and with the goal of devising a
5 long-term solution to this issue, in 2020, the general assembly adopted
6 and the voters approved a constitutional amendment to repeal the
7 Gallagher Amendment; and

8 WHEREAS, Since the repeal of the Gallagher Amendment in
9 2020, residential real property owners have seen their property tax bills
10 increase significantly; and

11 WHEREAS, The general assembly has struggled to devise a
12 comprehensive solution that protects residential real property owners
13 from dramatic increases in their property tax burden and lessens the
14 disproportionate burden on nonresidential property owners while also
15 ensuring that local governments, school districts, and special districts,
16 which derive the bulk of their revenue from property taxes, are not
17 decimated; and

18 WHEREAS, Until a comprehensive, long-term solution is
19 achieved, the general assembly determines that the Gallagher Amendment
20 should be restored in order to shield residential real property owners from
21 continued dramatic increases in their property tax bills; now, therefore,

22 *Be It Resolved by the House of Representatives of the*
23 *Seventy-fourth General Assembly of the State of Colorado, the Senate*
24 *concurring herein:*

25 **SECTION 1.** At the election held on November 5, 2024, the
26 secretary of state shall submit to the registered electors of the state the
27 ballot title set forth in section 2 for the following amendment to the state

1 constitution:

2 In the constitution of the state of Colorado, section 3 of article X,
3 **amend** (1)(b) as follows:

4 **Section 3. Uniform taxation - exemptions.**

5 (1) (b) (I) (A) Residential real property, which shall include all
6 residential dwelling units and the land, as defined by law, on which such
7 units are located, and mobile home parks, but shall not include hotels and
8 motels, shall be valued for assessment.

9 (B) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
10 2026, THE GENERAL ASSEMBLY SHALL DETERMINE THE PERCENTAGE OF
11 THE AGGREGATE STATEWIDE VALUATION FOR ASSESSMENT THAT IS
12 ATTRIBUTABLE TO RESIDENTIAL REAL PROPERTY. FOR EACH SUBSEQUENT
13 YEAR, THE GENERAL ASSEMBLY SHALL AGAIN DETERMINE THE
14 PERCENTAGE OF THE AGGREGATE STATEWIDE VALUATION FOR
15 ASSESSMENT THAT IS ATTRIBUTABLE TO EACH CLASS OF TAXABLE
16 PROPERTY, AFTER ADDING THE INCREASED VALUATION FOR ASSESSMENT
17 ATTRIBUTABLE TO NEW CONSTRUCTION AND TO ANY INCREASED VOLUME
18 OF MINERAL AND OIL AND GAS PRODUCTION. FOR EACH YEAR IN WHICH
19 THERE IS A CHANGE IN THE LEVEL OF VALUE USED IN DETERMINING
20 ACTUAL VALUE, THE GENERAL ASSEMBLY SHALL ADJUST THE VALUATION
21 FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY, AS SET FORTH IN LAW,
22 AS NECESSARY TO ENSURE THAT THE PERCENTAGE OF THE AGGREGATE
23 STATEWIDE VALUATION FOR ASSESSMENT THAT IS ATTRIBUTABLE TO
24 RESIDENTIAL REAL PROPERTY REMAINS THE SAME AS THE PERCENTAGE IN
25 THE YEAR IMMEDIATELY PRECEDING THE YEAR IN WHICH THE CHANGE IN
26 THE LEVEL OF VALUE USED IN DETERMINING ACTUAL VALUE OCCURS. THE
27 ADJUSTED VALUATION FOR ASSESSMENT APPLIES FOR RESIDENTIAL REAL

1 PROPERTY FOR THOSE YEARS FOR WHICH SUCH NEW LEVEL OF VALUE IS
2 USED. IN DETERMINING THE ADJUSTMENT TO BE MADE IN THE VALUATION
3 FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY, THE AGGREGATE
4 STATEWIDE VALUATION FOR ASSESSMENT THAT IS ATTRIBUTABLE TO
5 RESIDENTIAL REAL PROPERTY IS CALCULATED AS IF THE FULL ACTUAL
6 VALUE OF ALL OWNER-OCCUPIED PRIMARY RESIDENCES THAT ARE
7 PARTIALLY EXEMPT FROM TAXATION PURSUANT TO SECTION 3.5 OF THIS
8 ARTICLE X WAS SUBJECT TO TAXATION.

9 (II) FOR THE PROPERTY TAX YEAR COMMENCING ON JANUARY 1,
10 2026, AND ALL PROPERTY TAX YEARS THEREAFTER, all other taxable
11 property shall be valued for assessment AS SPECIFIED IN LAW FOR THE
12 PROPERTY TAX YEAR COMMENCING ON JANUARY 1, 2026. HOWEVER, the
13 valuation for assessment for producing mines, as defined by law, and
14 lands or leaseholds producing oil or gas, as defined by law, shall be a
15 portion of the actual annual or actual average annual production
16 therefrom, based upon the value of the unprocessed material, according
17 to procedures prescribed by law for different types of minerals.
18 Non-producing unpatented mining claims, which are possessory interests
19 in real property by virtue of leases from the United States of America,
20 shall be exempt from property taxation.

21 **SECTION 2.** Each elector voting at the election may cast a vote
22 either "Yes/For" or "No/Against" on the following ballot title: "Shall
23 there be an amendment to the Colorado constitution concerning the
24 valuation for assessment used to determine property taxes, and, in
25 connection therewith, establishing the requirement that the general
26 assembly periodically change the valuation for assessment for residential
27 real property in order to maintain the statewide proportion of residential

1 real property as compared to all other taxable property valued for property
2 tax purposes and permanently establishing the valuation for assessment
3 for nonresidential property as specified in law for the 2026 property tax
4 year?"

5 **SECTION 3.** Except as otherwise provided in section 1-40-123,
6 Colorado Revised Statutes, if at least fifty-five percent of the electors
7 voting on the ballot title vote "Yes/For", then the amendment will become
8 part of the state constitution.