



Legislation Text

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Gallagher Amendment and Property Assessments Briefing

Presenter:

Kara Skinner, Chief Financial Officer
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Summary:

The City of Colorado Springs CFO will provide an overview of the Gallagher Amendment and its impact on the City, and the El Paso County Assessor will provide an overview of the assessment process.

Previous Council Action:

N/A

Background:

The Gallagher Amendment to the Colorado Constitution fixes the share of value attributable to residential property statewide at roughly 46 percent of total assessed values, with nonresidential assessed values making up the remaining 54 percent. The amendment accomplishes this by making the residential assessment rate variable.

The residential assessment rate has remained constant since 2003. Residential values in Colorado were negatively impacted by the recession in the early 2000s and did not increase as much as many other areas of the nation. In contrast, nonresidential values grew faster due to growth in the commercial and oil and gas property classes. Under the Gallagher Amendment, the faster growth in nonresidential values should have triggered an increase in the residential assessment rate to maintain the required proportions in total assessed values. However, because the TABOR Amendment specifically prohibits an increase in assessment rates without voter approval, the residential assessment rate has remained at 7.96 percent.

For the 2017 reassessment period, the residential assessment rate is projected to decline. The change would require State Legislative action.

Financial Implications:

If the residential assessment rate were to decline, the property tax revenue would decline.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

N/A

Proposed Motion:

N/A

N/A