

Note: Prop 120 is a measure on the 2021 election ballot that would permanently lower the residential assessment rate for multifamily housing properties to 6.5% and the nonresidential assessment rate for lodging properties to 26.4%, starting in 2022. SB21-293, enacted in June 2021, temporarily lowers assessment rates for residential, agricultural, and renewable energy properties for 2022 and 2023, after which the rates return to 2021 levels.

Prop 120 would reduce property tax revenue to most local governments, including school districts, and would increase the amount that the state must pay to backfill the lost property tax revenue for schools. Property tax reductions from Prop 120 that are not offset by additional state funding will result in lower school funding for some districts.

If it passes, Prop 120 is expected to decrease property tax revenue to local governments statewide by an estimated \$45.9 million in 2022 and \$50.3 million in 2023, and the state share of school finance is estimated to increase by at least \$12.8 million in state budget year 2022-23 and \$14.1 million in state budget year 2023-24. Given the \$9.8 billion in the Budget Stabilization Factor that is already owed to public schools, this anticipated decrease in property tax revenue will pose additional challenges to school districts.

**RESOLUTION IN OPPOSITION TO PROPOSITION 120:
PROPERTY TAX ASSESSMENT RATE REDUCTION AND
VOTER-APPROVED REVENUE CHANGE**

WHEREAS, Proposition 120 is a citizen-referred measure on Colorado's 2021 election ballot that seeks to permanently reduce the residential property tax assessment rate of multifamily housing properties from 7.15% to 6.5% and the nonresidential assessment rate of lodging properties from 29% to 26.4%, starting in 2022; and

WHEREAS, Proposition 120 would reduce property tax revenue to school districts, thereby increasing the amount that the state must pay to backfill the difference or requiring districts to ask voters to raise future mill levies to offset the reductions in assessment rates; and

WHEREAS, since 2009, the Colorado General Assembly has tracked the debt owed to Colorado students resulting from the non-payment of funds approved by Colorado voters under Amendment 23 to the Colorado Constitution; and

WHEREAS, the resulting Budget Stabilization Factor (BSF) now stands at a cumulative \$9.8 billion and, for the 2021-22 school year alone, Colorado students will not benefit from more than \$572 million for their education that voters intended them to have; and

WHEREAS, the Board believes that permanently reducing property tax revenue will further hamper the ability of the Colorado General Assembly to carry out their legally required duty to provide a thorough and uniform system of free public schools throughout the state;

NOW, THEREFORE, BE IT RESOLVED that the
_____ Board of Education officially declares its
opposition to Proposition 120 for the above-stated reasons.

The Board authorizes the expenditure of District funds to distribute a factual summary regarding Proposition 120, in accordance with the Fair Campaign Practices Act, C.R.S. 1-45-117.

DATED this ____ day of _____, 2021.