

Proposition HH

**Reduce Property Taxes and Retain
State Revenue**

Proposition HH: Reduce Property Taxes and Retain State Revenue

Placed on the ballot by the legislature • Passes with a majority of the vote

1 Proposition HH, if approved, would:

- 2 • lower property taxes owed for homes and businesses for at least ten years,
3 compared to what would be owed under current law;
- 4 • allow the state to retain money that would otherwise be refunded to taxpayers
5 under the Taxpayer’s Bill of Rights (TABOR) through at least 2032;
- 6 • authorize the state legislature to retain revenue after 2032 without further
7 voter approval, if property tax decreases equivalent to those in the measure
8 are maintained;
- 9 • allow the retained revenue to be spent on education, reimbursements to local
10 governments for some of their reduced property tax revenue, and rental
11 assistance programs;
- 12 • distribute TABOR refunds to taxpayers in equal amounts for tax year 2023
13 only; and
- 14 • create a new limit on the growth of property tax revenue for most local
15 governments.

16 What Your Vote Means

YES 17 A “yes” vote on
18 Proposition HH lowers
19 property taxes owed, allows the state
20 to keep additional money that would
21 otherwise be refunded to taxpayers,
22 temporarily changes how taxpayer
23 TABOR refunds are distributed, and
24 creates a new property tax limit for
25 most local governments.

NO A “no” vote on
Proposition HH maintains
current law for property taxes, TABOR
refunds, and state and local
government revenue limits.

26 For more information on these provisions, see the following:

27	• Overview of Proposition HH.....	Page 2
28	• Impacts on Taxpayers	Page 3
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1 Summary and Analysis of Proposition HH

2 Overview of Proposition HH

3 What does Proposition HH do?

4 Proposition HH reduces property taxes owed, resulting in smaller increases in
5 property taxes beginning in 2023, while allowing the state to keep additional
6 revenue that would otherwise be refunded to taxpayers.

7 The measure lowers property taxes by reducing the portion of a property's
8 market value that is subject to taxes, allowing seniors who have qualified for the
9 existing homestead exemption to receive the same benefit at a new home, and
10 creating a new limit on property tax revenue for most local governments. It
11 requires that local governments exceeding the limit either go through a public
12 process to waive the limit or lower tax rates to stay below the limit.

13 The measure creates a new cap on state revenue that grows by the same rate as
14 the existing cap, plus an additional 1 percentage point each year. The revenue
15 retained from the new cap is used to fund education, reimburse local
16 governments for a portion of the lost property tax revenue, and provide rental
17 assistance.

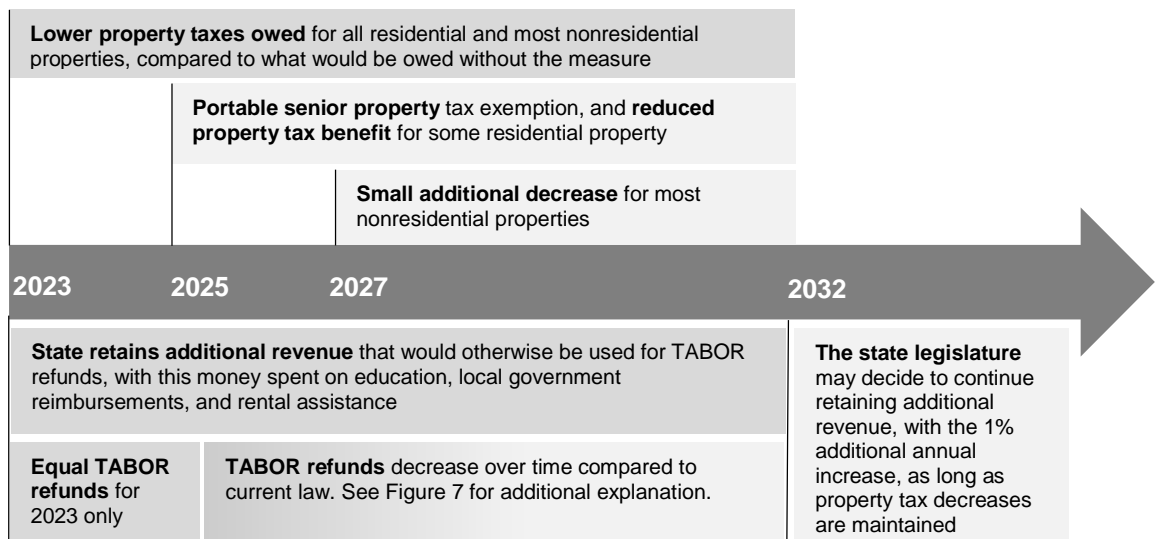
18 How long will the changes under the measure last?

19 Most changes under Proposition HH remain in effect through state budget year
20 2031-32, and may be extended by the state legislature for future budget years
21 without further voter approval. If extended, the state may continue to retain
22 additional revenue in future years, as long as the state legislature extends
23 property tax reductions equal to or greater than those in the measure. The
24 amount the state is allowed to retain grows each year, and continues to grow if
25 the measure is extended.

26 In addition, if Proposition HH passes, another state law distributes refunds under
27 the Taxpayer's Bill of Rights (TABOR) in equal amounts in tax year 2023 only.
28 Figure 1 shows the measure's changes through at least 2032.

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**Figure 1
Proposition HH Timeline**



1 Impacts on Taxpayers

2 How does Proposition HH impact taxpayers?

3 The measure primarily impacts taxpayers in two ways: by reducing the amount
 4 owed in property taxes and by changing the amount of TABOR refunds. Figure 2
 5 summarizes the impacts of Proposition HH on various taxpayers, compared to
 6 what would happen if Proposition HH does not pass. Each of these impacts is
 7 described in more detail later in this analysis.

8 In 2023, providing equal TABOR refunds to all taxpayers will increase refunds for
 9 low-income and middle-income taxpayers, while higher-income taxpayers will
 10 receive a lower refund than under current law. Property taxes for all property
 11 owners will be lower than they would be if Proposition HH is not approved. For
 12 some higher-income homeowners, the reduction in TABOR refunds in 2023 may
 13 offset the savings from lower property taxes.

14 In 2024 and through at least 2032, TABOR refunds will decrease or be
 15 eliminated for taxpayers at all income levels, depending on state revenue
 16 collections each year. These future decreases in TABOR refunds may offset or
 17 exceed property tax savings under Proposition HH for property owners,
 18 depending on the value of their property.

19 **Figure 2**
 20 **Summary of Taxpayer Impacts**
 21 *Compared to current law*

All Taxpayers – TABOR Refunds	
2023	
<ul style="list-style-type: none"> - Income less than \$100,000: TABOR refunds increase - Income greater than \$100,000: TABOR refunds decrease 	
2024 through 2032	
<ul style="list-style-type: none"> - TABOR refunds decrease, and could be eliminated, for all taxpayers. - To see how state revenue affects the amount of the decrease, see Figure 7. 	
Property Owners – all changes are for 2023 through 2032 unless otherwise noted	
Primary residence, multifamily property	<ul style="list-style-type: none"> - Reduction in property taxes compared to what would be owed otherwise
Seniors	<ul style="list-style-type: none"> - Same reduction in property taxes as for primary residences - Beginning in 2025: Seniors who have qualified for the homestead exemption can receive the same benefit if they purchase and move to a new home.
Other single-family residential properties (second homes, rental properties, etc.)	<ul style="list-style-type: none"> - 2023 and 2024: Same reduction in property taxes as primary residences - Beginning in 2025: Smaller property tax reduction than primary residences
Nonresidential properties	<ul style="list-style-type: none"> - Reduction in property taxes, compared to what would be owed otherwise, for most property types - Amount of reduction depends on type of property
Renters	
<ul style="list-style-type: none"> - Do not directly benefit from property tax decreases - Additional funding for rental assistance to qualifying renters 	

Changes to Property Taxes

1 **How does Proposition HH change property**
2 **taxes?**

3 Proposition HH lowers the property taxes
4 owed by property owners, compared to what
5 would be owed without the measure. Property
6 values have increased significantly in most
7 areas of the state, resulting in higher property
8 taxes owed. The measure results in a smaller
9 increase in property taxes than under current
10 law.

11 In Colorado, there is no state property tax.
12 Only local governments collect property tax.
13 Property taxes are paid on a portion of a
14 property's market value. This portion is known
15 as the taxable value or assessed value, and is calculated by multiplying the
16 market value by the assessment rate. To lower property taxes, the measure:

- 17 • lowers assessment rates for residential property and most nonresidential
18 property and subtracts a set amount from most properties' values before
19 applying the new assessment rates;
- 20 • allows a senior aged 65 and older who has previously qualified for the senior
21 homestead exemption to receive the same property tax benefit in any home
22 they purchase and live in as their primary residence, beginning in 2025;
- 23 • distinguishes owner-occupied primary residences and multifamily properties
24 from other residential properties, resulting in a larger subtraction for primary
25 residences and multifamily properties than other properties, beginning in
26 2025; and
- 27 • establishes a limit on local government property tax revenue growth,
28 including methods to lower tax rates to comply with the limit or to waive the
29 limit. This limit is discussed further below.

30 Figure 3 estimates the potential impact of these changes on property types and
31 values in 2023 and 2024, based on a forecast of property values and an
32 estimated average mill levy. These changes continue through 2032 unless
33 otherwise noted. The impact on an individual property owner depends on the
34 type and value of the property and the tax rates for the local governments where
35 the property is located. Tables with the exact assessment rates and subtractions
36 for different property classes are available in the fiscal impact statement here:

37 www.coloradobluebook.com

38

Online Calculation Tool:

To see how the combination of the property tax changes and TABOR refund changes impact a taxpayer in your area, please visit <https://hhcalc.apps.coleg.gov/> or scan the QR code below:



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Figure 3
Average Property Tax Impacts as a Result of Proposition HH*

	Property Value	Average Change in Property Tax **		2025-2032
		2023	2024	
<u>Residential Property</u>				
Primary residences and multifamily properties	\$100,000	-\$167 to -\$173	-\$206 to -\$212	Further reductions in 2025.
	\$350,000	-\$179 to -\$214	-\$254 to -\$285	
	\$500,000	-\$186 to -\$238	-\$283 to -\$329	Beginning in 2025, there will be a smaller reduction for non-primary residences, and a larger reduction for qualifying seniors.
	\$700,000	-\$195 to -\$270	-\$322 to -\$388	
	\$1,000,000	-\$208 to -\$319	-\$379 to -\$476	
<u>Nonresidential Property</u>				
Lodging and commercial	\$1,000,000	-\$34 to -\$503	-\$802 to -\$1,220	Further reductions in 2024, 2027, 2029, 2031
Industrial, natural resources, state-assessed properties	\$1,000,000	-\$35 to -\$519	-\$802 to -\$1,220	Further reductions in 2024, 2027, 2029, 2031
Agriculture and renewable energy producing property	\$1,000,000	-\$0 to -\$459	-\$0 to -\$396	Further reduction in 2031.
Renewable energy agricultural land	\$1,000,000	-\$0 to -\$459	-\$3,139 to -\$3,467	
Vacant land	\$1,000,000	-\$35 to -\$519	-\$0 to -\$435	Change in 2023 only.
Oil and gas and mines	\$1,000,000	No change	No change	

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* This example shows the estimated reduction in property taxes owed for a hypothetical property, based on a 2022 statewide average levy of 69.745 mills, which excludes mill levies that are expected to decrease from 2022 to 2023 even if Proposition HH does not pass. Estimates are based on the Legislative Council Staff December 2022 forecast; actual property tax savings may be higher than estimated if property values grow faster than anticipated. The actual change in property tax will depend on local tax rates, property values, and local government policy.

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** Property tax savings will depend on whether or not local governments waive the new revenue limits created by Proposition HH. The high end of the range reflects the savings if local governments do not waive the limit. The low end of the range reflects the savings if local governments waive the limit.

1 Retained State Revenue

2 **What is the state’s revenue limit, known as the TABOR limit?**

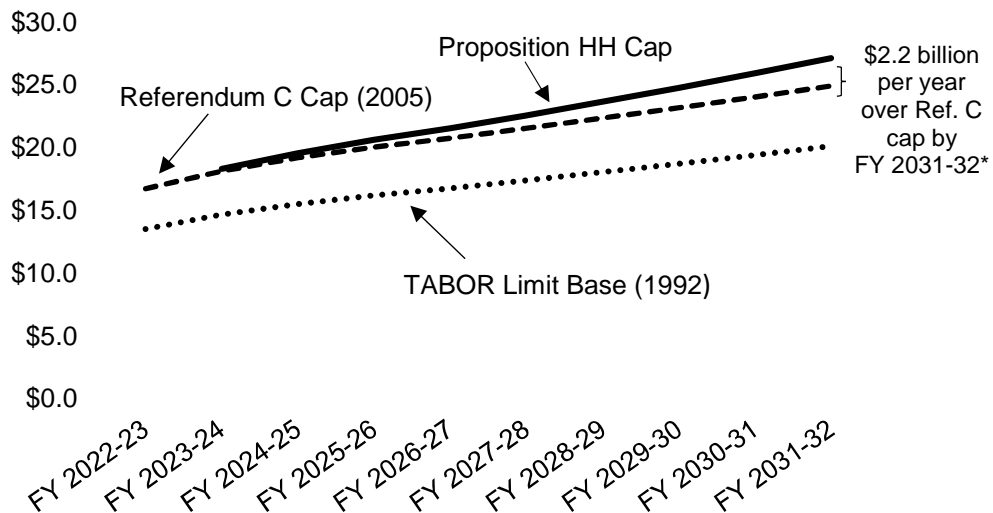
3 The Colorado Constitution includes a section, “The Taxpayer’s Bill of Rights,”
4 commonly known as TABOR, that limits the amount of money that the state
5 government can collect and spend or save each year. Voter approval is required
6 to retain money above the TABOR limit. If money is collected above the limit, the
7 excess must be refunded to taxpayers. This is called a TABOR refund.

8 Currently, a portion of this money is refunded through property tax reductions,
9 including those for seniors, veterans with a disability, and Gold Star surviving
10 spouses, and the remainder is distributed as a tiered sales tax refund using the
11 state income tax return. For last year only, part of the TABOR refund was
12 distributed to taxpayers through checks in the amount of \$750 for a single filer
13 and \$1,500 for a joint filer, rather than through the tiered system. Flat refunds
14 provide larger amounts for lower-income taxpayers and smaller refunds for
15 higher-income taxpayers when compared with the tiered refund system.

16 **What happens to the state revenue limit if Proposition HH passes?**

17 Proposition HH creates a new cap on the amount of money the state may retain
18 over its revenue limit that is higher than the current cap established by
19 Referendum C in 2005. Proposition HH allows the state to retain additional
20 revenue up to the new cap, which grows by population growth and inflation, plus
21 1 percentage point, each year. The measure allows the state to retain an
22 estimated \$170 million in state budget year 2023-24 and \$360 million in state
23 budget year 2024-25. The state is allowed to retain increasing amounts through
24 at least 2032, depending on revenue collections (see Figure 7 for more
25 information). Figure 4 shows the new cap over the next ten years.
26

27 **Figure 4**
28 **Proposition HH Cap on State Revenue**
29 *Dollars in Billions*



30
31 *Assumes inflation through 2025 from the June 2023 Legislative Council Staff forecast and
32 2.5 percent annual inflation for 2025 to 2031. Population growth projections from the Colorado
33 State Demography Office.

1 **How will the retained revenue be spent?**

2 The retained money will be used for the following purposes:

- 3 • up to 20 percent to reimburse eligible local governments for lost property tax
- 4 revenue;
- 5 • up to \$20 million each year for rental assistance; and
- 6 • the remaining funds to reimburse school districts for reduced property tax
- 7 revenue as a result of the measure, and for education-related programs,
- 8 estimated at \$125 million in state budget year 2024-25, and up to
- 9 \$2.16 billion in state budget year 2031-32.

10 Over ten years, local reimbursements are expected to decrease, rental
 11 assistance will reach its \$20 million annual limit, and the amount retained by the
 12 state will increase. As a result, the amount allocated to education funding will
 13 increase, assuming consistent revenue growth. The new education funding
 14 cannot replace current General Fund spending for public school finance.

15 **Changes to TABOR Refunds**

16 **How does the measure impact TABOR refunds in the short term?**

17 **2023 TABOR refunds.** A separate state law changes the way that refunds are
 18 distributed for tax year 2023 only if Proposition HH passes. The text of that law is
 19 available here: <https://leg.colorado.gov/bills/hb23-1311>

20 Under current law, TABOR refunds to taxpayers are typically distributed through
 21 the state income tax, based on the taxpayer’s adjusted gross income. Under
 22 Proposition HH, the refunds are distributed in an equal amount for each taxpayer,
 23 estimated at \$820 for single filers and \$1,640 for joint filers. Figure 5 shows the
 24 change in the refund amount projected for tax year 2023 under Proposition HH.
 25 The actual amounts refunded will depend on the final state revenue amount for
 26 the 2022-23 budget year.

27 **Figure 5**
 28 **2023 TABOR Refunds Under Proposition HH**
 29 *For a single filer; amounts double for joint filers*

Adjusted Gross Income	Percent of Taxpayers*	Refund Amount		Change in Refund
		Current Law	Under Prop. HH	
Up to \$50,000	35%	\$587	\$820	+\$233
\$50,001 to \$99,000	27%	\$783	\$820	+\$37
\$99,001 to \$157,000	18%	\$901	\$820	-\$81
\$157,001 to \$218,000	9%	\$1,071	\$820	-\$251
\$218,001 to \$278,000	4%	\$1,152	\$820	-\$332
\$278,001 and up	7%	\$1,854	\$820	-\$1,034

30 *Totals may not sum due to rounding.

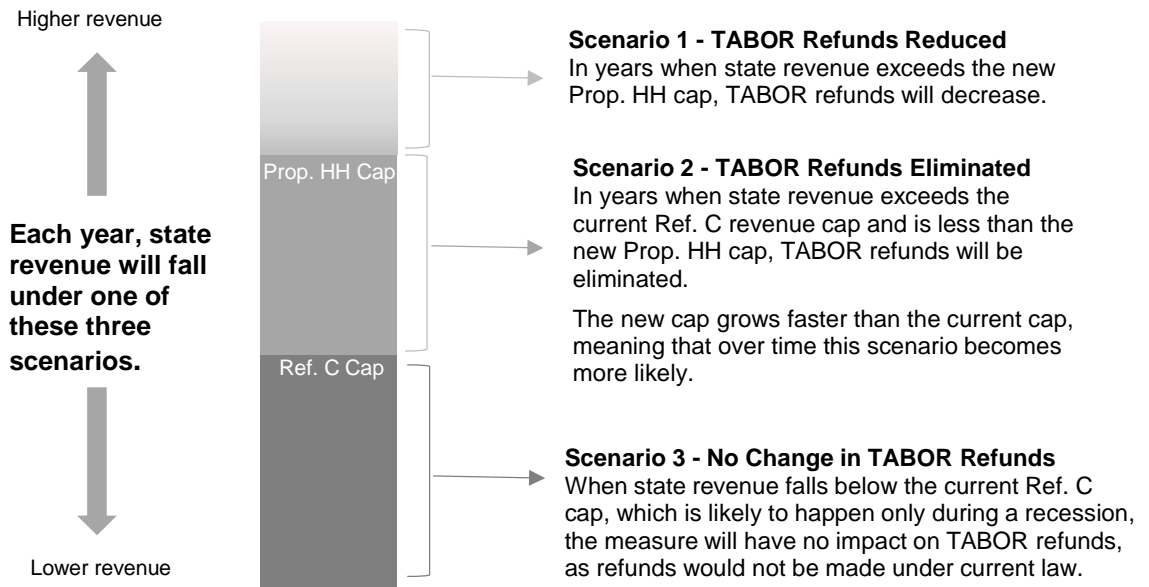
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1 How does the measure impact TABOR refunds in the long term?

2 The measure's impact on TABOR refunds over the long term depends on
3 population growth, inflation, and state revenue collections. Absent future policy
4 changes, state revenue collections are largely driven by economic activity.
5 Figure 7 shows scenarios for state revenue collection and the impact on TABOR
6 refunds. The changes in Proposition HH are in place until 2032, but the measure
7 allows the state legislature to extend them without additional voter approval.

8
9

Figure 7
Scenarios for TABOR Refund Changes



Note: Figure 7 is not to scale.

10 Changes for Local Governments

11 How does the measure impact local governments?

12 Revenue for local governments will decrease compared to what local
13 governments are authorized to collect under current law, due to the new property
14 tax revenue limit and reduced property taxes. Some reductions will be partially
15 offset by reimbursements from the state.

16 Cities, towns, counties, school districts, and special districts collect property
17 taxes to fund public schools and local services such as road maintenance, police
18 departments, fire protection, water and sewer infrastructure, parks, and libraries.
19 Not all local governments that collect property taxes are treated the same by
20 Proposition HH, as explained below.

21 **Property tax revenue limit.** Under Proposition HH, many local governments that
22 are not currently subject to other local revenue limits cannot collect property tax
23 revenue above the amount they collected in the prior year plus inflation. If a local
24 government would exceed this limit, it may waive the limit by annually notifying
25 the public, holding a meeting for public comment, and adopting an ordinance or
26 resolution. Otherwise, it must lower its tax rate (mill levy) for one year or refund to

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1 taxpayers any property tax revenue collected above the limit. School districts and
2 home rule jurisdictions are not subject to this limit.

3 **Reimbursements.** Under Proposition HH, the state reimburses local
4 governments for some of the revenue lost due to property tax reductions. This is
5 paid from the revenue that the state retains under the new revenue cap, and
6 other state funds, with some limitations. Reimbursements depend on available
7 funds, and may be reduced in years when state revenue collections fall below the
8 Proposition HH cap.

9 Reimbursements range from 65 percent to 100 percent of lost revenue, based on
10 the type of local government, the population of the county in which the local
11 government is located, and growth of property values in the jurisdiction. Smaller
12 counties and those with slower property value growth generally receive higher
13 reimbursement rates.

14 Most counties, cities, towns, and special districts are initially eligible for
15 reimbursement; however, most local governments are not reimbursed if their
16 assessed value exceeds 2022 levels by 20 percent, which is expected to happen
17 at some point between 2023 and 2031 for most local governments. School
18 districts are fully reimbursed through the public school funding formula, using
19 money retained by the state.

For information on those issue committees that support or oppose the measures on the ballot at the November 7, 2023, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://www.sos.state.co.us/pubs/elections/Initiatives/ballot/contacts/2023.html>

20 Arguments For Proposition HH

- 21 1) With Colorado facing a historic increase in residential property values,
22 Proposition HH provides long-term property tax relief for homeowners and
23 businesses. In doing so, the measure also limits the impact on local services,
24 makes Colorado a more competitive environment for businesses, and allows
25 seniors to downsize or move without losing the benefits of their homestead
26 exemption.
- 27 2) The new property tax limit makes local taxing entities more accountable to
28 their constituents. By requiring a public process to waive the limit,
29 Proposition HH gives people a say in how much they are taxed while
30 providing flexibility for local governments to retain revenue needed to provide
31 important services.
- 32 3) By allowing the state to retain additional revenue, the measure benefits public
33 schools. The state's spending cap has limited Colorado's ability to fully fund
34 education for years. Proposition HH provides a funding source for at least ten
35 years, using money the state already collects.
- 36 4) Proposition HH benefits low- and middle-income people, many of whom are
37 renters, by providing a more equitable distribution of TABOR refunds in 2023.

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1 With recent high inflation and housing costs, this puts more money in the
2 pockets of those who need it most.

3 **Arguments Against Proposition HH**

4 1) Proposition HH essentially increases taxes by reducing or eliminating future
5 TABOR refunds, potentially growing the state budget by up to \$2.2 billion per
6 year by 2032. The measure removes important taxpayer protections and
7 gives the state legislature the power to extend the new revenue cap forever
8 without asking voters.

9 2) Property tax relief should not come at the expense of TABOR refunds. While
10 the measure provides some limited property tax relief, the loss to taxpayers
11 from the reduction or elimination of TABOR refunds is likely to exceed the
12 property tax savings over time. The measure is also costly for renters, who do
13 not directly benefit from property tax relief and will receive lower TABOR
14 refunds in the future.

15 3) Property taxes are a local issue, best handled by local communities.
16 Proposition HH pushes state priorities and an unnecessary new revenue limit
17 onto local governments and their residents, rather than letting them find
18 solutions that work locally.

19 4) Proposition HH adds unnecessary complexity to an increasingly confusing
20 property tax system, with new classes of property and an additional
21 administrative burden for homeowners, seniors, county assessors, and
22 potential homebuyers. As a result, the measure makes it harder for people to
23 access their tax benefits and navigate the housing market, opening the door
24 to unintended consequences.

25 **Fiscal Impact of Proposition HH**

26 This measure decreases local government property tax revenue, creates new
27 state spending requirements, and reduces the amount refunded to taxpayers in
28 years when state revenue is over the Referendum C cap, which is then available
29 to increase state spending. These impacts are discussed below. The state
30 budget year runs from July 1 to June 30.

31 **Taxpayer impacts.** Proposition HH impacts taxpayers in two ways by changing
32 the amount of TABOR refunds and reducing the amount owed in property taxes.

33 *TABOR refund changes.* Proposition HH results in a change in how state
34 revenue is returned to taxpayers in state budget year 2023-24, then reduces the
35 amount potentially returned to taxpayers by larger amounts each year through at
36 least state budget year 2032-33, depending on how much state revenue is
37 collected over the Referendum C cap each year.

38 • For state budget year 2023-24, an estimated additional \$120 million will be
39 refunded to taxpayers through an existing property tax refund mechanism as
40 a result of this measure. The remaining money that would otherwise be
41 refunded through the six-tier sales tax refund mechanism is instead refunded
42 in equal amounts to qualifying taxpayers, as shown in Figure 5 and discussed
43 above.

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- 1 • Beginning for state budget year 2024-25, the measure will reduce revenue
2 returned to taxpayers by an estimated \$170 million, with this reduction
3 increasing to \$360 million for the next state budget year.

4 *Property tax changes.* The measure will also reduce property taxes owed
5 compared with current law through changes in assessment rates and reductions
6 in value, and possibly through the local government revenue limit, as estimated
7 below.

- 8 • Lower assessment rates and value reductions are estimated to reduce
9 property taxes owed statewide by \$370 million in 2024, \$850 million in 2025,
10 and \$1,040 million in 2026. Decreases are larger in 2025 and 2026 due to
11 scheduled increases in assessment rates and the expiration of certain value
12 reductions that would occur if the measure does not pass.
- 13 • The local government revenue limit may decrease property taxes owed by an
14 additional \$280 million in 2024, \$250 million in 2025, and \$320 million in
15 2026, depending on how many local governments waive the limit.

16 **Local government impact.** After accounting for both the reduced property tax
17 collections and state reimbursements to school districts and other local tax
18 jurisdictions, Proposition HH is estimated to decrease revenue to local
19 governments statewide, on net, by at least \$120 million in 2024, \$410 million in
20 2025, and \$620 million in 2026.

21 The revenue decreases are larger in later years due to scheduled increases in
22 assessment rates and the expiration of certain property value reductions that
23 would occur if the measure does not pass, and smaller reimbursements paid to
24 local governments over time. Additionally, the local government revenue limit in
25 the measure may decrease revenue further, as noted above in the taxpayer
26 impacts section. Reduced revenue due to the limit is not reimbursed by the state.

27 The revenue impact will vary among local governments across the state, and the
28 specific impact on each local government will depend on several factors including
29 mill levies, local policy decisions, and the composition of properties in each local
30 area.

31 The measure increases local spending for county treasurers and assessors to
32 implement the property tax changes in the bill. County assessors will require
33 additional staff to administer the measure's provisions.

34 **State transfers.** Proposition HH transfers \$128 million from the state's General
35 Fund to a fund that will be used to reimburse local governments for lost property
36 tax revenue, and transfers \$72 million to the State Public School Fund. Further,
37 state revenue retained under the Proposition HH cap will be transferred, as
38 estimated below:

- 39 • *Funding for rental assistance.* In state budget year 2024-25, an estimated
40 \$8 million will be transferred to the Housing Development Grant Fund for
41 rental assistance programs. An estimated \$18 million will be transferred in
42 FY 2025-26. Transfers to the fund are expected to grow, but are capped at
43 \$20 million per year.
- 44 • *Education funding.* Transfers to the State Education Fund will reach an
45 estimated \$125 million in state budget year 2024-25, and \$270 million in state
46 budget year 2025-26. In future years, larger amounts are expected to be

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1 transferred to the State Education Fund depending on revenue retained
2 under the Proposition HH cap.

3 **State spending.** The measure increases state spending to reimburse local
4 governments for a portion of their lost property tax revenue, replace lost property
5 tax revenue to school districts, and to pay for increased workload for the state to
6 administer the measure's provisions, as estimated below:

- 7 • *Reimbursements to local governments.* The measure increases state
8 spending by an estimated \$160 million in state budget year 2024-25 and
9 \$70 million in state budget year 2025-26 to reimburse local governments for
10 lost property tax revenue. Reimbursements are limited to a certain amount of
11 money retained under the Proposition HH cap, as well as by eligibility
12 requirements for local governments as described above.
- 13 • *School district funding.* The measure will increase the state aid obligation for
14 public schools by an estimated \$120 million in state budget year 2023-24,
15 \$280 million in state budget year 2024-25, \$350 million in state budget
16 year 2025-26, and larger amounts in future years as some nonresidential
17 assessment rates decrease.
- 18 • *Administrative costs.* The measure will increase General Fund spending in
19 the Department of Local Affairs by an estimated \$62,426 in state budget year
20 2023-24, \$195,498 in state budget year 2024-25, and \$159,779 in state
21 budget year 2025-26 for the Division of Property Taxation to develop software
22 systems, hire additional staff, and to update procedures, forms, manuals, and
23 technical assistance to local governments.

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14 governments.

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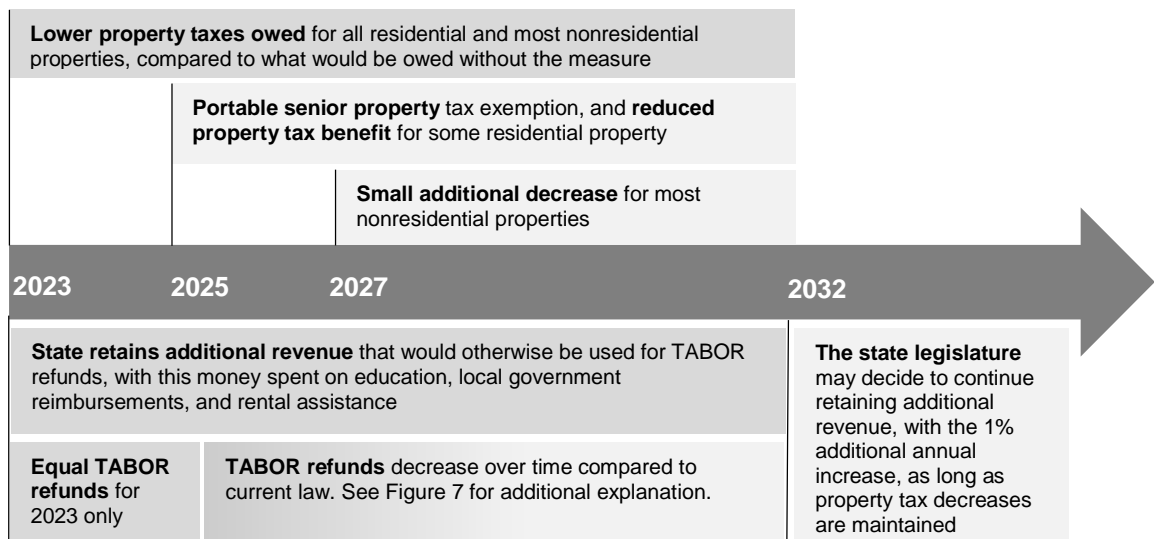
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19 Most changes under Proposition HH remain in effect through state budget year
 20 2031-32, and may be extended by the state legislature for subsequent budget
 21 years without further voter approval. If extended, the state may continue to retain
 22 additional revenue in subsequent years, as long as the state legislature extends
 23 property tax reductions equal to or greater than those in the measure. The
 24 amount the state is allowed to retain grows each year, and continues to grow if
 25 the measure is extended.

26 In addition, if Proposition HH passes, another state law distributes refunds under
 27 the Taxpayer’s Bill of Rights (TABOR) in equal amounts in tax year 2023 only.
 28 Figure 1 shows the measure’s changes through at least 2032.

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**Figure 1
 Proposition HH Timeline**



1 Impacts on Taxpayers

2 **How does Proposition HH impact taxpayers?**

3 The measure primarily impacts taxpayers in two ways: by reducing the amount
 4 owed in property taxes and by changing the amount of TABOR refunds. Figure 2
 5 summarizes the impacts of Proposition HH on various taxpayers, compared to
 6 what would happen if Proposition HH does not pass. Each of these impacts is
 7 described in more detail later in this analysis.

8 In 2023, providing equal TABOR refunds to all taxpayers will increase refunds for
 9 low-income and middle-income taxpayers, while higher-income taxpayers will
 10 receive a lower refund than under current law. Property taxes for all property
 11 owners will be smaller than they would be if Proposition HH is not approved. For
 12 some higher-income homeowners, the reduction in TABOR refunds in 2023 may
 13 offset the savings from lower property taxes.

14 In 2024 and through at least 2032, TABOR refunds will decrease or be
 15 eliminated for taxpayers at all income levels, depending on state revenue
 16 collections each year. These future decreases in TABOR refunds may offset or
 17 exceed property tax savings under Proposition HH for property owners,
 18 depending on the value of their property.

19 **Figure 2**
 20 **Summary of Taxpayer Impacts**
 21 *Compared to current law*

All Taxpayers – TABOR Refunds	
2023	
<ul style="list-style-type: none"> - Income less than \$100,000: TABOR refunds increase - Income greater than \$100,000: TABOR refunds decrease 	
2024 through 2032	
<ul style="list-style-type: none"> - TABOR refunds decrease, and could be eliminated, for all taxpayers. - To see how state revenue affects the amount of the decrease, see Figure 7. 	
Property Owners – all changes are for 2023 through 2032 unless otherwise noted	
Primary residence, multifamily property	<ul style="list-style-type: none"> - Reduction in property taxes compared to what would be paid otherwise
Seniors	<ul style="list-style-type: none"> - Same reduction in property taxes as for primary residences - Beginning in 2025: Seniors who have qualified for the homestead exemption can receive the same benefit if they purchase and move to a new home.
Other single-family residential properties (second homes, rental properties, etc.)	<ul style="list-style-type: none"> - 2023 and 2024: Same reduction in property taxes as primary residences - Beginning in 2025: Smaller property tax reduction than primary residences
Nonresidential properties	<ul style="list-style-type: none"> - Reduction in property taxes, compared to what would be paid otherwise, for most property types - Amount of reduction depends on type of property
Renters	
<ul style="list-style-type: none"> - Do not directly benefit from property tax decreases - Additional funding for rental assistance to qualifying renters 	

Changes to Property Taxes

1 **How does Proposition HH change property**
2 **taxes?**

3 Proposition HH lowers the property taxes owed
4 by property owners, compared to what would be
5 owed without the measure. Property values have
6 increased significantly in most areas of the state,
7 resulting in higher property taxes owed. The
8 measure results in a smaller increase in property
9 taxes than under current law.

10 In Colorado, there is no state property tax. Only
11 local governments collect property tax. Property
12 taxes are paid on a portion of a property's
13 market value. This portion is known as the
14 taxable value or assessed value, and is
15 calculated by multiplying the market value by the
16 assessment rate. To lower property taxes, the
17 measure:

- 18 • lowers assessment rates for residential property and most nonresidential
19 property and subtracts a set amount from most properties' values before
20 applying the new assessment rates;
- 21 • allows a senior aged 65 and older who has previously qualified for the senior
22 homestead exemption to receive the same property tax benefit in any home
23 they purchase and live in as their primary residence, beginning in 2025;
- 24 • distinguishes owner-occupied primary residences and multifamily properties
25 from other residential properties, resulting in a larger subtraction for primary
26 residences and multifamily properties than other properties, beginning in
27 2025; and
- 28 • establishes a limit on local government property tax revenue growth,
29 including methods to lower tax rates to comply with the limit or to waive the
30 limit. This limit is discussed further below.

31 Figure 3 shows the impact of these changes on different property types and
32 values in 2023. These changes continue through 2032 unless otherwise noted.
33 The impact on an individual property owner depends on the type and value of the
34 property and the tax rates for the local governments where the property is
35 located. Tables with the exact assessment rates and subtractions for different
36 property classes are available in [the fiscal impact statement](#).

Online Calculation Tool:

To see how the combination of the property tax changes and TABOR refund changes impact a taxpayer in your area, please scan the QR code below:



Please note that the online calculation tool included in this third draft is preliminary.

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Figure 3
Average Property Tax Impacts Under Proposition HH*

Type of Property	Property Value	Average Change in 2023 Property Tax**	2024-2032
<u>Residential Property</u>			
Primary residences and multifamily properties	\$100,000	-\$166 to -\$172	Further reductions in 2024 and 2025. Beginning in 2025, there is a smaller reduction for non-primary residences and a larger reduction for qualifying seniors.
	\$350,000	-\$177 to -\$212	
	\$500,000	-\$184 to -\$236	
	\$700,000	-\$193 to -\$268	
	\$1,000,000	-\$206 to -\$317	
<u>Nonresidential Property</u>			
Lodging and commercial	\$1,000,000	-\$34 to -\$503	Further reductions in 2024, 2027, 2029, 2031
Industrial, natural resources, state-assessed properties	\$1,000,000	-\$35 to -\$518	Further reductions in 2024, 2027, 2029, 2031
Agriculture and renewable energy	\$1,000,000	-\$0 to -\$459	Further reduction in 2031. Beginning in 2024, there is also a larger reduction for renewable energy agricultural land.
Vacant land	\$1,000,000	-\$35 to -\$518	Change in 2023 only.
Oil and gas and mines	\$1,000,000	No change	

3 * This example shows the estimated reduction in property taxes owed for a hypothetical property, based
4 on 2022 statewide average mill levy of 69.120 mill levies, which excludes mill levies for bonds and
5 contractual obligations. For properties located in areas where local mill levies will decrease from 2022 to
6 2023 even if Proposition HH does not pass, the property tax reduction will be smaller than estimated.
7 The actual change in property tax will depend on local tax rates, changes in property values, and local
8 government property tax policy.

9 ** Property tax savings will depend on whether or not local governments waive the new revenue limits
10 created by Proposition HH. The high end of the range reflects the savings if local governments do not
11 waive the limit. The low end of the range reflects the savings if local governments waive the limit.

12 **Retained State Revenue**

13 **What is the state’s revenue limit, known as the TABOR limit?**

14 The Colorado Constitution includes a section, “The Taxpayer’s Bill of Rights,”
15 commonly known as TABOR, that limits the amount of money that the state
16 government can collect and spend or save each year. Voter approval is required
17 to retain money above the TABOR limit. If money is collected above the limit, the
18 excess must be refunded to taxpayers. This is called a TABOR refund.

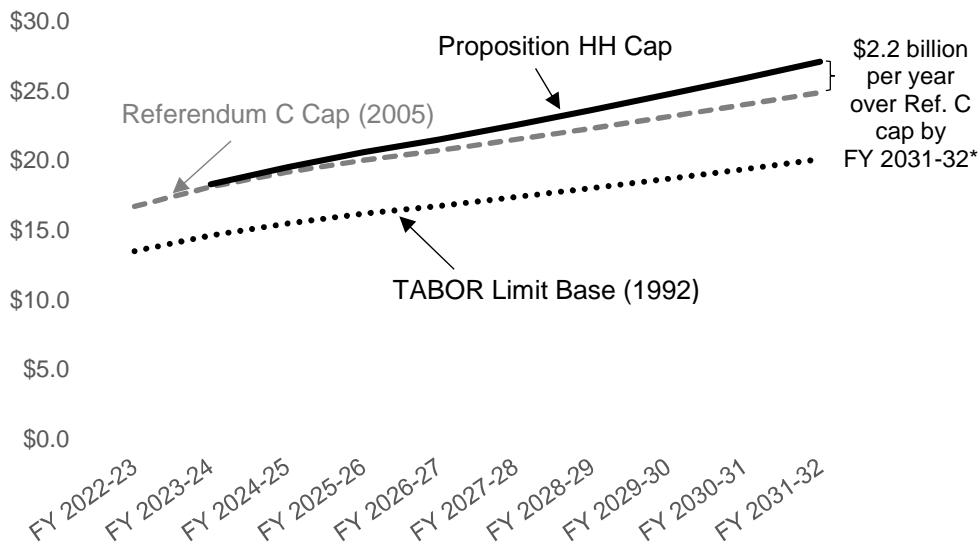
19 Currently, a portion of this money is refunded through property tax reductions,
20 including those for seniors, veterans with a disability, and Gold Star surviving
21 spouses, and the remainder is distributed as a tiered sales tax refund using the

1 state income tax return. For last year only, part of the TABOR refund was
 2 distributed to taxpayers through checks in the amount of \$750 for a single filer
 3 and \$1,500 for a joint filer, rather than through the tiered system. Flat refunds
 4 provide larger amounts for lower-income taxpayers and smaller refunds for
 5 higher-income taxpayers when compared with the tiered refund system.

6 **What happens to the state revenue limit if Proposition HH passes?**

7 Proposition HH creates a new cap on the amount of money the state may retain
 8 over its revenue limit that is higher than the current cap established by
 9 Referendum C in 2005. Proposition HH allows the state to retain additional
 10 revenue up to the new cap, which grows by population growth and inflation, plus
 11 1 percentage point, each year. The measure allows the state to retain an
 12 estimated \$170 million in state budget year 2023-24 and \$360 million in state
 13 budget year 2024-25. The state is allowed to retain increasing amounts through
 14 at least 2032, depending on revenue collections (see Figure 7 for more
 15 information). Figure 4 shows the new cap over the next ten years.

16 **Figure 4**
 17 **Proposition HH Cap on State Revenue**
 18 *Dollars in Billions*



19 **Assumes inflation through 2025 from the June 2023 Legislative Council Staff forecast and*
 20 *2.5 percent annual inflation for 2025 to 2031. Population growth projections from the Colorado*
 21 *State Demography Office.*

22 **How will the retained revenue be spent?**

23 The retained money will be used for the following purposes:

- 24 • up to 20 percent to reimburse local governments for lost property tax
 25 revenue;
- 26 • up to \$20 million for rental assistance; and
- 27 • the remaining funds to reimburse school districts for reduced property tax
 28 revenue as a result of the measure, and for education-related programs,

1 estimated at \$125 million in state budget year 2024-25, and up to
 2 \$2.16 billion in state budget year 2031-32.

3 Over ten years, local reimbursements are expected to decrease, rental
 4 assistance will reach its \$20 million limit, and the amount retained by the state
 5 will increase. As a result, the amount allocated to education funding will increase,
 6 assuming consistent revenue growth. The new education funding cannot replace
 7 current General Fund spending for public school finance.

8 **Changes to TABOR Refunds**

9 **How does the measure impact TABOR refunds in the short term?**

10 **2023 TABOR refunds.** A separate state law changes the way that refunds are
 11 distributed for tax year 2023 only if Proposition HH passes.

12 Under current law, TABOR refunds to taxpayers are typically distributed through
 13 the state income tax, based on the taxpayer’s adjusted gross income. Under
 14 Proposition HH, the refunds are distributed in an equal amount for each taxpayer,
 15 estimated at \$820 for single filers and \$1,640 for joint filers. Figure 5 shows the
 16 change in the refund amount projected for tax year 2023 under Proposition HH.
 17 The actual amounts refunded will depend on the final state revenue amount for
 18 the 2022-23 budget year.

19 **Figure 5**
 20 **2023 TABOR Refunds Under Proposition HH**
 21 *For a single filer; amounts double for joint filers*

Adjusted Gross Income	Percent of Taxpayers*	Refund Amount		Change in Refund
		Current Law	Under Prop. HH	
Up to \$50,000	35%	\$587	\$820	+\$233
\$50,001 to \$99,000	27%	\$783	\$820	+\$37
\$99,001 to \$157,000	18%	\$901	\$820	-\$81
\$157,001 to \$218,000	9%	\$1,071	\$820	-\$251
\$218,001 to \$278,000	4%	\$1,152	\$820	-\$332
\$278,001 and up	7%	\$1,854	\$820	-\$1,034

22 **Totals may not sum due to rounding.*

23 **2024 and 2025 TABOR refunds.** In 2024 and 2025, TABOR refunds are
 24 expected to decrease, compared to what would be distributed under current law.
 25 Refunds will be distributed based on a taxpayer’s adjusted gross income.
 26 Figure 6 shows the change in the refund amount forecasted for tax year 2024
 27 and 2025 under Proposition HH. The actual amounts refunded will depend on
 28 state revenue collections in future budget years.

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Figure 6
Projected Change in TABOR Refunds for 2024 and 2025
Under Proposition HH

For a single filer; amounts double for joint filers

Adjusted Gross Income	Percent of Taxpayers*	Refund Amount		Change in Refund
		Current Law	Under Prop. HH	
<u>2024 Refunds</u>				
Up to \$52,000	35%	\$357	\$326	-\$31
\$52,001 to \$103,000	27%	\$476	\$434	-\$42
\$103,001 to \$163,000	17%	\$548	\$500	-\$48
\$163,001 to \$226,000	9%	\$651	\$594	-\$57
\$226,001 to \$289,000	4%	\$701	\$639	-\$62
\$289,001 and up	7%	\$1,128	\$1,028	-\$100
<u>2025 Refunds</u>				
Up to \$53,000	35%	\$336	\$269	-\$67
\$53,001 to \$105,000	27%	\$448	\$358	-\$90
\$105,001 to \$167,000	17%	\$515	\$412	-\$103
\$167,001 to \$231,000	9%	\$612	\$490	-\$122
\$231,001 to \$297,000	4%	\$659	\$527	-\$132
\$297,001 and up	7%	\$1,060	\$848	-\$212

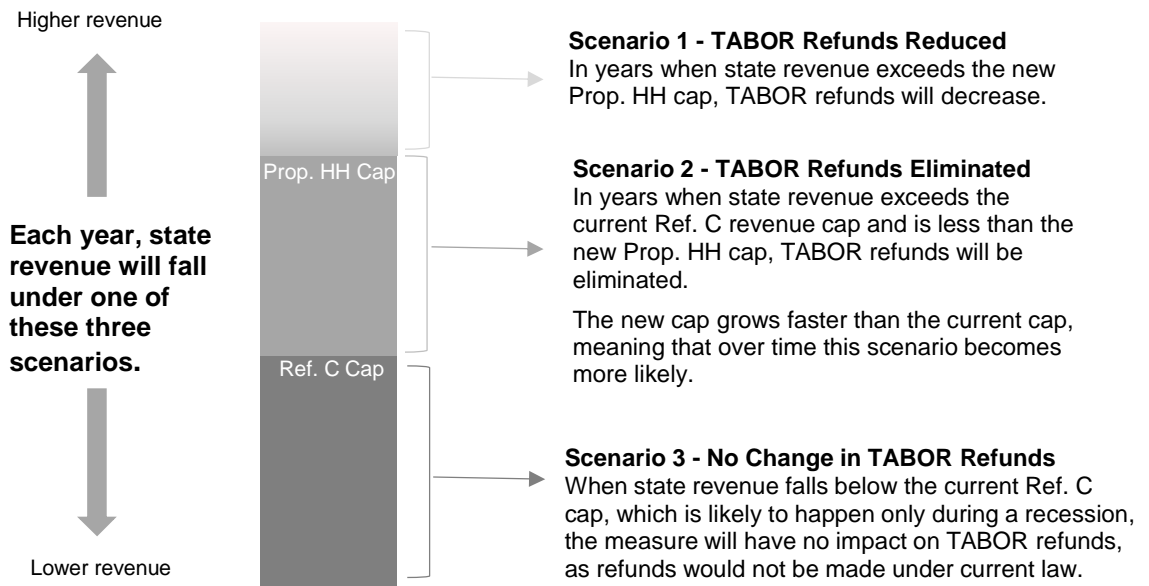
5 **Totals may not sum due to rounding.*

6 **How does the measure impact TABOR refunds in the long term?**

7 The measure's impact on TABOR refunds over the long term depends on
8 population growth, inflation, and state revenue collections. Absent future policy
9 changes, state revenue collections are largely driven by economic activity.
10 Figure 7 shows scenarios for state revenue collection and the impact on TABOR
11 refunds. The changes in Proposition HH are in place until 2032, but the measure
12 allows the state legislature to extend them without additional voter approval.

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Figure 7
Scenarios for TABOR Refund Changes



Note: Figure 7 is not to scale.

3 **Changes for Local Governments**

4 **How does the measure impact local governments?**

5 Revenue growth for local governments will slow due to a new property tax
6 revenue limit and reduced property taxes. Some reductions will be partially offset
7 by reimbursements from the state. Cities, counties, school districts, and special
8 districts collect property taxes to fund public schools and local services such as
9 road maintenance, police departments, fire protection, water and sewer
10 infrastructure, parks, and libraries. Not all local governments that collect property
11 taxes are treated the same by Proposition HH, as explained below.

12 **Property tax revenue limit.** Under Proposition HH, many local governments that
13 are not currently subject to other local revenue limits cannot collect property tax
14 revenue above the amount they collected in the prior year plus inflation. If a local
15 government would exceed this limit, it may waive the limit by annually notifying
16 the public, holding a meeting for public comment, and adopting an ordinance or
17 resolution. Otherwise, it must lower its tax rate (mill levy) for one year or refund to
18 taxpayers any property tax revenue collected above the limit. School districts and
19 home-rule jurisdictions are not subject to this limit.

20 **Reimbursements.** Under Proposition HH, the state reimburses local
21 governments for some of the revenue lost due to property tax reductions. This is
22 paid from the revenue that the state retains under the new revenue cap, and
23 other state funds, with some limitations. Reimbursements depend on available
24 funds, and may be reduced in years when state revenue collections fall below the
25 Proposition HH cap.

1 Reimbursements range from 65 percent to 100 percent of lost revenue, based on
2 the type of local government, the population of the county in which the local
3 government is located, and growth of property values in the jurisdiction. Smaller
4 counties and those with slower property value growth generally receive higher
5 reimbursement rates.

6 Most counties, cities, and special districts are initially eligible for reimbursement;
7 however, most local governments are not reimbursed if their assessed value
8 exceeds 2022 levels by 20 percent, which is expected to happen at some point
9 between 2023 and 2031 for most local governments. School districts are fully
10 reimbursed through the public school funding formula, using money retained by
11 the state.

For information on those issue committees that support or oppose the measures on the ballot at the November 7, 2023, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://www.sos.state.co.us/pubs/elections/Initiatives/ballot/contacts/2023.html>

12 **Arguments For Proposition HH**

- 13 1) With Colorado facing a historic increase in residential property values,
14 Proposition HH provides long-term property tax relief for homeowners and
15 businesses. In doing so, the measure also limits the impact on local services,
16 makes Colorado a more competitive environment for businesses, and allows
17 seniors to downsize or move without losing the benefits of their homestead
18 exemption.
- 19 2) The new property tax limit makes local taxing entities more accountable to
20 their constituents. By requiring a public process to waive the limit,
21 Proposition HH gives people a say in how much they are taxed while
22 providing flexibility for local governments to retain revenue needed to provide
23 important services.
- 24 3) By allowing the state to retain additional revenue, the measure benefits public
25 schools. The state's spending cap has limited Colorado's ability to fully fund
26 education for years. Proposition HH provides a funding source for at least ten
27 years, using money the state already collects.
- 28 4) Proposition HH benefits low- and middle-income people, many of whom are
29 renters, by providing a more equitable distribution of TABOR refunds in 2023.
30 With recent high inflation and housing costs, this puts more money in the
31 pockets of those who need it most.

32 **Arguments Against Proposition HH**

- 33 1) Proposition HH essentially increases taxes by reducing or eliminating future
34 TABOR refunds, potentially growing the state budget by up to \$2.2 billion per
35 year by 2032. The measure removes important taxpayer protections and
36 gives the state legislature the power to extend the new revenue cap forever
37 without asking voters.

- 1 2) Property tax relief should not come at the expense of TABOR refunds. While
2 the measure provides some limited property tax relief, the loss to taxpayers
3 over the long term from the reduction or elimination of TABOR refunds is
4 likely to exceed the property tax savings over time. The measure is also
5 costly for renters, who do not directly benefit from property tax relief and will
6 receive lower TABOR refunds in the future.
- 7 3) Property taxes are a local issue, best handled by local communities.
8 Proposition HH pushes state priorities and an unnecessary new revenue limit
9 onto local governments and their residents, rather than letting them find
10 solutions that work locally.
- 11 4) Proposition HH adds unnecessary complexity to an increasingly confusing
12 property tax system, with new classes of property and an additional
13 administrative burden for homeowners, seniors, county assessors, and
14 potential homebuyers. As a result, the measure makes it harder for people to
15 access their tax benefits and navigate the housing market, opening the door
16 to unintended consequences.

17 **Fiscal Impact of Proposition HH**

18 This measure decreases local government property tax revenue, creates new
19 state spending requirements, and reduces the amount refunded to taxpayers in
20 years when state revenue is over the Referendum C cap, which is then available
21 to increase state spending. These impacts are discussed below. The state
22 budget year runs from July 1 to June 30.

23 **Taxpayer impacts.** Proposition HH impacts taxpayers in two ways by changing
24 the amount of TABOR refunds and reducing the amount owed in property taxes.

25 *TABOR refund changes.* Proposition HH results in a change in how state
26 revenue is returned to taxpayers in state budget year 2023-24, then reduces the
27 amount potentially returned to taxpayers by larger amounts each year through at
28 least state budget year 2032-33, depending on how much state revenue is
29 collected over the Referendum C cap each year.

- 30 • For state budget year 2023-24, an estimated additional \$120 million will be
31 refunded to taxpayers through an existing property tax refund mechanism as
32 a result of this measure. The remaining money that would otherwise be
33 refunded through the six-tier sales tax refund mechanism is instead refunded
34 in equal amounts to qualifying taxpayers, as shown in Figure 5 and discussed
35 above.
- 36 • Beginning for state budget year 2024-25, the measure will reduce revenue
37 returned to taxpayers by an estimated \$170 million, with this reduction
38 increasing to \$360 million for the next state budget year.

39 *Property tax changes.* The measure will also reduce property taxes owed
40 compared with current law through changes in assessment rates and reductions
41 in value, and possibly through the local government revenue limit, as estimated
42 below.

- 43 • Lower assessment rates and value reductions are estimated to reduce
44 property taxes owed statewide by \$350 million in 2024, \$790 million in 2025,
45 and \$970 million in 2026. Decreases are larger in 2025 and 2026 due to

1 scheduled increases in assessment rates and the expiration of certain value
2 reductions that would occur if the measure does not pass.

- 3 • The local government revenue limit may decrease property taxes owed by an
4 additional \$280 million in 2024, \$250 million in 2025, and \$320 million in
5 2026, depending on how many local governments waive the limit.

6 **Local government impact.** After accounting for both the reduced property tax
7 collections and state reimbursements to school districts and other local tax
8 jurisdictions, Proposition HH is estimated to decrease revenue to local
9 governments statewide, on net, by at least \$100 million in 2024, \$350 million in
10 2025, and \$550 million in 2026.

11 The revenue decreases are larger in later years due to scheduled increases in
12 assessment rates and the expiration of certain property value reductions that
13 would occur if the measure does not pass, and smaller reimbursements paid to
14 local governments over time. Additionally, the local government revenue limit in
15 the measure may decrease revenue further, as noted above in the taxpayer
16 impacts section. Reduced revenue due to the limit is not reimbursed by the state.

17 The revenue impact will vary among local governments across the state, and the
18 specific impact on each city, county, school district, or special district will depend
19 on several factors including mill levies, local policy decisions, and the
20 composition of properties in each local area.

21 The measure increases local spending for county treasurers and assessors to
22 implement the property tax changes in the bill. County assessors will require
23 additional staff to administer the measure’s provisions.

24 **State transfers.** Proposition HH transfers \$128 million from the state’s General
25 Fund to a fund that will be used to reimburse local governments for lost property
26 tax revenue, and transfers \$72 million to the State Public School Fund. Further,
27 state revenue retained under the Proposition HH cap will be transferred, as
28 estimated below:

- 29 • *Funding for rental assistance.* In state budget year 2024-25, an estimated
30 \$8 million will be transferred to the Housing Development Grant Fund for
31 rental assistance programs. An estimated \$18 million will be transferred in
32 FY 2025-26. Transfers to the fund are expected to grow, but are capped at
33 \$20 million per year.
- 34 • *Education funding.* Transfers to the State Education Fund will reach an
35 estimated \$125 million in state budget year 2024-25, and \$270 million in state
36 budget year 2025-26. In future years, larger amounts are expected to be
37 transferred to the State Education Fund depending on revenue retained
38 under the Proposition HH cap.

39 **State spending.** The measure increases state spending to reimburse local
40 governments for a portion of their lost property tax revenue, replace lost property
41 tax revenue to school districts, and to pay for increased workload for the state to
42 administer the measure’s provisions, as estimated below:

- 43 • *Reimbursements to local governments.* The measure increases state
44 spending by an estimated \$160 million in state budget year 2024-25 and
45 \$70 million in state budget year 2025-26 to reimburse local governments for
46 lost property tax revenue. Reimbursements are limited to a certain amount of

1 money retained under the Proposition HH cap, as well as by eligibility
2 requirements for local governments as described above.

3 • *School district funding.* The measure will increase the state aid obligation for
4 public schools by an estimated \$120 million in state budget year 2023-24,
5 \$280 million in state budget year 2024-25, \$350 million in state budget
6 year 2025-26, and larger amounts in future years as some nonresidential
7 assessment rates decrease.

8 • *Administrative costs.* The measure will increase General Fund spending in
9 the Department of Local Affairs by an estimated \$62,426 in state budget year
10 2023-24, \$195,498 in state budget year 2024-25, and \$159,779 in state
11 budget year 2025-26 for the Division of Property Taxation to develop software
12 systems, hire additional staff, and to update procedures, forms, manuals, and
13 technical assistance to local governments.

Last Draft Comments from Interested Parties

Proposition HH Reduce Property Taxes and Retain State Revenue

Jock Barker, representing himself:

The bill to quit the "Tabor" refunds is at best is deceptive! How about you vote for keeping Tabor on not? But be honest in your language.

With respect, Jock and Susan Barker

9797 Sylvester Road, Highlands Ranch Co.
Jock Barker

Rachel Bender, representing Colorado Municipal League:

To Legislative Council Staff,

Thank you for the opportunity to review the [third draft of the ballot analysis](#) for Proposition HH. The Colorado Municipal League's comments are as follows:

Municipal Terminology. Every reference to "city/cities" (see pages 9, 10, and 12) should be changed to "municipality/municipalities" or "city and town/cities and towns" because HH will impact all municipalities, not just cities. C.R.S. § 31-1-101, sets forth definitions for "City," "Municipality," and "Town," which indicates a legal distinction between these terms. As such, using the term "city" or "cities" fails to include or account for towns. In contrast, the definition of "Municipality" in C.R.S. § 31-1-101(6), indicates that it includes all cities and towns, and therefore would be a more accurate term to use. Alternatively, the summary could say "city and town" or "cities and towns" to account for all municipalities.

Chart Clarification. Figure 3 on page 5 may mislead readers as it is not clear that the "2023 Average Change in Property Tax" shows the change in tax between 2023 taxes without Prop HH and with Prop HH in place. Readers may understand this column to show a decrease in their 2023 taxes from the 2022 tax year when in fact taxes for the 2023 tax year will likely increase whether or not Prop HH passes; they will simply increase less under Prop HH and will not be reduced from the 2022 tax year level. The description in the chart could be made more clear to mirror the explanation on the previous page, especially since some readers may rely on the chart and not read the narrative.

Partial Reimbursements and Elimination of Reimbursements for Local Government.

- On page 6 (under "how will the retained revenue be spent) and page 12 (under "state transfers" and under "reimbursements to local governments"), the sentences about reimbursing local governments should be revised to read "....to reimburse local governments for *a portion of their* lost property tax revenue *if the local government is eligible for reimbursement.*" This will help make the language throughout the summary more consistent and avoid incorrectly suggesting that local governments

Last Draft Comments from Interested Parties

Rachel Bender, representing Colorado Municipal League (continued):

will always be made whole.

- The Blue Book summary, in addition to stating that reimbursements for local governments are expected to decrease, should make clear that the reimbursements may be eliminated entirely due to ineligibility. Language stating that the reimbursements may be eliminated should be added on page 7, in the first full paragraph after stating that “local reimbursements are expected to decrease.”

Fiscal Impact of Prop HH on Local Governments. The Blue Book summary tends to characterize the fiscal impact of Prop HH on local governments as a smaller increase in property tax revenue. While that might be an accurate explanation for the 2023 tax year revenue given that property values are, on average, increasing for the 2023 tax year, this statement is not completely accurate with regard to the fiscal impact of Prop HH, particularly if property values remain steady or decrease, whether statewide or in particular jurisdictions. If passed, Prop HH will impose changes for a ten-year period during which tax revenues will be reduced from what would have otherwise been authorized under currently existing law. If property values continue to rise, then HH will likely result in a smaller increase in property tax revenue for local government; however, if property values decline at some point in that ten-year period, property tax revenue for local government may decrease. Similarly, if a particular local government experiences stagnant or decreasing property values even if statewide property values have gone up, that local government may experience a decrease in property tax revenue. Therefore, simply stating that HH results in a smaller increase in property tax revenue is incorrect. The fiscal impact of HH needs to be described as a decrease in property tax revenue collected by local governments as compared to the tax revenue that authorized for local governments under current law. This language fix should be made in the following places in the Blue Book summary and, if helpful, could include the additional explanation set forth above in this comment:

- At the top of page 1, there should be an additional bullet point under “Proposition HH, if approved, would,” that states: “*reduce revenues for local governments for at least ten years, compared to what local governments are authorized to collect under current law;*”
- Page 4, under “How does Proposition HH change property taxes?”, end of first paragraph: “The measure results in a *decrease in property tax revenue collected by local governments, compared with the tax revenue local governments are authorized to collect under current law.*”
- Page 9, under “How does the measure impact local governments?”, first sentence: “Revenue for local governments will *decrease compared to what local governments are authorized to collect under current law* due to a new property tax revenue limit and reduced property taxes.”

These comments align with comments provided by our colleagues at the Special District Association of Colorado (SDA), except for our first bullet point regarding municipal

Last Draft Comments from Interested Parties

Rachel Bender, representing Colorado Municipal League (continued):

terminology, which is not applicable to SDA. As such, we join SDA in their comments. Please let me know if you have any questions.

Thank you for your consideration,



Rachel Bender
Associate Counsel
Colorado Municipal League
1144 Sherman Street
Denver, CO 80203
(303) 831-6411 · (866) 578-0936
rbender@cml.org · www.cml.org

Margie Benes, representing herself:

PLEASE FIX THE BLUE BOOK TO REFLECT WHAT THE BILLS REALLY DO
Regarding Proposition HH

The first and most obvious problem with this draft is that the title is misleading. First, it does not mention TABOR refunds. It should say, "Take away TABOR refunds." Everyone knows what that means.

A title that fairly portrayed what HH does might say, "Take away TABOR refunds and slightly reduce the increase in property taxes."

Second, the title makes it sound like property taxes would go down if HH passes. That's not true.

Here's what I believe. The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of "TABOR refunds" under the measure, and
- end at "2032." What comes after should appear as the 4th bullet.
 - the last bullet in the list. It says it creates a limit of property taxes at the local level.

CLARIFY THAT: IT NEEDS TO SAY "under HH local governments can abolish that limit anytime they want without additional voter approval."

Darrel Blackburn, representing himself:

The title of Proposition HH for the bluebook write up for the 2023 vote is misleading. I would like to see a title that fairly portrays what HH does, such as "Takes away Tabor refunds and slightly reduces the increase in property taxes." The language of this Bluebook description is biased toward the passage of this proposition and it needs to be changed to clarify what passage of this proposition would accomplish.

I have been so proud to be a resident of this state as it has always made an effort to fairly provide the pros and cons of ballot initiatives. We are watching you and we request that you change the wording of this proposition and the pros and cons to more fairly describe what will the outcome of passage of HH would accomplish.

Last Draft Comments from Interested Parties

Guy Bowman, representing himself:

To whom it may concern,

The description provided for the proposition is deceptive and dishonest. The rate "decrease" of property tax is tiny, a fraction of a percent. A reduction of the property tax as alluded to in the proposition text is not actually happening as our property taxes are going up significantly with or without the lower rate mentioned in the ballot measure. All the proposition does is reduce the actual rate of increase of our tax obligation by a fraction. Your wording "Proposition HH lowers property taxes owed" is deceptive. It is technically a true statement but doesn't explain what it means to the taxpayer in terms of a real dollar impact.

Secondly, the proposition eliminates or ends the Tabor refund to taxpayers after 2023. The state legislature essentially kills all future Tabor refunds for all Colorado taxpayers whether they are property owners or not. That distinction is not made clear in the description.

Thirdly, the use of the year 2032 as mentioned in the ballot measure text as representing some kind of legal demarcation on the impact of passing Proposition HH is deceptive. The date is irrelevant to the issue of the Tabor refunds as they essentially end with the passage of this measure.

It appears to this citizen that the authors of this description want Coloradans to believe that the measure pertains to property taxes. But every Colorado tax paying citizen is impacted by this proposition! It ends all Tabor refunds for everyone! (It's discomfiting to know we have such dishonest people working for our state government on explaining ballot measures.)

Concernedly yours,

Guy Bowman
Citizen of Jefferson County
Retired US Civil Service

guybo711@gmail.com
11319 W Fremont Ave.
Littleton, CO 80127

Susan Brown, representing herself:

The Blue Book title and description for Prop HH are misleading. The largest effect of this proposition on voters and the whole reason it is on the ballot is that it takes away TABOR refunds. (The legislature does not need voter approval to lower property taxes.) For that reason, it should come first in the title and be the first bullet point. In addition, "Retain State Revenue" could mean a lot of things, whereas "Take Away TABOR Refunds" is specific, accurate and will be clear to most people. The title should be changed to explicitly mention TABOR refunds.

Last Draft Comments from Interested Parties

Susan Brown, representing herself (continued):

While my suggestions above are the most important, I also think "Reduce Property Taxes" in the title is misleading. If HH passes, property taxes will increase, just at a slightly lower rate. "Slightly Reduce the Property Tax Increase" would be more accurate.

The final bullet point about limiting local property tax growth is woefully incomplete. Voters need to know that local governments can abolish those limits at any time without voter approval. It's an unenforceable "limit", giving a false sense of protection to voters unless they know that local governments can easily override it.

Thank you for taking the time to read my suggestions. I have been a citizen of Colorado for over 30 years, and Blue Book descriptions have helped me understand the many propositions and amendments I've voted on over the years. I sincerely believe that a clear, accurate title and opening description is crucial in giving voters an understanding of what is at stake.

Dr. Susan Windisch
3950 W 126th Ave.
Broomfield, CO 80020

Douglas Bruce, representing himself:

Same defects--but "There is still time" as the preacher said.

I renew my request that you PRINT in the paper Blue Book the web addresses of all entities FOR AND AGAINST HH listed in the S of S website. No statute FORBIDS printing them in the BB; the law you quoted simply says they shall be listed in the S of S site (also).

I also request the Blue Book include the entire 48-page bill on HH and the one-year change to state TABOR refunds.

1. The property tax relief is much less than the loss of TABOR refunds, and also does not apply to renters, who lose money on the former and don't benefit at all from token property tax relief. Switch the two topics in your page 1 title. Try "State spending of TABOR refunds and a lesser property tax adjustment"

Last Draft Comments from Interested Parties

Douglas Bruce, representing himself (continued):

2. Line 5 is deceptive. Salary boosts for government school employees is not "education." List instead how much the average school employee will get individually over the first five years of permanent salary increases--

\$10,000 per year? \$15,000 per year? PRINT THAT figure. "Education" is not a commodity like a hamburger. It is a code word for emotional manipulation.

3. line 6--PROVE how much property taxes will be "reduced." NOTE--A LOWER INCREASE IS NOT A DECREASE. ANSWER: "ZERO POINT ZERO" Ask Bluto Blutarsky or Dean Vernon Wermer of Faber College to explain that to you.

4. lines 6-7 Delete silly "rental assistance" claim. \$20 million out of \$2,000,000,000+

yearly diversion of TABOR refunds will be a microscopic fraction EQUAL to \$10 per tenant

PER YEAR, m/l. In the Long Bill, that is less than a rounding error. Be down to earth.

5. line 13-14-- "a new limit" is NOT holding a hearing charade before a tax increase.

DELETE THAT FRAUDULENT BULLET. If the goal is a "new limit," why are you gutting

the one that has worked for 30 years? HOW IS THAT A "SINGLE SUBJECT?" Didn't you

take an oath to obey the state constitution, which has a single subject limit for bills?

Your employer is prohibited from "log rolling." What do you call a \$20 million slush

funds for renters, special rules for some seniors, huge yearly bonuses to teachers,

Last Draft Comments from Interested Parties

Douglas Bruce, representing himself (continued):

payoffs to local governments, a one-time election incentive in TABOR refunds...?

Shame on you.

6. lines 23-24 Same inane lie discussed above--delete.

Page 2

line 4 HH does NOT "reduce property taxes." You contradict that by admitting it means

"smaller increases." Be consistent and begin with "slows increases."
There is NO

year-to-year reduction. If you won't tell the truth, go flip burgers.

line 5--insert after "keep MUCH LARGER additional..."

line 7 After "reducing" insert "by X%" to provide the FACTS.

line 12 change "process" to "hearing." Change "waive" to "exceed."

line 14 change "percent" to "percentage point" Add sample dollar amounts.

EXPLAIN HOW A BILL CAN CHANGE A VOTER-APPROVED CONSTITUTIONAL
LIMIT.

THEN EXPLAIN WHY A TABOR LIMIT OF FOUR YEARS (SEE (3)(a)) CAN BE
WAIVED

FOREVER WITH NO MORE VOTING IN VIOLATION OF THE CONSTITUTION.

line 15 change "education" to "pay raises for public school employees"

line 16 If you insist on this fraud, say how much an average state
renter will get

(e.g. \$10 rental aid PER YEAR) COMPARED TO THE PER PERSON LOSS OF TABOR

REFUNDS DIVERTED TO MORE GOVERNMENT SPENDING

line 23 "one percentage point." Give as an example a 5% growth limit growing

one percentage point (=20% annual growth rate)

FIGURE 1

Last Draft Comments from Interested Parties

Douglas Bruce, representing himself (continued):

SKIP THE BOLD PRINT. (Lower property taxes owed is a LIE) You are counting on

ignorance and fear that a 40% VALUATION INCREASE means a 40% TAX INCREASE.

TABOR (7)(c) limits total REVENUE growth in a district to inflation plus local growth

(more taxable property, for example)

Delete your repeated deceptions about "1%...property tax decreases...rental assistance...

education..." and others. Joseph Goebbels would be proud of you.

Page 3

line 3 "reducing" is a LIE; also umpteen false uses of "Reduction"

HH refunds this year's increase for nearly all incomes in 2023 only.

Figure 2 is idiotic. Change "could" be eliminated to "would."

Last line of page 3 MUST state yearly INDIVIDUAL benefit of \$20 million to INDIVIDUAL tenants, and compare it to their average state TABOR refund in 2022. Your games of charts and figures don't fool a retarded chimp.

Your invisible QR code is laughable. Is that your idea of simplicity? Being user friendly? Your mysterious "fiscal note?"

page 4

lines 2-8 more LIES; see TABOR (7)(c). Delete 2-8. You are exploiting ignorance of TABOR and VALUATION law. Whatever the value of your shrunken soul, can we agree that HH exceeds it?

page 5

Figure 3

Last Draft Comments from Interested Parties

Douglas Bruce, representing himself (continued):

Are you CRAZY? You will print and mail TWO MILLION pamphlets to illustrate the "average" property tax impact on (only) MILLION DOLLAR

non-residential property.

line 8 You misuse the Blue Book to indoctrinate voters into thinking

local governments can "waive" property tax limits. WHERE IS THAT

WRITTEN? Shame on you. The constitution is NOT by local option.

See line 14-15 "must." Don't you even believe your own words?

page 6

line 4 Please explain in print how a statute can override the constitution ("new cap").

line 8 Explain that "one percentage point" is a greater increase than "1 percent."

A 5% limit is increased 20% by a one percentage point increase. It's not too late to

tell the truth to "the suckers."

Figure 4

Is this the same staff that lowballed yearly Prop. EE revenue by a double digit amount (see Prop. II)?

Lines 18-29 There is no "lost" property tax revenue; another LIE. Line 20 should explain

how much the rental assistance means PER TENANT PER YEAR. Lines 21-24 Humanize your

figures by listing how much MORE in DOLLARS HH will give an average public school employee

PER YEAR over 10 years.

page 7

If a flat refund is more fair to more taxpayers, why does it apply only this year? Explain.

Last Draft Comments from Interested Parties

Douglas Bruce, representing himself (continued):

Is this what is called vote buying?
page 8

line 4 It is not abstract "economic activity" but two numbers NOT in state control. Population

and inflation are stats outside state manipulation. Delete as useless, anonymous state staff opinion.

Figure 7

Since when does staff write "scenarios?" This Hollywood High grad is laughing at your pretensions.

lines 10-26

A requirement for another ceremonial public hearing is NOT a limit, just a charade. DELETE. It also

does not apply to school taxes, the largest percentage of nearly all property tax bills.

page 9

lines 1-2 delete this fiction. Taxes are going UP. "Reduction" shows you suffer from hypnosis.

Any benefit to local government is paid from stolen TABOR refunds. It's the pea-and-shell con job

From your line 5-15 "explanation," how are taxpayers supposed to understand their local government

reimbursements from the money stolen by HH?

HERE IS ANOTHER CHANCE TO PRINT WEB ADDRESSES OF HH PRO AND CON SIDES.

Your information monopoly is unseemly. How many grandmas lack a computer to navigate the S of S site?

Can you see the comparison between your staff and Twitter, Google, Apple, and other media oligarchs?

line 17 A SNEAKY DECEPTION. A rise in VALUES is NOT a commensurate rise in TAXES. You KNOW that.

Last Draft Comments from Interested Parties

Douglas Bruce, representing himself (continued):

See TABOR (7)(c). You are preying on average citizens to encourage their (illegal) vote to end TABOR.

Shame on you.

line 25 "gives people a MEANINGLESS say" They will no longer have a SAY in TABOR refunds, which will disappear.

line 29 TABOR has never limited state aid; that figure is the decision of the general assembly. What is the "fully fund"

amount? We never hear what it is. It's always out of reach. Ref. C was supposed to solve that, but didn't, BILLIONS

of dollars in illegal tax increases later.

line 32-35 UTTER LIE. If a flat TABOR refund is preferable, why does HH grant it for ONE YEAR ONLY?

page 10

lines 2-21 incorporate my points listed above. Delete "effectively" as this is a multi-BILLION tax increase FOREVER.

It is the BIGGEST tax hike in state history. It returns Colorado to the "bad old days" of tax and spend and open-ended

state budgets. Line 3-- INSERT "PER YEAR" after "\$2.2 billion" and say "by 2032" not "in 2032."

line 8-9 change "is likely to" to "WILL" Delete "over time" as a vapid cliché.

line 11 End sentence with "to taxpayers."

line 12 change "governments" to "citizens."

line 13 change "state priorities" to "preferences of state officials" and insert "and higher" after "new"

line 18--delete "county assessors" as a MADE UP argument

line 20 change "access" to "obtain." Stop talking like bureaucrats, putting words in OUR MOUTHS.

line 23 A LIE. Any effect on property tax is REPAID with stolen TABOR

Last Draft Comments from Interested Parties

Douglas Bruce, representing himself (continued):

refunds. Changing terminology
is NO SAVINGS or tax relief.

page 11

line 12--A LIE. The constitution is not by local option, even with voter approval. STOP LYING!

Doesn't it hurt you inside to know that you are abetting the theft of BILLIONS of other people's money?

Can't you find honorable employment? Protect the freedom of Colorado citizens. Serve those trusting millions who pay your salary.

Joan Carter, representing herself:

I have reviewed read numerous articles, seen various news casts, and researched the information and description for PROP HH. It is deceptive and misleading. The Blue Book language starts out with a statement that Proposition HH will decrease our taxes seems to be an outright lie. Proposition HH is on the ballot because it's a tax **increase** which is the first thing a voter should see on the ballot. If Prop HH passes, it would reduce property taxes by 11% over the next decade, Polis said. That would save homeowners on average \$3,417 over five years and save businesses \$12,402 over five years. But it would also reduce TABOR refunds by up to 23%, and phase out TABOR after a decade. Misleading people with the language of using the "funds for education, allocates money for tenant rent", is always a manipulation; how about including the words like "permanently changes and eventually eliminates" TABOR refunds. WHY WHY NOT PUT IT ALL OUT THERE in proper written word for everyone to comprehend. Nowhere does it say what the tax rate would change to, don't you think that's important when you're asking people to make life changing financial decisions? BTW when marijuana was first made legal, weren't those taxes supposed to go to education? Any explanation why that hasn't happened.

I've also learned that our taxes will rise exponentially over the coming years so this fact must be communicated in the language regarding what a "yes" vote means.

Define clearing what a NO vote means as well. TABOR will remain in tact.

Please change your communications regarding this proposed tax increase in order to truthfully let voters know what they're voting on.

Thank you,
Joan Carter

Last Draft Comments from Interested Parties

Richard Casey, representing himself:

Hello,

I am responding to the current draft of the Colorado voter information guide, commonly known as "The Blue Book", for Proposition HH (see attached). Here are some recommended modifications:

1. The title should read: "Increase Property Taxes and Eliminate TABOR Refunds". Prop HH will reduce slightly the historic increases in property taxes and it will eventually completely eliminate TABOR. The title should accurately reflect this.
2. The second bullet item should explicitly mention that TABOR refunds will be eliminated over time.
3. The fifth bullet item should explain that local governments can abolish the limit on growth of property taxes at any time without additional voter approval.

Thank you.

Richard Casey
912 E Ridgecrest Road
Fort Collins, CO 80524
(970) 980-5975
richardcaseyhpc@protonmail.com

Shelly Clark, representing herself:

Here are my comments regarding the draft of the Blue Book language for the Proposition HH ballot question.

I feel that the Blue Book description should be honest with the taxpayers and not be politically biased or biased TOWARD a certain ballot question.

Starting with the title, it does not mention TABOR refunds. It should say, "Take away TABOR refunds." or Take away TABOR refund and slightly reduce the increase in property taxes.

The title makes it sound like property taxes would go down if HH passes. Based on what I have read, HH would result in the largest property tax increase in state history, just slightly smaller than otherwise. "Slightly lessen the *increase* in property taxes" would be a better description.

The bullets listed next have other concerns. The first bullet, again, talks about the alleged property tax reduction. That bullet still repeats the incorrect statement that the measure would reduce property taxes.

Putting the property tax information first isn't honest about the largest impact of Proposition HH and that is: it takes away TABOR refunds! I feel that you have included

Last Draft Comments from Interested Parties

Shelly Clark, representing herself (continued):

that in the second bullet instead and wrote it in a way to that people will not understand they are giving away the benefits of TABOR.

I would like to see the second bullet appear first in the list and in the title, also the language should explicitly mention the loss of "TABOR refunds" under the ballot question.

the last bullet in the list says it creates a limit of property taxes at the local level. You should clarify that under HH local governments can abolish that limit anytime they want without additional voter approval.

Shelly Clark
8185 Moore St Arvada, CO 80005

Nancy Coakley, representing herself:

Here are my comments on the writing of Prop HH:

1. When stating that that it is allowing the state to retain money.
It should say, that it will keep your Tabor refund, a little every year Until it is dissolved.
2. When it says that it allows seniors to qualify,, it allows everyone that status.
3. It should state that the Tabor refund will be eliminated
4. It should state that property taxes will be increased under HH

Thank you for your time,

Sincerely,
Nancy Coakley
Colorado resident and homeowner and senior

Dan Cochran, representing himself:

Dear Legislative Council:

I have reviewed the third draft language for Proposition HH and would like to offer the following suggestions for enhancement. I feel the current ballot title and summary, which is likely more than most voters read, is on sided, misleading, and incomplete.

Ballot title: Proposition HH: Increase Property Taxes Cap by \$2.2 Billion Annually by 2032

This is per your 3rd Draft Figure 4 data

Last Draft Comments from Interested Parties

Dan Cochran, representing himself (continued):

This massive property tax increase is the most significant aspect of this proposition and should be what is highlighted in the ballot title

Ballot summary: Please add an additional bullet following the first bullet reading "increases property tax cap starting in 2024 and continuing indefinitely, thereby reducing TABOR refunds"

Add an additional sentence to the NO vote summary that states "A "no" vote benefits renters by keeping property taxes as-is so additional taxes are not passed on as rent increases."

Thank you for your consideration,
Dan Cochran
An unaffiliated voter
577 Barnwood Dr.
Windsor, CO 80550
danc@liberty1st.us
970.215.1011

Anita Connors, representing herself:

Dear Sir or Madam,

I have been to a couple meetings regarding the ballot language you have drafted for the upcoming vote on Proposition HH and I find it quite misleading. The only reason we need to vote for or against this law is because it will **increase** our taxes, so for the ballot and Blue Book language to start out with a statement that Proposition HH will decrease our taxes is an outright lie. Proposition HH is on the ballot because it's a tax **increase** which is the first thing a voter should see on the ballot. This law, if passed, would take away our TABOR refunds which in essence is a tax **increase**.

I've also learned that our taxes will rise exponentially over the coming years so this fact must be communicated in the language regarding what a "yes" vote means.

Please change your communications regarding this proposed tax increase in order to truthfully let voters know what they're voting on.

Thank you,
Anita Connors

Dianne Criswell, representing the Special District Association:

Dear Legislative Council Staff,

On behalf of the 2,612 members of the Special District Association of Colorado, we appreciate your consideration of our comments on earlier drafts and thank you for the opportunity to comment on the 3rd draft of the Proposition HH ("Prop HH") fiscal analysis

Last Draft Comments from Interested Parties

Dianne Criswell, representing the Special District Association (continued):

for the Blue Book. Attached in redlines are comments to this third draft. Several comments are made throughout this document, and to provide context, we wanted to provide this explanation:

On the property tax limit: the text of Proposition HH does not refer to the action to retain and spend above the property tax limit as a “waiver.” Since that action is similar in law and will be in practice as exceeding the TABOR limit, we suggest “retain and spend” revenues collected about the property tax limit, rather than waiver.

Also, it is necessary for voters to understand that these are revenues collected on previously authorized taxes. Otherwise, they may be confused that this process applies to new taxes.

Further, we believe more background is necessary for voters in order to understand that this limit is in addition to other revenue/spending limits which currently apply to local governments.

On local government revenues: the narrative in sections of the draft relating to local government revenues frames the fiscal impact of Proposition HH as slower revenue growth or “smaller increases” in revenue.

Revenue impacts resulting from any tax reduction (credit, rate reduction, deferral, assessed value reduction...) would generally result in “smaller increases” or slower growth of revenue; however, we have never seen a revenue impact for other tax reductions framed as such. As in this year’s #21 and #50 – and Prop 121, 120, and 116 in prior years – fiscal impacts from tax reductions are “reduces revenues.” We request that Proposition HH follow this typical fiscal note/summary/analysis style (reduces revenue). The risk of moving away from a general observation (with more detail in the narrative or estimates) that tax reductions decrease revenue may inject value judgment on the policy into the analysis.

On local government reimbursements: We request that similar context and information as is provided for TABOR refunds be applied to reimbursements of lost revenue to local governments. For both TABOR refunds and local government reimbursements, a reasonable long-term conclusion is that they will be greatly reduced or eliminated within the 10-year period of Prop HH.

Finally, we join our colleagues at the Colorado Municipal League in observing that Figure 3 may confuse voters as it is not clear that the "2023 Average Change in Property Tax" shows the change in tax between 2023 taxes without HH and with HH in place.

Dianne Criswell
Special District Association of Colorado
225 E 16th Ave Suite 1000 Denver, CO 80203 303.863.1733 office, dianne@sdaco.org
Ms. Criswell also submitted Attachment A.

Last Draft Comments from Interested Parties

Charlie Crosse, representing himself:

I am commenting on my own behalf.

Please see first attachment for my comment, reproduced here:

Subject: Comments on the ballot question for Proposition HH.

My name is Charlie Crosse. I live at 220 Jackson Street in Denver.

My comments on the 3rd Draft of the ballot question for Proposition HH follow.

The first and most obvious problem with the attached draft is that the title is misleading. First, it does not mention TABOR refunds. It should say, "Take away TABOR refunds." Everyone knows what that means.

Second, the title makes it sound like property taxes would go down if HH passes. That's not true. HH would result in the largest property tax increase in state history, just slightly smaller than otherwise. In Douglas County, for example, average property taxes would go up about 39% if HH passes, rather than the currently projected 43% increase. A 39% increase in property taxes is not a reduction. "Slightly lessen the increase in property taxes" would be a better description. A title that fairly portrayed what HH does might say, "Take away TABOR refunds and slightly reduce the increase in property taxes."

Next, the bullets listed share similar problems. The first bullet, again, talks about the alleged property tax reduction. See above. Putting the property tax information first overshadows the largest impact of Proposition HH and the reason it's on the ballot: it takes away TABOR refunds! The second bullet obscures the negative impact of Proposition HH. The second bullet should— • appear first in the list and in the title, • explicitly mention the loss of "TABOR refunds" under the measure, and • end at "2032." What comes after should appear as the 4th bullet. The last bullet in the list says the measure creates a limit of property taxes at the local level. The ballot question needs to state clearly that under proposition HH local governments can abolish that limit anytime they want without additional voter approval.

Thank you for your attention.

Charlie Crosse

Brian DeLaet, representing himself:

To whom it may concern,

As you prepare the language for the blue book regarding HH, it seems important that you make it clear to voters that the ONLY reason this is on the ballot is because it raises taxes.

If the intent was to lower taxes, this issue would not need to be on the ballot. Thus the very first point on the blue book for a yes vote should make it clear that my property

Last Draft Comments from Interested Parties

Brian DeLaet, representing himself (continued):

taxes will be going UP if this passes. Conversely, the no vote first bullet should make it clear that voting no means that the state will not be able keep more of my money moving forward.

Thank you,
Brian DeLaet
EduCyber, Inc.
303-268-2245
The Power Behind Your Website
Dedication and Experience You Can Trust

Samantha DeVito, representing herself:

Hello,
My name is Samantha DeVito and I am a Colorado resident. I have a few comments on the blue book, below. I'd like these to be put into consideration.

1. Title is misleading and should say: Take away TABOR refunds and slightly reduce the increase in property taxes
2. Second bullet should appear first and in the title AND explicitly mention the loss of TABOR refunds and end at "2032." What comes after should appear as the 4th bullet.
3. Last bullet in the list: should state that 'clarify that under HH local governments can abolish that limit anytime they want without additional vote'

Timothy Dillon, representing himself:

Please change the deceptive description of HH ballot. Please put a percent amount as 1 percent or 2 percent amount or whatever it actually reduce property taxes. Please put in Capital letters that State residents will lose Tabor amendment refunds after 2023 calendar year.

Thank You
Timothy J Dillon
Weld County

Robert Donahue, representing himself:

To whom it may concern –

I'm sending this note to offer up some corrections to Proposition HH. First and foremost, the title is misleading. It should state that it calls for "the permanent elimination of Tabor refunds", and should also state that it does not cut property taxes, it only slightly reduces the huge 2023 increase.

Last Draft Comments from Interested Parties

Robert Donahue, representing himself (continued):

The underlying paragraphs should be clear on both of these points as well, if you truly want an impartial description of the proposition. Anything less is hiding the truth, and is just more propaganda rather than an accurate voting guide.

Thank you,
Robert E. Donahue
Registered voter, Highlands Ranch, Colorado

Richard Dunning, representing himself:

This is starting to confuse me. I think a friendly tax on crypto currency would be prudent and welcome. I happen to have a significant amount...

Robert Elden Croft Jr., representing himself:

Your title for Prop HH hides the real purpose of this bill!

People are too busy working just trying to keep their heads above water as cost of food, gas, and housing continue to increase faster than our income, especially for seniors and those on a fixed income. You understand that and it seems that is why you do not mention Amendment to TABOR in hopes most people will skim over the details. Proposition HH makes property tax relief contingent on voters agreeing to give up their Tabor refunds forever. You are making Colorado too expensive for the average person to be able to afford living in Colorado for a short term gain in revenue. Who is going to clean your offices, teach your children, or babysit your children, etc. We need to build the family not the pocket books of the rich and state and local Governments.

My recommendation would be to change the title to... "Prop HH Tabor Amendment" Be transparent and up front with Colorado residents. Let them know that TABOR refunds for property owners decrease over time with Prop HH compared to the current law.

I am a Retired Boulder Valley public school teacher and Boulder resident since 1970 and a homeowner since 1990. Thus I know and feel the true cost of property tax and its impact to our budget. The Tabor refunds help to pay for our rising home insurance cost, home repairs, groceries, etc.

Again, Please consider changing the title of Prop HH to include "Tabor Amendment" i.e. (Prop HH Tabor Amendment.) Don't bury this in the amendment. Families are stressed with increase costs for day to day expenses. Many of us depend on our Tabor refund to help make ends meet.

Robert Elden Croft Jr.

Last Draft Comments from Interested Parties

Keith Emerson, representing himself:

Just wanted to let you know I support the Independence Institutes suggested changes to the ballot description for Proposition HH.

Sincerely,
Keith Emerson

7840 E Bethany Pl
Denver, CO 80231

President Steve Fenberg and Senator Chris Hansen, representing themselves as proponents:

Hi all,
Looking forward to our meeting this morning. Attached below is a document that outlines the main concerns that President Fenberg and Senator Hansen would like to talk through with everyone.

See you soon,
Nellie

Nellie Moran
Chief of Staff
Colorado Senate Democrats
303.866.3005

President Fenberg and Senator Hansen also submitted Attachment B.

Charles Geist, representing himself:

My name is Charles Dwain Geist and the way proposition HH is worded is very deceptive. It doesn't clearly state that the property tax relief is only 3% and still going to be the largest increase that has ever happened also it does not state that it will take all of our Tabor tax refunds away from us! This is very deceptive practice in communication just like the Galleger repeal ammendment was worded where the common Colorado citizen would not be aware. You folks are supposed to be working for the citizen not your own power in deceptive practices to take advantage of our not understanding. I hope this email will make a difference in how this proposition HH is presented on the ballot.

Concerned Colorado Citizen
Charles D Geist

Brent Glenn, representing himself:

1. The Prop HH heading in draft #3 title currently reads:
"Reduce Property Taxes and Retain State Revenue."

Last Draft Comments from Interested Parties

Brent Glenn, representing himself (continued):

This is an absolutely misleading way to start your blue book advisement.
I recommend that this line be rewritten, as follows:

“State Retention of Taxpayer’s Bill of Rights (TABOR) Refunds and Reduce Property Tax Assessments.”

2. The second bullet point of the third draft says:

"Allow the state to retain money that would otherwise be returned to taxpayers through at least 2032; with the money spent on education, reimbursements to local governments for some of their reduced property tax revenue, and rental assistance programs."

I feel that this bullet point should be listed FIRST and it should be made much clearer to voters that they’ll forfeit TABOR refunds.

My contribution would be:

"Allow the state to retain Taxpayer’s Bill of Rights (TABOR) refunds that would be otherwise be returned to taxpayers through at least 2032"

3. The first blue book bullet reads:

"Lower property taxes owed for homes and businesses for at least ten years, compared to what would be owed under current law."

That should read:

“Minimally lower property assessments... ”.

Hence,

"Minimally lower property taxes owed for homes and businesses for at least ten years, compared to what would be owed under current law."

4. The third bullet reads:

"Authorize the state legislature to retain revenue after 2032 without further voter approval, if property tax decreases equivalent to those in the measure are maintained"

The word “revenue” should be replaced with “Taxpayer’s Bill of Rights refunds”

Hence, "Authorize the state legislature to retain 'Taxpayer Bill of Rights refunds' after 2032 without further voter approval, if property tax decreases equivalent to those in the measure are maintained"

5. The fifth bullet point is woefully short on taxpayer notice, it says:

Creates a new limit on the growth of property tax revenue for some local governments.

As the book that many citizens will read to make up their own minds how to vote, I would ask that you please ADD DETAIL to this statement, rather than the vaguaries currently written.

Robert Glenn 305 Poudre Bay Windsor, CO 80550

Last Draft Comments from Interested Parties

Terri Goon, representing herself:

Legislative Council,

I've read the 3rd draft of the proposition HH ballot measure and it continues to strike me as dishonest to voters.

The very first sentence leaves those who do not follow the news the impression that their taxes will be going down. They will not be going down. They just won't be going UP as high.

The title mentions "State Retain Revenue" without using the common language TABOR. Most all people understand what TABOR is particularly after the way TABOR checks were handled in 2022. "State Retain Revenue" is not clear. We also know that many people do not look beyond the title and the first sentence of many documents. THAT is where the full disclosure needs to be in order to be transparent to voters.

Please consider a better draft that is clearer on these 2 points.

Thank you
Terri Goon
Longmont, CO
720-935-3000

Tom Gormley, representing himself:

Please revise the wording for Proposition HH in the Colorado "Blue Book" to make it unbiased and provide a fair understanding for voters. The current wording is slanted to help the measure pass. Specifically:

- 1) Please add the words "Take away TABOR refunds" to the title as this proposition, if passed, would have that very specific effect.
- 2) Please clarify the title language. The proposition would NOT "reduce property taxes." Better language would be "slightly reduce the increase in property taxes." A better full title would be, "Slightly Reduce the Increase in Property Taxes, Take Away TABOR Refunds, and Retain State Revenue."
- 3) Bullet #1 is misleading. The measure would NOT "lower property taxes." It should be modified from "Lower property taxes owed" to "slightly reduce the increase in property taxes" instead. This bullet should also not be listed first. It should be third or fourth.
- 4) Bullet #2 does not mention that the measure is gutting TABOR. This bullet should be modified from "refunded to taxpayers through" to "refunded to taxpayers by TABOR through." This should also be the first bullet.

Last Draft Comments from Interested Parties

Tom Gormley, representing himself (continued):

5) Bullet #3 also does not mention that it gutting TABOR. It should be modified from “to retain revenue” to “to retain excess TABOR revenue otherwise returned to taxpayers.”

6) Bullet #4 only discusses 2023 and does not mention that TABOR refunds are gutted and will not exist after 2023. It should be changed from “tax year 2023 only” to “tax year 2023 and eliminate all future TABOR refunds.”

7) Bullet #5 is wishy-washy. There is no mention that local government can abolish the limit without voter approval. The entire bullet should be rewritten to something like, “Place limits on local property tax growth that can be removed without voter approval.”

8) The section “A Vote YES” should be changed to, “Proposition HH slightly reduces the increase in property taxes, allows the state to keep excess TABOR revenue that otherwise would be refunded to taxpayers, and creates a new property tax limit for local governments that can be eliminated without taxpayer approval.”

Thank you for your consideration and hard work.

Sincerely,

Thomas Gormley
11418 Flatiron Drive
Lafayette, Colorado 8002
Boulder County
303-665-7713

Gordon Gould, representing himself:

The proposed ballot language for Proposition HH is very misleading. Here is what the headline language should say:

1. Eliminates Tabor refunds through at least 2032, and in certain instances permanently.
2. Slightly lowers the increase in residential property taxes

The main description should include the dollar amount and percentage residential property taxes will increase with and without the passage of HH. Further it should show the range of Tabor refunds the average Coloradan will forego through 2032, and that if property tax rates are not increased through 2032 the elimination of Tabor refunds will be permanent.

The current draft hides that in exchange for a small reduction in otherwise massive property tax increases the government will retain and spend, most likely permanently, massive amounts of money which would otherwise be refunded to taxpayers.

Please consider these proposed changes in the spirit of better informing our voters.

Thank you, Gordon Gould

Last Draft Comments from Interested Parties

Jason Gulley, representing himself:

I'm Jason Michael Gulley, a citizen of Colorado.

I'm very concerned about ballot issue HH and the very misleading wording of it.

It should say in its title and very noticeable " If passed you will lose your TABOR money forever "

It should be made very clear as well that property taxes will be reduced by only a tiny amount in the first year only, but then go up more than ever in the future.

That HH is a terrible ballot measure to rob the citizens to give to wasteful government programs.

Sue Gulley, representing herself:

Full name: Cynthia Sue Gulley - no organization affiliation

I do not want voters to be misled, as they were in the last election. Proposition HH is not good. We need to educate Colorado voters that it will take away their Tabor refunds and slightly reduce taxes in the first year, but increase taxes thereafter.

Please have the publishers of the Blue Book change the title of the HH ballot issue to indicate that which I have stated above. In addition, the body of the explanation needs to highlight that the limit on growth of property taxes could be abolished locally without voter approval.

I appreciate what you are doing to educate the voters in Colorado!

Sincerely,
Cynthia Sue Gulley

Tom Hadden, representing himself:

Popular Argument for:

Property taxes are increasing because of increased assessor values from ≈25-70%. Amendment HH will reduce property taxes significantly.

If Amendment HH fails I pay increased taxes of 48.5% or \$2,984.

If a \$1,000,000 home goes up 30% (like in Denver per Denver Post quote of assessor) then the math is as follows:

$\$300,000 \text{ increase} \times 6.7\% = \$20,100$ x the Denver mil levy of 79.525 = 's an increase of \$1,598.

Last Draft Comments from Interested Parties

Tom Hadden, representing himself (continued):

IF Denver (Home Rule County) was subject to Amendment HH's inflationary increase limitation of ≈4% the increase would be limited to \$213.00

Since only Weld, Denver and Pitkin counties are HOME Rule ≈80% of the population live in counties limited by HH's property tax inflationary increase. Therefore perhaps \$≈1600 x 80% = \$1280 of property tax savings from amendment HH. If HH fails the property would pay \$1,280 extra taxes.

Amendment HH tax has significant monetary savings for me which is typical here in Douglas County, because my 10 special districts in Douglas County are going up in assessment by 48.5%, but since my 10 special districts will be limited to the final 2023 inflationary increase of maybe 4.5%

This is a savings of 43%, which is not a tiny reduction small amount that the arguments against HH are citing.

Tom Hadden 3108 Ramshorn Dr. Castle Rock, CO 80108 303-688-6336

My excel worksheet (enclosed) shows I save ≈\$2584 for each of my 2024 & 2025 tax payment years. This is bigger than my potential sales tax labor refund of ≈\$669 for me net of my \$971 Sr Tax Refund of. Before that it would be \$1640.

Mr. Hadden also submitted Attachment C.

Raymond Harrison, representing himself:

The ballot question for Proposition HH was manipulatively written by the same politicians who put the measure on the ballot. It does NOT tell the truth about HH.

The first and most obvious problem with this draft is that the title is misleading. First, it does not mention TABOR refunds. It should say, "Take away TABOR refunds." Everyone knows what that means.

Second, the title makes it sound like property taxes would go down if HH passes. That's not true. HH would result in the largest property tax increase in state history, just slightly smaller than otherwise. In Douglas County, for example, average property taxes would go up about 39% if HH passes, rather than the currently projected 43% increase. A 39% increase in property taxes is not a reduction. "Slightly lessen the increase in property taxes" would be a better description.

A title that fairly portrayed what HH does might say, "Take away TABOR refunds and slightly reduce the increase in property taxes."

The bullets listed next share similar problems. The first bullet, again, talks about the alleged property tax reduction. The original draft simply said, "HH would...lower property taxes for homes and businesses for at least ten years." After Independence Institute

Last Draft Comments from Interested Parties

Raymond Harrison, representing himself (continued):

pushed back on that misleading language, they added the clause after the comma. That's better, but it still repeats the incorrect statement that the measure would reduce property taxes. But there's an even bigger problem.

Putting the property tax information first overshadows the largest impact of Proposition HH and the reason it's on the ballot: it takes away TABOR refunds! They included that in the second bullet instead and wrote it in a way to obscure its negative impact.

Here's what I believe. The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of "TABOR refunds" under the measure, and
- end at "2032." What comes after should appear as the 4th bullet.

the last important critique comes with the last bullet in the list. It says it creates a limit of property taxes at the local level. You need to clarify that under HH local governments can abolish that limit anytime they want without additional voter approval.

Ray Harrison
Hygiene, Colorado

Jerry Helton, representing himself:

The first and most obvious problem with this draft is that the title is misleading. First, it does not mention TABOR refunds. It should say, "Take away TABOR refunds." Everyone knows what that means.

Second, the title makes it sound like property taxes would go down if HH passes. That's not true. HH would result in the largest property tax increase in state history, just slightly smaller than otherwise. In Douglas County, for example, average property taxes would go up about 39% if HH passes, rather than the currently projected 43% increase. A 39% increase in property taxes is not a reduction. "Slightly lessen the increase in property taxes" would be a better description.

A title that portrayed what HH does might say, "Take away TABOR refunds and slightly reduce the increase in property taxes."

The bullets listed next share similar problems. The first bullet, again, talks about the alleged property tax reduction. The original draft simply said, "HH would...lolr property taxes for homes and businesses for at least ten years." After Independence Institute pushed back on that misleading language, they added the clause after the comma. That's better, but it still repeats the incorrect statement that the measure would reduce property taxes. But there's an even bigger problem.

Putting the property tax information first overshadows the largest impact of Proposition HH and the reason it's on the ballot: it takes away TABOR refunds! They included that in

Last Draft Comments from Interested Parties

Jerry Helton, representing himself (continued):

the second bullet instead and wrote it in a way to obscure its negative impact. Here's what I believe. The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of “TABOR refunds” under the measure, and
- end at “2032.” What comes after should appear as the 4th bullet.

There's certainly a lot more I would change about the Blue Book if I could, but the last important critique comes with the last bullet in the list. It says it creates a limit of property taxes at the local level. This must be clarified, under HH local governments can abolish that limit anytime they want without additional voter approval.

The smartest people are not in that room!!!

Jerry Helton
Concerned American

Rob Herzfeld, representing himself:

The proposed title for Prop HH in the Blue Book is very misleading. It's not contested that Prop HH will take away TABOR refunds and slightly mitigate the increase in property taxes. As has been noted elsewhere, in Douglas County, Prop HH would change the property tax increase from 43% to 39%. Sorry, but an increase of 39% is not a reduction. Accurate language would state that the increase in taxes will be slightly less if Prop HH passes – with the proviso that TABOR refunds go away pretty much permanently. It would also be more accurate to point out that the limit on property taxes at the local level can be abolished at any time with no further input from taxpayers.

Please correct these inaccuracies.

Thank you.
Robert Gerald Herzfeld
Colorado Springs, CO

Ramey Johnson, representing himself:

I have read the language in the Blue book regarding Proposition HH. The wording is deceptive and a flagrant disregard for what HH actually is doing long term. With intent, it erases a state amendment to our Constitution without openly and honestly telling the voter. You must do better! People have expected the Blue Book to be an unbiased resource - but the language regarding HH clearly shows bias and frank deception. You loose credibility. HH eliminates TABOR- state that. Please go back and redo the language. The public expects and demands honesty.

Best,
Hon. Ramey Johnson

Last Draft Comments from Interested Parties

Dan Jones, representing himself:

The title is misleading. It should say, "Take away TABOR refunds." Everyone knows what that means. The language about retaining state income avoids any mention of what should be made more obvious given the intent and affect of the proposition.

The title is further misleading because the title makes it sound like property taxes would go down if HH passes. That's not true. Even if HH passes, it would still result in the largest property tax increase in state history, just slightly smaller than otherwise. In Douglas County, for example, average property taxes would go up about 39% if HH passes, rather than the currently projected 43% increase. A 39% increase in property taxes is not a reduction. "Slightly lessen the increase in property taxes" would be a better description.

A title that fairly portrays what Proposition HH actually does might say, "Take away TABOR refunds and slightly reduce the increase in property taxes."

The bullets listed next share similar problems. The first bullet, again, talks about the alleged property tax reduction. It is a disingenuous and incorrect statement that the measure would reduce property taxes when, whether the measure passes or not, property taxes are going to increase by either a very large amount or a slightly smaller, but still very large, amount.

The information about the property tax should be placed second in the summary. The largest impact of Proposition HH and the reason it's on the ballot, that it would result in eventual complete erasure of TABOR refunds, should be the first bullet point. Placing the biggest impact of the measure in the second bullet instead, especially when even that is written in a way to obscure its negative impact, is a further effort to disingenuously minimize the negative effects of the proposition on the taxes of Colorado citizens.

The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of "TABOR refunds" under the measure, and
- end at "2032." What comes after should appear as the 4th bullet.

Please revise the proposed language for the Blue Book to more accurately reflect what Proposition HH would really do.

Daniel W. Jones, Greeley, CO

Lisa Kent, representing herself:

Please reflect the actual reality of what Prop HH does! Don't play politics, be honest and clear. This is my suggestion:

The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of "TABOR refunds" under the measure, and

Last Draft Comments from Interested Parties

Lisa Kent, representing herself (continued):

- end at “2032.” What comes after should appear as the 4th bullet.

Thank you for updating the wording and making it clear what Prop HH will do.

Regards,
Lisa Kent
3024 Kiowa Dr, Loveland CO 80538

Eric Klepac, representing himself:

I have been informed that HH is deceptively worded.
Please include the following changes:

HH will still increase taxes.
HH will, over time eliminate TABOR refunds.
Your property taxes will not go down.

Thank you.
Eric Klepac, Boulder County Republicans

Joseph Lemma, representing himself:

The title for the 3rd draft is misleading. It does not mention TABOR. As such it isn't obvious to the voter what is really at stake (TABOR is a term they know). The title leads one to think that taxes will go down, when in actuality, they will go up. A more properly worded title might be " Take away TABOR refunds and slightly reduce the increase in property taxes". Putting the property tax information first overshadows the largest impact of proposition HH and the reason it is on the ballot (i.e. it eliminates TABOR refunds).

--

Joseph M. Lemma
303-870-3174

Robert & Karen Magistrelli, representing themselves:

We have been paying Colorado taxes for over 50 years. It is imperative that the Bluebook give an honest description of Proposition HH. The initial draft gives no clear information as to how it will impact Tabor.

The Bluebook should state, that it will “take away TABOR refunds.” Anything else is a lie by omission. Please be a part of restoring honesty in our electoral process and in Colorado politics.

Robert and Karen Magistrelli

Last Draft Comments from Interested Parties

David Martinez, representing himself:

To whom it may concern:

Regarding Prop HH, when I read the Blue Book the first thing I want to be informed of is that Prop HH increases taxes by taking away TABOR refunds. This should be the first bullet point.

The Blue Book should also make clear that property taxes are going up under HH.

When reading what a YES vote means, it infers that my tax bill would be lower under HH than it was last year. I know that is not true because it has been explained to me.

It should also be explained that a NO vote on Prop HH means you do not consent to letting the state keep and spend your TABOR refund.

This information should be added to the Blue Book.

David P. Martinez
Lakewood, Co 80226

Maggie McClure, representing herself:

I feel that this, as written, is deceptive. It should be clear...is TABOR eliminated? Do property taxes go down? PLEASE be clear in the title and body of Prop HH.
Thank you.

Margaret McClure
Resident of Boulder
303-641-8331
drmaggie8@yahoo.com

Joe McInerney, representing himself:

Hello

I want to comment on the wording in the blue book for Prop HH.

I believe that it should clearly state
That our Taxes will go up and Tabor will go away

Thank you
Joseph McInerney
Resident and home owner

Last Draft Comments from Interested Parties

Natalie Menten, representing herself:

Hello Legislative Staff and Legislative Council Members:

I'm submitting comments regarding Prop HH third *draft*. I've attached my comments in redlined PDF and Word. The comments include suggestions and requests from earlier versions but also new comments based upon the latest draft.

The **only reason** that Proposition HH is on the ballot is because it keeps our Taxpayer's Bill of Rights refunds and voter consent to fully retain those TABOR refunds is gone forever. That should be the first subject listed in the title header of the section, the bullet points, and the "Yes" vs "No" section.

Prop HH **doesn't** have to be on the ballot to reduce assessment rates, the legislature could have done that already.

Prop HH **doesn't** have to be on the ballot for local governments to reduce or cap the district's mill levy. That's already in their power and authority. Any cap presented in Prop HH is a joke because the local government just has to hold a noticed meeting, take testimony, and the elected body votes to waive the cap.

I realize the bill sponsors got to draft the ballot question and only label our TABOR refunds as "surplus". That question on the ballot can be so misleading to a voter, especially one who votes without having read the analysis. The ballot question itself appears to be a game of misdirection and it's not fair to voters, **especially new voters - (young voters!!!)** who aren't used to ballot language vague wording and shenanigans.

The Blue Book is supposed to help level that ground. I've reviewed the bill sponsor's comments about draft one and two. They want to direct the spotlight to a secondary factor and reduce transparency and direct impact to TABOR refunds.

I plan on attending the August 31, 9 AM *hearing* to express these same concerns. I hope my comments are added into the final draft to resolve these issues.

Thanks,
Natalie Menten
Ms. Menten also submitted Attachment D.

Darryl Merkle, representing himself:

Hi,

We need to revise the current Proposition HH ballot question title and description. Its current form is misleading as Proposition HH does not reduce property taxes. It takes away TABOR refunds and simply reduces the INCREASE in property taxes.

It should more accurately read:

"Take away TABOR refunds and slightly reduce the increase in property taxes."

Last Draft Comments from Interested Parties

Darryl Merkle, representing himself (continued):

The second bullet point should:

1. Appear first in the list and in the title.
2. Explicitly mention the loss of "TABOR refunds" under the measure.
3. End at "2032." What comes after should appear as the 4th bullet.

Thank you,
Darryl Merkle Denver, CO
Ph: 720-203-1705

Erin Meschke, representing herself:

hello. my name is erin meschke, i live in boulder, and represent myself. i just saw the proposed final wording for the prop HH ballot measure blue book and am concerned that the "yes" language is misleading.

i think the actual proposed property tax reduction should be included...it is a tiny reduction at a big cost. the order of the statements needs to be changed because the loss or drastic reduction of TABOR refunds is the most substantial change that would happen if the measure passes. the TABOR impacts should be listed first. accuracy is important because, sadly, most voters don't engage enough to know what's really going on with ballot measures and i think they would be easily misled by the wording of the outcomes of voting "yes".

it is important changes are made to the wording of the "yes" outcome statement so the blue book correctly reflects what will happen in prop HH is approved. please continue to rework the language so voters are presented with the whole truth and can make a fully informed decision.

erin meschke 970.402.1827

Gary Mohr, representing himself:

This is a very biased representation of HH – in favor of the government and in opposition to the people.

First of all, it violates the state constitution because the ballot issue has more than one topic. Second of all, the tax "reduction" is fake – a 39% increase in my property tax is not a reduction!

Third, you minimize the impact of the state gutting TABOR and eliminating any tax refunds in the future – all the glory of bigger and meaner government. If the courts don't rule before the election that this is illegal, you should voluntarily rescind it and try to steal my money on a different day.

Gary Mohr MD 283 Corral North Westcliffe, CO 81252

Last Draft Comments from Interested Parties

Kim Monson, representing the Colorado Union of Taxpayers:

Legislative Council,

The title and some of the information is misleading and incorrect. Please note the changes to be made in red on the first pages:

Proposition HH:

STATE RETENTION OF TAXPAYER'S BILL OF RIGHTS (TABOR) REFUNDS AND REDUCE PROPERTY TAX ASSESSMENTS

~~Reduce Property Taxes and Retain State Revenue~~

[Please insert the full term "Taxpayer's Bill of Rights" with the acronym "TABOR" in the header.]

[Bullet points ordering revision and text edits.]

Proposition HH, if approved, would:

- allow the state to retain ~~money~~ **TAXPAYER'S BILL OF RIGHTS (TABOR) REFUNDS** that would otherwise be ~~refunded~~ **RETURNED** to taxpayers through at least 2032; ~~with the money spent on education, reimbursements to local governments for some of their reduced property tax revenue, and rental assistance programs~~
- lower property taxes ~~es~~ **ASSESSMENTS** owed for homes and businesses for at least ten years, compared to what would be owed under current law
- **REDIRECT TAXPAYER'S TABOR REFUNDS TO BACKFILL SOME LOCAL GOVERNMENTS AND SCHOOL DISTRICTS PROPERTY TAX REVENUE THROUGH AT LEAST 2032 AND CREATE A LIMITED STATE RENTAL ASSISTANCE FUND**
- creates a new **OPTIONAL** limit on the growth of property tax revenue for some local governments **WHICH CAN BE WAIVED THROUGH A LOCAL GOVERNMENT PUBLIC RESOLUTION OR ORDINANCE AFTER HEARING FROM INTERESTED PARTIES. HOME RULE JURISDICTIONS AND SCHOOL DISTRICTS ARE EXEMPT FROM THE NEW PROPERTY TAX REVENUE LIMIT.**
- authorize the state legislature to retain **TABOR REFUNDS** ~~revenue~~ after 2032 without further voter approval, if property tax assessment rate decreases are equivalent to those in the measure are maintained;
- **THE AMOUNT OF TABOR REFUNDS RETAINED BY THE STATE GROWS BY 1 PERCENT MORE EACH YEAR AND CONTINUES TO GROW IF THE MEASURE IS EXTENDED.**

Last Draft Comments from Interested Parties

Kim Monson, representing the Colorado Union of Taxpayers (continued):

- ~~distribute TABOR refunds to taxpayers in equal amounts for tax year 2023;~~

What Your Vote Means **YES**

A "no" vote on Proposition
HH maintains taxpayer's
TABOR refunds and current

Thank you!
Kim Monson
Colorado Union of Taxpayers President

ALLOWS THE STATE TO RETAIN TABOR
REFUNDS THAT WOULD OTHERWISE BE
RETURNED TO TAXPAYERS;

LOWERS PROPERTY TAX ASSESSMENTS;

CREATES A LIMITED RENTAL ASSISTANCE
HOUSING FUND;

CREATES A NEW OPTIONAL AND TEMPORARY
LIMIT ON THE GROWTH OF PROPERTY TAX
REVENUE FOR SOME LOCAL GOVERNMENTS
WHICH CAN BE WAIVED BY ORDINANCE OR
RESOLUTION

ALLOWS THE STATE TO RETAIN A
COMPOUNDED ADDITIONAL 1% EACH YEAR
FROM TABOR REFUNDS THAT WOULD
OTHERWISE BE RETURNED TO TAXPAYERS

Ben Murrey, representing the Independence Institute:

Hi Anna,

Thanks for meeting with me over Zoom to discuss the third draft of the Prop HH Blue Book analysis and explain why LCS has chosen not to adopt most of our remaining suggestions.

As you know, we have repeatedly made the point that the impact on TABOR refunds is the largest single fiscal impact on taxpayers in the measure, and it's the reason it will appear on the ballot; therefore, it should appear first in the summary and be stated clearly. You explained that LCS selected the current order of bullet points based on the logical flow of what HH does: it reduces local property tax revenue relative to current law, it takes TABOR refund dollars at the state level, it allows the state to continue keeping those refunds in the future without additional voter approval, and it directs the state to spend that money on reimbursing local governments for lost property tax revenue. Though I may disagree with the decision, I understand your logic. I have a few remaining suggestions that I believe would improve the analysis in accordance with the framework you outlined and our discussion.

1. In the title, second bullet, and "What your vote means" section, I suggest using the commonly understood terminology "TABOR refunds" throughout. I believe this will help more readers more easily understand the full effect of Proposition HH.

Last Draft Comments from Interested Parties

Ben Murrey, representing the Independence Institute (continued):

- a. The title might read, “Reduce Property Taxes and Retain TABOR Refund Dollars,” for example.
 - b. I suggest doing something similar in the second bullet: “allow the state to retain TABOR (Taxpayer’s Bill of Rights) refund dollars that would otherwise be refunded to taxpayers through at least 2032...”
 - c. The “Yes” side of “What your vote means” should do the same: “...allows the state to keep additional TABOR refund dollars that would otherwise be refunded to taxpayers...”
 - d. The “No” side of “What your vote means” might say, “A ‘no’ vote on Proposition HH maintains current law for property taxes and allows taxpayers to retain full TABOR refunds under current law.” The last part about the revenue limits is already covered in saying, “...maintains current law for property taxes,” as the limits would be on property tax revenue.
2. To add clarity, I suggest separating the second part of the second bullet and inserting it as a new fourth bullet. This would also comport with and improve upon the logical flow of the analysis, which you explained during our meeting. The second bullet would simply read, “allow the state to retain TABOR (Taxpayer’s Bill of Rights) refund dollars that would otherwise be refunded to taxpayers through at least 2032;”. The new fourth bullet would read, “direct the state to spend retained TABOR refund dollars on education, reimbursements to local governments for some of their reduced property tax revenue, and rental assistance programs;”.
 - a. Adding the backfill explanation to the second bullet obscures the point of the bullet by crowding too much information into one block paragraph. The point, “...allow the state to retain ‘TABOR refund’ dollars granted under the Taxpayer’s Bill of Rights that would otherwise be refunded to taxpayers through at least 2032...” should stand alone. That’s already a lot to digest for one bullet point, and the backfill explanation is truly a separate point.
 - b. If you combine the two separate points into one block paragraph, readers are also far more likely to gloss over that bullet altogether, missing the important point that HH would take away TABOR refund dollars.
 - c. Separating these as I suggest will also help readers follow the logical flow of the analysis. This would be the order of explanation: HH would...1) Reduce local property tax revenue; 2) Let the state keep TABOR refunds for 10 years; 3) Let the state continue keeping TABOR refunds indefinitely after the first 10 years without additional voter approval; 4) Use the retained TABOR refund money to backfill local governments.
 3. The last bullet should clarify that HH empowers local governments to override or abolish this cap anytime without additional voter approval. This would add the

Last Draft Comments from Interested Parties

Ben Murrey, representing the Independence Institute (continued):

same clarity to the “Truth in Taxation” portion of the analysis that LCS already has for the TABOR refund retention explanation under the current third bullet point (i.e. “authorize the state legislature to retain revenue after 2032 without further voter approval...”). I suggest changing the language to this: “create a new limit on the growth of property tax revenue for some local governments, which those local governments may override or abolish anytime without additional voter approval.”

- a. You’ll notice I changed “most” to “some.” I dispute that most districts are subject to the “Truth in Taxation” limit under HH. Has LCS reviewed all 5,000+ individual districts across the state and determined definitively that more than 50% would be subject to this provision? If not, it would be proper to change “most” to “some.” If they have and the number is only slightly over 50%, it would be most appropriate to say “the majority of local governments.” “Most” infers a large majority. I don’t think it’s even a simple majority subject to the limit, but I’m certain it’s not a large majority.

Thank you for your consideration.

-Ben

Ben Murrey

Director, Fiscal Policy Center | Independence Institute

O: 303.279.6536 x105 | M: 214-598-0247

Mark Naughton, representing himself:

TWIMC:

The current draft of the language proposed to be put into the Blue Book to be distributed to voters is misleading and vague and fails to clearly and concisely call out one of the most critical items that pertains to voters - the erosion of our TABOR refunds.

First off, the title is misleading on multiple counts.

- 1.This doesn't reduce property taxes, it very minimally reduces the INCREASE in property taxes
- 2.It makes no mention of the impact to voters TABOR refunds, something of the utmost importance and concern to voters.

Second, in terms of the bullet points.

- 1.The first one on the list should be a clear and concise statement that passage of this proposition would take away TABOR refunds. All voters should be able to simply and easily take that away as a consequence of this proposition's passage. People are intimately familiar with the term TABOR refunds and what that means and as such that is the language that will most resonate with voters to understand the implications.
- 2.The current first bullet point should be the second bullet point. Here is where clarity

Last Draft Comments from Interested Parties

Mark Naughton, representing himself (continued):

should be provided to voters so they clearly understand that this does NOT reduce property taxes. It merely and only slightly reduces that rate of the dramatic increase of their property taxes that voters will see regardless of the passage of this proposition. To not clarify this in this manner is misleading and a disservice to voters.

Please take these recommendations to heart and do what's in the best interest of voters to ensure they are truly informed. This booklet is meant to provide clarity to voters and allow them to decide what is in their and their fellow Coloradans best interest. To fail to provide a very simple and clear understanding is to mislead and misinform the public and sow distrust.

Thank you for your time and consideration of my input.

-Mark Naughton

Rich Painter, representing himself:

this draft is extremely misleading on how it will detrimentally impact, even eliminate, TABOR refunds.

the title alone doesnt even mention TABOR and it should! this draft does NOT tell the truth about prop hh!!

the essence of prop hh takes away TABOR refunds. So the title and the body must make this prominent.

your title should say something like "Take away TABOR refunds".

your title makes it sound like property taxes would go down if HH passes and that is patently false.

I think the entire draft should be tossed and rewritten making the loss of TABOR refunds prominent everywhere!

rich painter, colorado resident

James O'Hara, representing himself:

Leave TABOR alone and stop lying to the people that elected you. Prop HH is a slimy way to collect even more property taxes and the State is getting plenty already.

7800 E Orchard Ave., Suite 200, Greenwood Village, CO 80111
o. 303.996.2379 f. 303.740.9568 w. www.rwp.nm.com

Last Draft Comments from Interested Parties

Susanne Rigert, representing herself:

The Blue Book explanation title should say that the bill "takes away TABOR refunds".
Name: Susanne Rigert

Carla Rowland, representing herself:

My name is Carla Rowland, 2342 Eudora St, Denver, Co 80207 and I am a concerned registered voter in the state of Colorado.

1. Title is misleading: Should read: Proposition HH: Allow State Government to retain TABOR refunds in exchange for a temporary reduction in State Property taxes (It needs to be clear to voters that the State is asking to retain TABOR refunds that are required by current law. This is a major change in TABOR and needs to be clear to the voter. Proposition HH basically guts TABOR refunds. The voters need to understand what they are losing and what, if any, they are gaining by voting "yes" for this proposition. Be clear about it-be honest.

2. Bullet point 13: Clarify that local governments can abolish the limit anytime they want without voter approval...This must be clear and transparent. Voters need to understand the hidden truths so they are not misled.

The Blue Book should also show the taxpayer what they might gain or lose from the Proposition-perhaps in a chart with numbers.

Thank you for your work to produce a clear and concise, transparent document so voters can make an informed decision.

This is a very controversial proposal.

Carla Rowland

Neil Shah, representing himself:

Hi - i really think there needs to be more clarity on the language in the proposed blue book language. The reality is that the title needs to be much more clear:

"Use potential Tabor refunds to slightly offset property taxes"

The key is that HH will not reduce property taxes, it will only subsidize them from other state revenues that residents would be entitled to. The language throughout the explanation is not sufficiently clear that the proposed measure will not actually reduce the taxable amount, only subsidize them with an offset from other funds. Please be more clear on the language such that HH doesn't undo Tabor.

Neal Shah
1321 S Idalia Ct Superior

Last Draft Comments from Interested Parties

James Simpson, representing himself:

I do not believe that the existing draft of voter information guide (Blue Book) description of Proposition HH is reasonable, objective, fair, impartial or accurate.

The major effect of Proposition HH is to disallow future Tabor refunds. This is not clear from the draft nor is it prominently mentioned.

The first bullet point in the draft states that property taxes would be lower but an objective, fair and reasonable description would be that Tabor refunds would be eliminated or drastically lowered offset by a small decrease in property taxes. The title is misleading - Reduce Property Taxes is a come-on, Retain State Revenue means increase taxes. An honest evaluation would be titled something such as "Eliminate Tabor Refunds, minor reduction in property taxes."

The title is misleading in that it suggests that property taxes would be reduced. This is a false and clearly misleading statement intended to trick the voters. Drafters should be ashamed of this blatant attempt to fool voters.

Very truly yours,

James E Simpson
4098 South Poplar Way
Denver, Colorado 80237
303-902-3860 (cell)

Fran Sincere, representing themselves:

We object to the latest draft of the HH proposition language in proposed voters' Blue Book for this November's election cycle.

Please change the language to be clearer about Tabor. We recommend the following:

Since it does not mention TABOR refunds, it should say, "Take away TABOR refunds."
Everyone knows what that means.

The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of "TABOR refunds" under the measure, and
- end at "2032." What comes after should appear as the 4th bullet.

Thank you for your attention as these changes are important to Colorado Voters..

Best regards,
Francis Sincere, Representing myself
Retired Health Care Executive
Lakewood CO 303 886 3467

Last Draft Comments from Interested Parties

Kathy Sincere, representing herself:

We object to the latest draft of the HH proposition language in proposed voters' Blue Book for this November's election cycle.

Please change the language to be clearer about Tabor. We recommend the following: Since it does not mention TABOR refunds, it should say, "Take away TABOR refunds." Everyone knows what that means.

The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of "TABOR refunds" under the measure, and
- end at "2032." What comes after should appear as the 4th bullet.

Thank you for your attention as these changes are important to Colorado Voters..

Catherine Sincere
Representing myself
Lakewood CO 303 234 0587

Joseph Smith, representing himself:

Dear Legislative Council Staff,

I am concerned that the current draft Blue Book language for Proposition HH is not accurate and will mislead voters.

First, in order to be meaningful, the title must mention that the measure will cause the State to withhold TABOR refunds. From the voter/taxpayer perspective, this is the defining feature of the measure, so it should not be subordinated. For the same reason, this issue should be addressed in the first bullet point, not the second.

Second, the title and first bullet point are both misleading in their use of "reduce" and "lower," respectively. They should instead say something like "lessen increases in."

Joe Smith
505 Circle Drive Denver, CO 80206

Vern Smith, representing himself:

Dear Legislators:

The proposed 3rd draft of Proposition HH is amazingly misleading! You need to title it correctly: "Take Away TABOR refunds and slightly reduce the increase in property taxes".

Or you could take a straight forward action, remove Proposition HH from

Last Draft Comments from Interested Parties

Vern Smith, representing himself (continued):

the ballot, and pass a bill that reduces property taxes without putting it to a vote by citizens.

Thanks,
Vern Smith

Matias Sueldo, representing himself:

The first and most obvious problem with this draft is that the title is misleading. First, it does not mention TABOR refunds. It should say, "Take away TABOR refunds."

Second, the title makes it sound like property taxes would go down if HH passes. That's not true. HH would result in the largest property tax increase in state history, just slightly smaller than otherwise. "Slightly lessen the increase in property taxes" would be a better description.

A title that fairly portrayed what HH does might say, "Take away TABOR refunds and slightly reduce the increase in property taxes."

The bullets listed next share similar problems.

The first bullet, again, talks about the alleged property tax reduction. It repeats the incorrect statement that the measure would reduce property taxes. It needs to change.

Furthermore, putting the property tax information first overshadows the largest impact of Proposition HH and the reason it's on the ballot: it takes away TABOR refunds!

Here's what I believe. The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of "TABOR refunds" under the measure, and
- end at "2032." What comes after should appear as the 4th bullet.

--

Matias A. Sueldo

William Sweeney, representing himself:

I want Prop HH to tell the truth to Colorado Residents!

I think it is deceptive not to state in the title of Prop HH that - Tabor Refunds will go away.

William A, Sweeney
1650 Peregrine ct
Broomfield, CO 80020

Last Draft Comments from Interested Parties

Victor Szepe, representing himself:

Review of the 3rd draft of the Prop HH ballot question finds it to be grossly misleading and wrong!

Please see proposed wording below.

Proposition HH: Eliminate TABOR Refunds and slightly lessen the Increase of property taxes

Proposition HH, if approved, would:

- allow the state to retain **Taxpayer's Bill of Rights (TABOR)** money that would otherwise be refunded to taxpayers through at least 2032,
- authorize the state legislature to retain **ALL Taxpayer's Bill of Rights (TABOR)** revenue after 2032 without further voter approval;
- **slightly lessen**-property tax **increases** for homes and businesses for at least ten years, compared to what would be owed under current law;
- distribute Taxpayer's Bill of Rights (TABOR) refunds to taxpayers in equal amounts for tax year 2023 only;
- distribute **future money retains (what would have been TABOR refunds)** on education, reimbursements to local governments for some of their reduced property tax revenue, and rental assistance programs; .

Please re-think your presentation of Prop HH.

Sincerely,
Victor Szepe

Pati Thomas, representing herself:

I agree with the Independence Institute's recommended changes to the Blue Book language about Prop HH:

The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of “TABOR refunds” under the measure, and
- end at “2032.” What comes after should appear as the 4th bullet.

Pati Thomas, CN
The Mountain Centre for Healing, Inc.
375 E. Horsetooth Road, Building 6, Suite 102 Fort Collins, CO 80525
CELL: 970-420-2711

Last Draft Comments from Interested Parties

Jack Troutman, representing himself:

please clarify that HH does "not" reduce property. property taxes will significantly INCREASE in CY2024.

please clearly state that TABOR is being eliminated with HH.

Jack Troutman
citizen

Janet Van Zant, representing herself:

My name is Janet F VanZant and I am a private citizen concerned about the Blue Book language for Proposition HH.

Financially, the most impactful aspect of Proposition HH is how it changes the rules for TABOR refunds. Therefore, how the proposition changes the rules for TABOR refunds should be prominent.

The title should be changed to reflect the most impactful aspect. Proposition HH: Reduce TABOR Refunds and Reduce Property Taxes.

The second bullet point should be first. Also, the wording "allow the state to retain money that would otherwise be refunded to taxpayers through at least 2032..." is talking about TABOR refunds and should be plainly labeled as such: "allow the state to reduce TABOR refund money through at least 2032..."

Figure 7, on page 9 of the draft points out that TABOR refunds will be eliminated when revenue falls below the new Prop HH cap. And since the HH cap grows faster than the

Janet Van Zant, representing herself (continued):

current cap, TABOR refunds are more likely to be eliminated over time.

THAT point should be made in the bullets or in the section about what your YES vote means. TABOR refunds are likely to be eliminated over time.

Thank you for providing a way to comment on the draft language.

Janet VanZant

Jim Van Zant, representing himself:

Dear sirs,

My name is Jim Vanzant and I am a resident of Jefferson County, Colorado. I have read the 3rd draft of proposition HH and have the following comments for the Blue Book:

I believe that the title and all descriptions in the Blue Book should make it clear that this

Last Draft Comments from Interested Parties

Jim Van Zant, representing himself (continued):

is a proposition to increase taxes by allowing the state to keep TABOR refunds. The current wording of the blue book draft always lists "lower property taxes" first and lists "allow the state to retain money that would otherwise be refunded to taxpayers" second on the description provided. This is the wrong order. A proposition vote is required because this is a tax increase and the description should make that fact clear.

In the "what your vote means" section, the statement "allow the state to keep additional revenue that would otherwise be refunded to taxpayers" should be the first statement under "YES" in this section. Under "NO" the description should say that a NO vote means the voter does not agree to let the state keep TABOR refunds.

The above comments about the order of statements applies to all sections of the Blue Book. I believe these changes are necessary to avoid the Blue Book from misleading the voters about the affects of voting for this proposition.

Thank you. Jim Vanzant

Salih Veroglu, representing themselves:

Good morning. Argument against respectfully submitted:
Don't be fooled. This is a devious trick. You are giving away the control over YOUR money. First they passed laws which increased our property taxes. Now they are using that as an excuse to trick us into taking away our TABOR rights. Read carefully: "smaller increases in property taxes", "without further voter approval", "TABOR refunds will decrease or be eliminated, for all taxpayers." Our property taxes will continue to increase. Our refunds will be eliminated. Political talk translated means Proposition HH will result in the largest tax hike in Colorado history and will eventually eliminate our TABOR refunds. TABOR is the voters only ability to control spending by the government. Colorado taxpayers are generous. We have approved Referendum C in 2005, allowing the State to retain and spend all of the money it collected above the TABOR limit for five years. Let the State ask us each time, rather than to give them a blanket authority forever to keep your hard earned money. Aren't your taxes high enough already?

Salih Varoğlu
63 Sandpiper Trail
Gunnison CO 81230-9249 (970) 641-4891 Phone

Michael Whitcomb, representing himself:

My name is Michael Whitcomb. I have been a resident of Colorado since 1953 and of Denver since 1982. I ran my own business with as many as fifty employees, paid significant amounts of taxes all those years and have been a participant in our community in a number of ways. In spite of the predictions that TABOR would hold back "progress" in Colorado, the state has seen considerable increases in population, property values, additions of amenities, and overall wealth. TABOR allows the voters to choose whether or not they want to increase taxes, democratic voting at its most basic

Last Draft Comments from Interested Parties

Michael Whitcomb, representing himself (continued):

level, which Democrats claim to want to protect. State Legislators please put your beliefs in true voting rights to work and do not mislead on this ballot proposal, which if passed will begin the road to a failing state which is the fate of many other once prosperous states that tried to tax themselves to success. Respectfully submitted, Michael Whitcomb

Tim Wickersham, representing himself:

I am asking the wording after the latest draft to be adjusted before the final publication for Proposition HH.

The first and most obvious problem with this draft is that the title is misleading. First, it does not mention TABOR refunds. It should say, "Take away TABOR refunds." Everyone knows what that means.

Second, the title makes it sound like property taxes would go down if HH passes. That's not true. HH would result in the largest property tax increase in state history, just slightly smaller than otherwise. In Douglas County, for example, average property taxes would go up about 39% if HH passes, rather than the currently projected 43% increase. A 39% increase in property taxes is not a reduction. "Slightly lessen the increase in property taxes" would be a better description.

A title that fairly portrayed what HH does might say, "Take away TABOR refunds and slightly reduce the increase in property taxes."

The bullets listed next share similar problems. The first bullet, again, talks about the alleged property tax reduction. It still repeats the incorrect statement that the measure would reduce property taxes. But there's an even bigger problem.

Putting the property tax information first overshadows the largest impact of Proposition HH and the reason it's on the ballot: it takes away TABOR refunds! They included that in the second bullet instead and wrote it in a way to obscure its negative impact.

Here's what I believe. The second bullet should—

- appear first in the list and in the title,
- explicitly mention the loss of "TABOR refunds" under the measure, and
- end at "2032." What comes after should appear as the 4th bullet.

The last important critique comes with the last bullet in the list. It says it creates a limit of property taxes at the local level. They need to clarify that under HH local governments can abolish that limit anytime they want without additional voter approval.

Regards,

Tim Wickersham

Mobile: 303-653-1595 Email: tim.wickersham@gmail.com

Last Draft Comments from Interested Parties

Joe Wigginton, representing himself:

I am sincerely appalled that our legislature is attempting to include the abolishment of TABOR in Proposition HH. Not to mention, the effective property tax reduction proposed is insulting.

In addition, the draft "Blue Book" description is misleading and needs to be revised as follows:

Proposition HH: Eliminate TABOR Refunds and Nominally Reduce Property Taxes

Proposition HH, if approved, would:

Eliminate TABOR taxpayer refunds beginning in 2024.

Nominally lower property taxes....(provide a real example 43% to 39% for Douglas County), still resulting in the largest increase in state history.

These two bullet points need to be at the top and clearly stated. The rest of the bullet points can remain the same, people will stop reading once those points are clear.

If you have any questions feel free to contact me.

Thank you,

Joe Wigginton
303-515-9251
222 Willow Dr
Mead, CO 80542

John Wright, representing himself:

Please use honest and forthright language on an a such important Proposition. The language has to be clear that what is being proposed is that voting "Yes" for this means those qualified citizens will be giving up their Tabor refunds forever. The present language buries that reality and simply states to "temporarily" changing how TABOR refunds are distributed. This is patently untrue and severely misinforming. If you think this is such a great proposition, why hide the truth?

Be forthright with the voting public and revise so that the second bullet under "**Proposition HH, if approved, would:**" appears first in the list and in the title. Be explicit (aka honest) and mention the loss of "TABOR" refunds vis-a-vis "temporarily" changing how TABOR refunds are distributed and which will end in 2032. Also, include a stated amount on the limit on the growth of property taxes.

Sincerely,

John A. C. Wright, Citizen
631 N Emerson St. Denver, CO

Last Draft Comments from Interested Parties

Thomas and Eileen Wycaver, representing themselves:

Good Evening,

We propose the following changes to the title and text of Proposition HH for the ballot and Blue Book that will be distributed to voters. In its current form, Proposition HH is very misleading and feels like an orchestrated sleight of hand by the Governor. The voters deserve complete transparency so we can make an informed decision. It is very important that all consequences, good or bad, be disclosed at the beginning, not the end of the text and explanation. Most people don't read that far in the Blue Book. If Proposition HH is well understood and people want it, they will vote for it. But, they must be told upfront and in clear, easy to understand wording. We appreciate your attention to our concerns.

Below is the latest draft of Proposition HH with our comments and suggestions in **RED**.

Thank you,
Thomas L. & Eileen L. Wycaver Golden, Co

Proposition HH: Reduce Property Taxes and Retain State Revenue

SUGGESTION: ALLOW THE STATE TO RETAIN TABOR REFUNDS UNTIL 2032 AND BEYOND. (NOTE: THE REDUCTION OF PROPERTY TAXES IS SO SMALL IT DOESN'T DESERVE ANY MENTION!)

Placed on the ballot by the legislature • Passes with a majority of the vote

Proposition HH, if approved, would:

- lower property taxes owed for homes and businesses for at least ten years, compared to what would be owed under current law;

SUGGESTION: "SLIGHTLY REDUCE PROPERTY TAXES..." THIS SHOULDN'T BE THE 1ST BULLET POINT AS IT IS THE LEAST AND ONLY BENEFIT TO VOTERS IF THIS PASSES AND WILL BE THE LARGEST TAX INCREASE IN OUR STATE'S HISTORY.

- allow the state to retain money that would otherwise be refunded to taxpayers through at least 2032, ~~with the money spent on education, reimbursements to local governments for some of their reduced property tax revenue, and rental assistance programs;~~ **(MOVE TO LAST BULLET)**

SUGGESTION: THIS BULLET SHOULD READ: "ALLOW THE STATE TO RETAIN TABOR REFUNDS THAT WOULD OTHERWISE BE REFUNDED TO TAXPAYERS THROUGH AT LEAST 2032 AND PERMANENTLY ELIMINATE TABOR." (NOTE: THIS BULLET SHOULD BE LISTED 1ST AND NEEDS TO BE INCLUDED IN THE TITLE.)

- authorize the state legislature to retain revenue after 2032 without further voter approval, if property tax decreases equivalent to those in the measure are maintained;

SUGGESTION: NEEDS TO CLEARLY SAY THAT TABOR REFUNDS WILL GO AWAY BECAUSE THE STATE CAN USE THE REFUNDS INSTEAD OF RETURNING

Last Draft Comments from Interested Parties

Thomas and Eileen Wycaver, representing themselves (continued):

THEM TO THE TAXPAYERS WITHOUT ADDITIONAL VOTER APPROVAL.

- distribute Taxpayer's Bill of Rights (TABOR) refunds to taxpayers in equal amounts for tax year 2023 only; and

SUGGESTION: MUST SAY THAT REFUNDS WILL BE EQUAL REGARDLESS OF HOW MUCH A TAXPAYER PAID.

- create a new limit on the growth of property tax revenue for most local governments and **ALLOW THEM TO SPEND ON EDUCATION, REIMBURSEMENTS TO LOCAL GOVERNMENTS FOR SOME OF THEIR REDUCED PROPERTY TAX REVENUE, AND RENTAL ASSISTANCE PROGRAMS."**

Proposition HH lowers property taxes owed, allows the state to keep additional revenue that would otherwise be refunded to taxpayers, temporarily changes how taxpayer TABOR refunds are distributed, and creates a new property tax limit for most local governments. **VERY MISLEADING! THE ONLY REASON THE TABOR REFUNDS ARE TEMPORARILY CHANGED IS BECAUSE THEY WILL BE ELIMINATED FOREVER!**

Ronald Yauk, representing himself:

To Whom it may concern,

Let's be truthful and call this proposition what it is. It really should be labeled: **Take away Tabor Refunds and slightly reduce the large property tax increase.**

The "Blue Book" summary should be objective and not color what is on the ballot to the way the people responsible for this proposition want to color it.

The title makes people think with the passage of HH that property taxes will go down. This is entirely and blatantly untrue. HH would result in the largest property tax in history.

The first bullet is misleading the voters with an incorrect statement that HH will reduce property taxes.

An even bigger issue is that it takes away our Tabor Refunds. This should be highlighted strongly as the first bullet.

Don't destroy the purpose of the Blue Book for the voters. It should remain truthful and be objective in the way it is written.

Sincerely with an expectation of the correction of the wording.

Ronald E. Yauk
1501 24th Ave.
Longmont, CO

3rd Draft

Proposition HH: Reduce Property Taxes and Retain State Revenue

Placed on the ballot by the legislature • Passes with a majority of the vote

1 Proposition HH, if approved, would:

- 2 • lower property taxes owed for homes and businesses for at least ten years,
3 compared to what would be owed under current law;
- 4 • reduce revenues for local governments for at least ten years, compared to what is authorized to collect under current law;
- 5 • allow the state to retain money that would otherwise be refunded to taxpayers
6 through at least 2032, with the money spent on education, reimbursements to
7 local governments for some of their reduced property tax revenue, and rental
8 assistance programs;
- 9 • authorize the state legislature to retain revenue after 2032 without further
10 voter approval, if property tax decreases equivalent to those in the measure
11 are maintained;
- 12 • distribute Taxpayer’s Bill of Rights (TABOR) refunds to taxpayers in equal
13 amounts for tax year 2023 only; and
- 14 • create a new limit on the growth of revenue from existing property taxes for
15 most local governments.

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16 What Your Vote Means

YES 17 A “yes” vote on
18 Proposition HH lowers

NO A “no” vote on
Proposition HH maintains

19 property taxes owed to local
20 governments, allows the state
21 to keep additional revenue that would
22 otherwise be refunded to taxpayers,
23 temporarily changes how taxpayer
24 TABOR refunds are distributed, and
25 creates a new property tax limit for
most local governments.

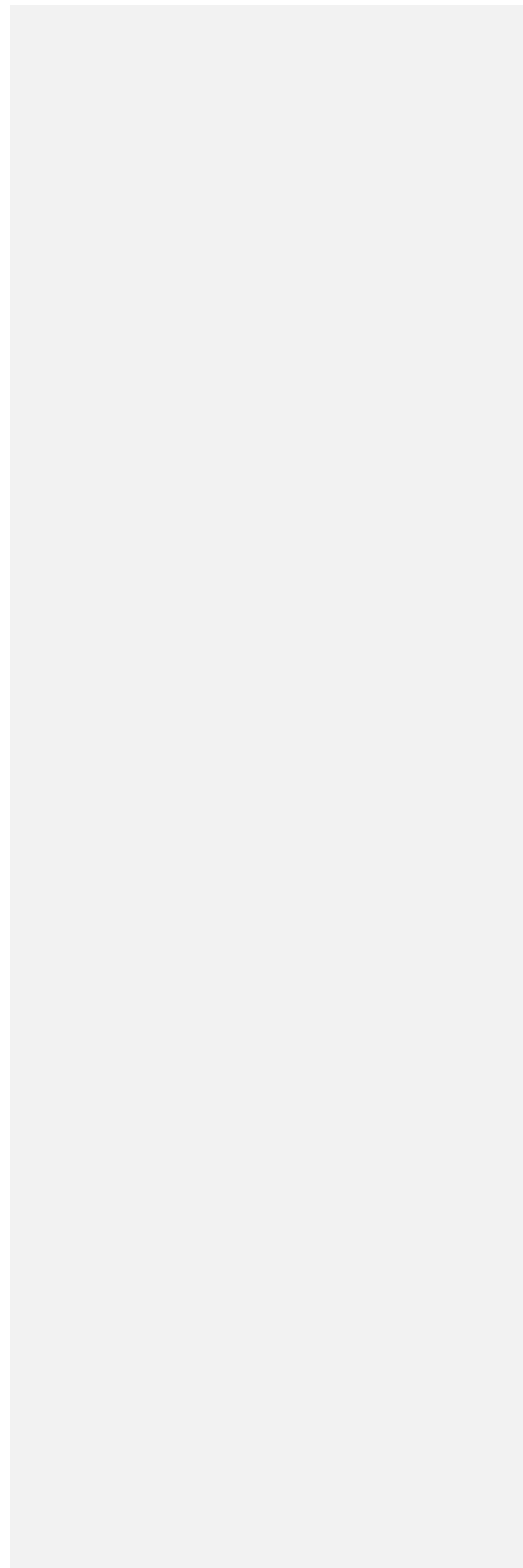
current law for property taxes, TABOR
refunds, and state and local
government revenue limits.

26 For more information on these provisions, see the following:

- 27 • Overview of Proposition HH _____ Page 2
- 28 • Impacts on Taxpayers _____ Page 3
- 29 • Changes to Property Taxes _____ Page 4
- 30 • Retained State Revenue _____ Page 5
- 31 • Changes to TABOR Refunds _____ Page 7

3rd Draft

32	• Changes for Local Governments	Page 9
33	• Arguments For Proposition HH _____	Page 10
34	• Arguments Against Proposition HH _____	Page 10
35	• Fiscal Impact of Proposition HH _____	Page 11



3rd Draft

1 Summary and Analysis of Proposition HH

2 Overview of Proposition HH

3 What does Proposition HH do?

4 Proposition HH reduces property taxes owed, resulting in reduced
 5 property taxes beginning in 2023, while allowing the state to keep additional
 6 revenue that would otherwise be refunded to taxpayers.

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7 The measure lowers property taxes by reducing the portion of a property's
 8 market value that is subject to taxes, allowing seniors who have qualified for the
 9 existing homestead exemption to receive the same benefit at a new home, and
 10 creating a new limit on property tax revenue for most local governments. ,

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11 Proposition HH creates a lower limit of inflation on the growth
 12 of property tax revenues for most local governments. This is
 13 defined as the "property tax limit." The limit,
 14 requires that local governments collecting previously authorized taxes which result in
 15 revenue above the limit either go through a public
 16 process to retain and spend revenue collected above the limit, or to provide temporary
 17 credits to lower tax rates to stay below the limit.

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18 The measure creates a new cap on state revenue that grows by the same rate as
 19 the existing cap, plus an additional 1 percentage point each year. The revenue
 20 retained from the new cap is used to fund education, reimburse local
 21 governments for a portion of the lost property tax revenue, and provide rental
 22 assistance.

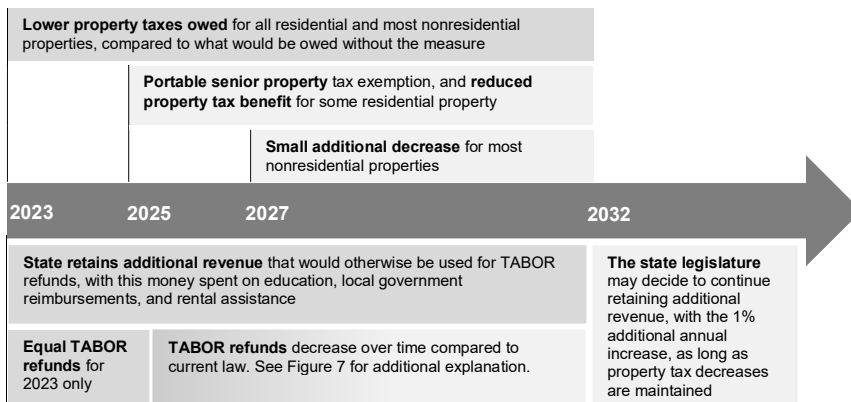
20 How long will the changes under the measure last?

21 Most changes under Proposition HH remain in effect through state budget year
 22 2031-32, and may be extended by the state legislature for subsequent budget
 23 years without further voter approval. If extended, the state may continue to retain
 24 additional revenue in subsequent years, as long as the state legislature extends
 25 property tax reductions equal to or greater than those in the measure. The
 26 amount the state is allowed to retain grows each year, and continues to grow if
 27 the measure is extended.

28 In addition, if Proposition HH passes, another state law distributes refunds under
 29 the Taxpayer's Bill of Rights (TABOR) in equal amounts in tax year 2023 only.
 30 Figure 1 shows the measure's changes through at least 2032.

31
 32

**Figure 1
 Proposition HH Timeline**



Commented [DC1]: Boxes should be added to this Figure 1 to indicate the impacts of Prop HH on local governments. It should be similar to the boxes for:
 •Similar to "State retains additional revenue..." inserting "**Local government revenue will decrease over time compared to current law.**"
 •Similar to the two boxes: "Equal TABOR refunds..." and "TABOR refunds decrease", insert "**Partial reimbursement to all local governments for 2023 only.**" and "**Reimbursements to local governments decrease over time, with most becoming ineligible**"

3rd Draft

1 Impacts on Taxpayers

2 **How does Proposition HH impact taxpayers?**

3 The measure primarily impacts taxpayers in two ways: by reducing the amount
 4 owed in property taxes and by changing the amount of TABOR refunds. Figure 2
 5 summarizes the impacts of Proposition HH on various taxpayers, compared to
 6 what would happen if Proposition HH does not pass. Each of these impacts is
 7 described in more detail later in this analysis.

8 In 2023, providing equal TABOR refunds to all taxpayers will increase refunds for
 9 low-income and middle-income taxpayers, while higher-income taxpayers will
 10 receive a lower refund than under current law. Property taxes for all property
 11 owners will be smaller than they would be if Proposition HH is not approved. For
 12 some higher-income homeowners, the reduction in TABOR refunds in 2023 may
 13 offset the savings from lower property taxes.

14 In 2024 and through at least 2032, TABOR refunds will decrease or be
 15 eliminated for taxpayers at all income levels, depending on state revenue
 16 collections each year. These future decreases in TABOR refunds may offset or
 17 exceed property tax savings under Proposition HH for property owners,
 18 depending on the value of their property.

19 **Figure 2**
 20 **Summary of Taxpayer Impacts**
 21 *Compared to current law*

All Taxpayers – TABOR Refunds	
2023	
- Income less than \$100,000: TABOR refunds increase	
- Income greater than \$100,000: TABOR refunds decrease	
2024 through 2032	
- TABOR refunds decrease, and could be eliminated, for all taxpayers.	
- To see how state revenue affects the amount of the decrease, see Figure 7.	
Property Owners – all changes are for 2023 through 2032 unless otherwise noted	
Primary residence, multifamily property	- Reduction in property taxes compared to what would be paid otherwise
Seniors	- Same reduction in property taxes as for primary residences - Beginning in 2025: Seniors who have qualified for the homestead exemption can receive the same benefit if they purchase and move to a new home.
Other single-family residential properties (second homes, rental properties, etc.)	- 2023 and 2024: Same reduction in property taxes as primary residences - Beginning in 2025: Smaller property tax reduction than primary residences
Nonresidential properties	- Reduction in property taxes, compared to what would be paid otherwise, for most property types - Amount of reduction depends on type of property
Renters	
- Do not directly benefit from property tax decreases	
- Additional funding for rental assistance to qualifying renters	

3rd Draft

Changes to Property Taxes

1 How does Proposition HH change property 2 taxes?

3 Proposition HH lowers the property taxes owed
4 by property owners, compared to what would be
5 owed without the measure. Property values have
6 increased in most areas of the state,
7 resulting in higher property taxes owed. The
8 measure results in a decrease in property
9 taxes than under current law.

10 In Colorado, there is no state property tax. Only
11 local governments collect property tax. Property
12 taxes are paid on a portion of a property's
13 market value. This portion is known as the
14 taxable value or assessed value, and is
15 calculated by multiplying the market value by the
16 assessment rate. To lower property taxes, the
17 measure:

- 18 • lowers assessment rates for residential property and most nonresidential
19 property and subtracts a set amount from most properties' values before
20 applying the new assessment rates;
- 21 • lowers a senior aged 65 and older who has previously qualified for the senior
22 homestead exemption to receive the same property tax benefit in any home
23 they purchase and live in as their primary residence, beginning in 2025;
- 24 • distinguishes owner-occupied primary residences and multifamily properties
25 from other residential properties, resulting in a larger subtraction for primary
26 residences and multifamily properties than other properties, beginning in
27 2025; and
- 28 • establishes a limit on local government property tax revenue growth,
29 including methods to lower tax rates to comply with the limit by adopting a
30 temporary credit or to retain and spend revenue collected above the
31 limit. This limit is discussed further below.

31 Figure 3 shows the impact of these changes on different property types and
32 values in 2023. These changes continue through 2032 unless otherwise noted.
33 The impact on an individual property owner depends on the type and value of the
34 property and the tax rates for the local governments where the property is
35 located. Tables with the exact assessment rates and subtractions for different
36 property classes are available in the fiscal impact statement.

Online Calculation Tool:

To see how the combination of the property tax changes and TABOR refund changes impact a taxpayer in your area, please scan the QR code below:



Please note that the online calculation tool included in this third draft is preliminary.

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1 **Figure 3**
 2 **Average Property Tax Impacts Under Proposition HH***

Type of Property	Property Value	Average Change in 2023 Property Tax**	2024-2032
Residential Property			
Primary residences and multifamily properties	\$100,000	-\$166 to -\$172	Further reductions in 2024 and 2025. Beginning in 2025, there is a smaller reduction for non-primary residences and a larger reduction for qualifying seniors.
	\$350,000	-\$177 to -\$212	
	\$500,000	-\$184 to -\$236	
	\$700,000	-\$193 to -\$268	
	\$1,000,000	-\$206 to -\$317	
Nonresidential Property			
Lodging and commercial	\$1,000,000	-\$34 to -\$503	Further reductions in 2024, 2027, 2029, 2031
Industrial, natural resources, state-assessed properties	\$1,000,000	-\$35 to -\$518	Further reductions in 2024, 2027, 2029, 2031
Agriculture and renewable energy	\$1,000,000	-\$0 to -\$459	Further reduction in 2031. Beginning in 2024, there is also a larger reduction for renewable energy agricultural land.
Vacant land	\$1,000,000	-\$35 to -\$518	Change in 2023 only.
Oil and gas and mines	\$1,000,000	No change	

3 * This example shows the estimated reduction in property taxes owed for a hypothetical property, based
 4 on 2022 statewide average mill levy of 69.120 mill levies, which excludes mill levies for bonds and
 5 contractual obligations. For properties located in areas where local mill levies will decrease from 2022 to
 6 2023 even if Proposition HH does not pass, the property tax reduction will be smaller than estimated.
 7 The actual change in property tax will depend on local tax rates, changes in property values, and local
 8 government property tax policy.

9 ** Property tax savings will depend on whether or not local governments retain and spend above the new
 10 property tax limit created by Proposition HH. The high end of the range reflects the savings if local governments do not
 11 adopt temporary tax credits to remain under the limit. The low end of the range reflects the savings if local
 governments retain and spend revenues from previously authorized taxes that are collected in excess of
 the limit.

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12 **Retained State Revenue**

13 **What is the state’s revenue limit, known as the TABOR limit?**

14 The Colorado Constitution includes a section, “The Taxpayer’s Bill of Rights,”
 15 commonly known as TABOR, that limits the amount of money that the state
 16 government can collect and spend or save each year. Voter approval is required
 17 to retain money above the TABOR limit. If money is collected above the limit, the
 18 excess must be refunded to taxpayers. This is called a TABOR refund.

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19 Currently, a portion of this money is refunded through property tax reductions,
20 including those for seniors, veterans with a disability, and Gold Star surviving
21 spouses, and the remainder is distributed as a tiered sales tax refund using the

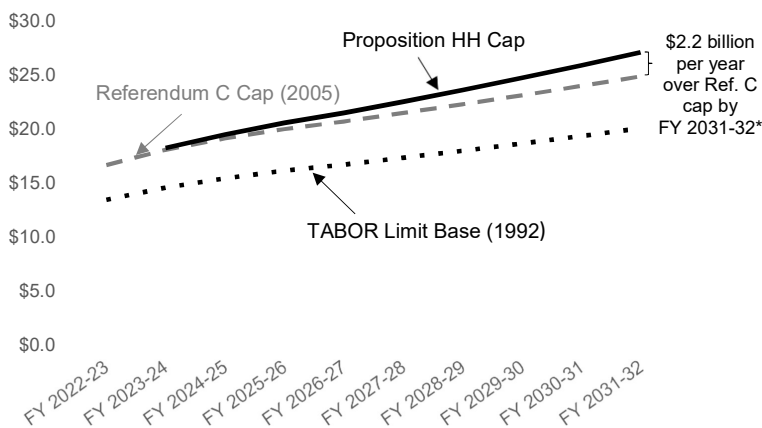
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1 state income tax return. For last year only, part of the TABOR refund was
 2 distributed to taxpayers through checks in the amount of \$750 for a single filer
 3 and \$1,500 for a joint filer, rather than through the tiered system. Flat refunds
 4 provide larger amounts for lower-income taxpayers and smaller refunds for
 5 higher-income taxpayers when compared with the tiered refund system.

6 What happens to the state revenue limit if Proposition HH passes?

7 Proposition HH creates a new cap on the amount of money the state may retain
 8 over its revenue limit that is higher than the current cap established by
 9 Referendum C in 2005. Proposition HH allows the state to retain additional
 10 revenue up to the new cap, which grows by population growth and inflation, plus
 11 1 percentage point, each year. The measure allows the state to retain an
 12 estimated \$170 million in state budget year 2023-24 and \$360 million in state
 13 budget year 2024-25. The state is allowed to retain increasing amounts through
 14 at least 2032, depending on revenue collections (see Figure 7 for more
 15 information). Figure 4 shows the new cap over the next ten years.

Figure 4
Proposition HH Cap on State Revenue
Dollars in Billions



19 *Assumes inflation through 2025 from the June 2023 Legislative Council Staff forecast and
 20 2.5 percent annual inflation for 2025 to 2031. Population growth projections from the Colorado
 21 State Demography Office.

22 How will the retained revenue be spent?

- 23 The retained money will be used for the following purposes:
- 24 • up to 20 percent to reimburse [eligible](#) local governments for lost property tax
 - 25 revenue;
 - 26 • up to \$20 million for rental assistance; and
 - 27 • the remaining funds to reimburse school districts for reduced property tax
 - 28 revenue as a result of the measure, and for education-related programs,

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1 estimated at \$125 million in state budget year 2024-25, and up to
2 \$2.16 billion in state budget year 2031-32.

3 Over ten years, local reimbursements are expected to decrease and may be
4 eliminated, rental
5 assistance will reach its \$20 million limit, and the amount retained by the state
6 will increase. As a result, the amount allocated to education funding will increase,
7 assuming consistent revenue growth. The new education funding cannot replace
current General Fund spending for public school finance.

8 Changes to TABOR Refunds

9 How does the measure impact TABOR refunds in the short term?

10 **2023 TABOR refunds.** A separate state law changes the way that refunds are
11 distributed for tax year 2023 only if Proposition HH passes.

12 Under current law, TABOR refunds to taxpayers are typically distributed through
13 the state income tax, based on the taxpayer's adjusted gross income. Under
14 Proposition HH, the refunds are distributed in an equal amount for each taxpayer,
15 estimated at \$820 for single filers and \$1,640 for joint filers. Figure 5 shows the
16 change in the refund amount projected for tax year 2023 under Proposition HH.
17 The actual amounts refunded will depend on the final state revenue amount for
18 the 2022-23 budget year.

19 **Figure 5**
20 **2023 TABOR Refunds Under Proposition HH**
21 *For a single filer; amounts double for joint filers*

Adjusted Gross Income	Percent of Taxpayers*	Refund Amount		Change in Refund
		Current Law	Under Prop. HH	
Up to \$50,000	35%	\$587	\$820	+\$233
\$50,001 to \$99,000	27%	\$783	\$820	+\$37
\$99,001 to \$157,000	18%	\$901	\$820	-\$81
\$157,001 to \$218,000	9%	\$1,071	\$820	-\$251
\$218,001 to \$278,000	4%	\$1,152	\$820	-\$332
\$278,001 and up	7%	\$1,854	\$820	-\$1,034

22 **Totals may not sum due to rounding.*

23 **2024 and 2025 TABOR refunds.** In 2024 and 2025, TABOR refunds are
24 expected to decrease, compared to what would be distributed under current law.
25 Refunds will be distributed based on a taxpayer's adjusted gross income.
26 Figure 6 shows the change in the refund amount forecasted for tax year 2024
27 and 2025 under Proposition HH. The actual amounts refunded will depend on
28 state revenue collections in future budget years.

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Figure 6
Projected Change in TABOR Refunds for 2024 and 2025
Under Proposition HH

For a single filer; amounts double for joint filers

Adjusted Gross Income	Percent of Taxpayers*	Refund Amount		Change in Refund
		Current Law	Under Prop. HH	
<u>2024 Refunds</u>				
Up to \$52,000	35%	\$357	\$326	-\$31
\$52,001 to \$103,000	27%	\$476	\$434	-\$42
\$103,001 to \$163,000	17%	\$548	\$500	-\$48
\$163,001 to \$226,000	9%	\$651	\$594	-\$57
\$226,001 to \$289,000	4%	\$701	\$639	-\$62
\$289,001 and up	7%	\$1,128	\$1,028	-\$100
<u>2025 Refunds</u>				
Up to \$53,000	35%	\$336	\$269	-\$67
\$53,001 to \$105,000	27%	\$448	\$358	-\$90
\$105,001 to \$167,000	17%	\$515	\$412	-\$103
\$167,001 to \$231,000	9%	\$612	\$490	-\$122
\$231,001 to \$297,000	4%	\$659	\$527	-\$132
\$297,001 and up	7%	\$1,060	\$848	-\$212

*Totals may not sum due to rounding.

6 How does the measure impact TABOR refunds in the long term?

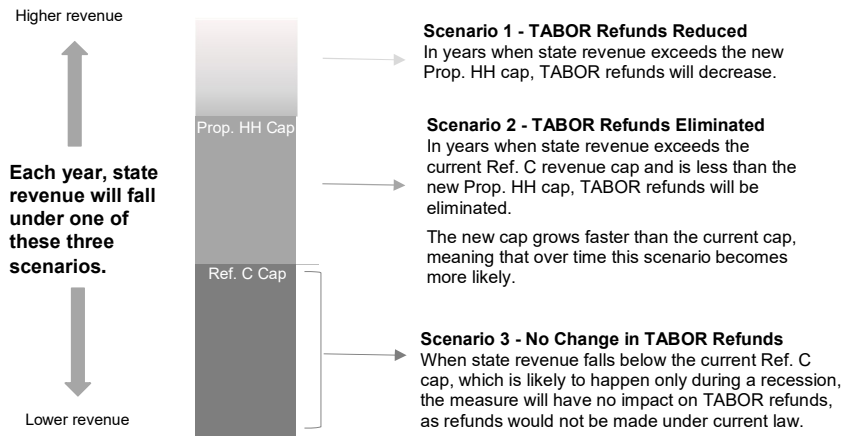
The measure's impact on TABOR refunds over the long term depends on population growth, inflation, and state revenue collections. Absent future policy changes, state revenue collections are largely driven by economic activity.

Figure 7 shows scenarios for state revenue collection and the impact on TABOR refunds. The changes in Proposition HH are in place until 2032, but the measure allows the state legislature to extend them without additional voter approval.

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Figure 7
Scenarios for TABOR Refund Changes



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Note: Figure 7 is not to scale.

3 Changes for Local Governments

4 How does the measure impact local governments?

5 Revenue local governments will decrease due to a new property tax
 13 revenue limit and reduced property taxes. The measure's impact on local
 14 government revenue over the long term depends on several factors, including
 15 inflation, residential property markets, and other economic factors. The changes
 1 in Proposition HH are in place until 2032, but the measure
 1 allows the state legislature to extend them without additional voter approval.

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2 Some revenue reductions will be partially offset
 3 by reimbursements from the state. Cities, counties, school districts, and special
 4 districts collect property taxes to fund public schools and local services such as
 5 road maintenance, police departments, fire protection, water and sewer
 6 infrastructure, parks, and libraries. Not all local governments that collect property
 7 taxes are treated the same by Proposition HH, as explained below.

8 **Property tax limit.** Under Proposition HH, many local governments collecting
 9 property taxes must take action to retain and spend revenue above inflation
 10 growth from the last year, or must reduce taxes by a temporary credit, unless an
 11 exception applies. If a local
 9 government would exceed this limit, it may take action to retain and spend
 10 revenues from previously authorized taxes, by annually notifying
 11 the public, holding a meeting for public comment, and adopting an ordinance or
 12 resolution. Otherwise, it must temporarily lower its tax rate (mill levy) for one year
 12 or refund to
 13 taxpayers any property tax revenue collected above the limit. This limit applies in
 14 addition to local TABOR expenditure limits (inflation plus local growth) and other
 15 legal limits on revenue. School districts and
 13 home-rule jurisdictions are not subject to this limit.

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 limits cannot collect property tax¶
 revenue above the amount they collected in the
 prior year plus inflation
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14 **Reimbursements.** Under Proposition HH, the state reimburses local
 15 governments for some of the revenue lost due to property tax reductions. This is
 16 paid from the revenue that the state retains under the new revenue cap, and
 other state funds, with some limitations. In the first year, 54% of lost revenue for
 non-school local governments is reimbursed from the state; thereafter, assistance
 for lost local revenues is reduced to 32%, then 12%. Under the statutory formula,
 non-school local government assistance is likely to be eliminated within the ten
 years of Proposition HH.

17 Reimbursements depend on available funds, and may be reduced in years when
 state revenue collections fall below the Proposition HH cap.

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1 In the first year, reimbursements range from 65 percent to 100 percent of lost
 2 revenue, based on
 3 the type of local government, the population of the county in which the local
 4 government is located, and growth of property values in the jurisdiction. Smaller
 5 counties and those with slower property value growth generally receive higher
 6 reimbursement rates.

6 Most counties, cities, and special districts are initially eligible for reimbursement;

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7 however, most local governments are not reimbursed if their assessed value
 8 exceeds 2022 levels by 20 percent, which is expected to happen at some point
 9 between 2023 and 2031 for most local governments. School districts are fully
 10 reimbursed through the public school funding formula, using money retained by
 11 the state.

For information on those issue committees that support or oppose the measures on the ballot at the November 7, 2023, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://www.sos.state.co.us/pubs/elections/Initiatives/ballot/contacts/2023.html>

12 Arguments For Proposition HH

- 13 1) With Colorado facing a historic increase in residential property values,
 14 Proposition HH provides long-term property tax relief for homeowners and
 15 businesses. In doing so, the measure also limits the impact on local services,
 16 makes Colorado a more competitive environment for businesses, and allows
 17 seniors to downsize or move without losing the benefits of their homestead
 18 exemption.
- 19 2) The new property tax limit makes local taxing entities more accountable to
 20 their constituents. By requiring a public process to retain and spend revenue
 21 above the property tax limit, Proposition HH gives people a say in how much they are taxed while
 22 providing flexibility for local governments to retain revenue needed to provide
 23 important services.
- 24 3) By allowing the state to retain additional revenue, the measure benefits public
 25 schools. The state's spending cap has limited Colorado's ability to fully fund
 26 education for years. Proposition HH provides a funding source for at least ten
 27 years, using money the state already collects.
- 28 4) Proposition HH benefits low- and middle-income people, many of whom are
 29 renters, by providing a more equitable distribution of TABOR refunds in 2023.
 30 With recent high inflation and housing costs, this puts more money in the
 31 pockets of those who need it most.

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32 Arguments Against Proposition HH

- 33 1) Proposition HH essentially increases taxes by reducing or eliminating future
 34 TABOR refunds, potentially growing the state budget by up to \$2.2 billion per
 35 year by 2032. The measure removes important taxpayer protections and
 36 gives the state legislature the power to extend the new revenue cap forever
 37 without asking voters.

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- 1 2) Property tax relief should not come at the expense of TABOR refunds. While
 2 the measure provides some limited property tax relief, the loss to taxpayers
 3 over the long term from the reduction or elimination of TABOR refunds is
 4 likely to exceed the property tax savings over time. The measure is also
 5 costly for renters, who do not directly benefit from property tax relief and will
 6 receive lower TABOR refunds in the future.
- 7 3) Property taxes are a local issue, best handled by local communities. [TABOR
 applies to local governments, requiring voter approval for new taxes and to retain
 and spend revenue above the constitutional limit.](#)
- 8 Proposition HH pushes state priorities and an unnecessary new revenue limit
 9 onto local governments and their residents, rather than letting them find
 10 solutions that work locally.
- 11 4) Proposition HH adds unnecessary complexity to an increasingly confusing
 12 property tax system, with new classes of property and an additional
 13 administrative burden for homeowners, seniors, county assessors, and
 14 potential homebuyers. As a result, the measure makes it harder for people to
 15 access their tax benefits and navigate the housing market, opening the door
 16 to unintended consequences.

17 Fiscal Impact of Proposition HH

18 This measure decreases local government property tax revenue, creates new
 19 state spending requirements, and reduces the amount refunded to taxpayers in
 20 years when state revenue is over the Referendum C cap, which is then available
 21 to increase state spending. These impacts are discussed below. The state
 22 budget year runs from July 1 to June 30.

23 **Taxpayer impacts.** Proposition HH impacts taxpayers in two ways by changing
 24 the amount of TABOR refunds and reducing the amount owed in property taxes.

25 *TABOR refund changes.* Proposition HH results in a change in how state
 26 revenue is returned to taxpayers in state budget year 2023-24, then reduces the
 27 amount potentially returned to taxpayers by larger amounts each year through at
 28 least state budget year 2032-33, depending on how much state revenue is
 29 collected over the Referendum C cap each year.

- 30 • For state budget year 2023-24, an estimated additional \$120 million will be
 31 refunded to taxpayers through an existing property tax refund mechanism as
 32 a result of this measure. The remaining money that would otherwise be
 33 refunded through the six-tier sales tax refund mechanism is instead refunded
 34 in equal amounts to qualifying taxpayers, as shown in Figure 5 and discussed
 35 above.
- 36 • Beginning for state budget year 2024-25, the measure will reduce revenue
 37 returned to taxpayers by an estimated \$170 million, with this reduction
 38 increasing to \$360 million for the next state budget year.

39 *Property tax changes.* The measure will also reduce property taxes owed
 40 compared with current law through changes in assessment rates and reductions
 41 in value, and possibly through the local government revenue limit, as estimated
 42 below.

- 43 • Lower assessment rates and value reductions are estimated to reduce

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44 property taxes owed statewide by \$350 million in 2024, \$790 million in 2025,
and \$970 million in 2026. Decreases are larger in 2025 and 2026 due to,

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1 scheduled increases in assessment rates and the expiration of certain value
2 reductions that would occur if the measure does not pass.

- 3 • The local government revenue limit may decrease property taxes owed by an
4 additional \$280 million in 2024, \$250 million in 2025, and \$320 million in
5 2026, depending on how many local governments retain and spend previously
authorizes property taxes collective above the property tax limit.

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6 **Local government impact.** After accounting for both the reduced property tax
7 collections and state reimbursements to school districts and other local tax
8 jurisdictions, Proposition HH is estimated to decrease revenue to local
9 governments statewide, on net, by at least \$100 million in 2024, \$350 million in
10 2025, and \$550 million in 2026.

11 The revenue decreases are larger in later years due to scheduled increases in
12 assessment rates and the expiration of certain property value reductions that
13 would occur if the measure does not pass, and smaller reimbursements paid to
14 local governments over time. Additionally, the local government revenue limit in
15 the measure may decrease revenue further, as noted above in the taxpayer
16 impacts section. Reduced revenue due to the limit is not reimbursed by the state.

17 The revenue impact will vary among local governments across the state, and the
18 specific impact on each city, county, school district, or special district will depend
19 on several factors including mill levies, local policy decisions, and the
20 composition of properties in each local area.

21 The measure increases local spending for county treasurers and assessors to
22 implement the property tax changes in the bill. County assessors will require
23 additional staff to administer the measure's provisions.

24 **State transfers.** Proposition HH transfers \$128 million from the state's General
25 Fund to a fund that will be used to reimburse local governments for lost property
26 tax revenue, and transfers \$72 million to the State Public School Fund. Further,
27 state revenue retained under the Proposition HH cap will be transferred, as
28 estimated below:

- 29 • *Funding for rental assistance.* In state budget year 2024-25, an estimated
30 \$8 million will be transferred to the Housing Development Grant Fund for
31 rental assistance programs. An estimated \$18 million will be transferred in
32 FY 2025-26. Transfers to the fund are expected to grow, but are capped at
33 \$20 million per year.
- 34 • *Education funding.* Transfers to the State Education Fund will reach an
35 estimated \$125 million in state budget year 2024-25, and \$270 million in state
36 budget year 2025-26. In future years, larger amounts are expected to be
37 transferred to the State Education Fund depending on revenue retained
38 under the Proposition HH cap.

39 **State spending.** The measure increases state spending to reimburse local
40 governments for a portion of their lost property tax revenue, replace lost property
41 tax revenue to school districts, and to pay for increased workload for the state to
42 administer the measure's provisions, as estimated below:

- 43 • *Reimbursements to local governments.* The measure increases state
44 spending by an estimated \$160 million in state budget year 2024-25 and

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- 45 \$70 million in state budget year 2025-26 to [partially](#) reimburse local
governments for
46 lost property tax revenue. Reimbursements are limited to a certain amount of
1 money retained under the Proposition HH cap, as well as by eligibility
2 requirements for local governments as described above.
- 3 • *School district funding.* The measure will increase the state aid obligation for
4 public schools by an estimated \$120 million in state budget year 2023-24,
5 \$280 million in state budget year 2024-25, \$350 million in state budget
6 year 2025-26, and larger amounts in future years as some nonresidential
7 assessment rates decrease.
 - 8 • *Administrative costs.* The measure will increase General Fund spending in
9 the Department of Local Affairs by an estimated \$62,426 in state budget year
10 2023-24, \$195,498 in state budget year 2024-25, and \$159,779 in state
11 budget year 2025-26 for the Division of Property Taxation to develop software
12 systems, hire additional staff, and to update procedures, forms, manuals, and
13 technical assistance to local governments.

Prop HH Bluebook Draft 3 Reponse

Include the Same Fiscal Years

Draft 3 includes the estimated impacts to TABOR refunds for 2023, 2024 and 2025. The draft includes estimated impacts to property taxes for 2023 only. There is no reason to include three years of data for one part of the proposal and only one year of data for another part of the proposal.

Use the Statewide Average Mill Levy to Calculate Savings

There is no basis to remove all bond and contractual levies from taxpayer savings calculations. It is inaccurate to assume all bond levies will increase with the reduction in assessment rates. The Bluebook calculation assumes all bond levies will be reduced to meet debt service obligations and districts will reduce their levies by *less* if Prop HH passes. While this may be true in some circumstances, there is clear data that this is not true for all or even most bond levies.

1. There is nothing in any general obligation bond document that requires a district to raise or lower a general obligation mill levy so long as they have sufficient revenue to meet payment and reserve obligations. The state statutes governing general obligation bonds and general obligation ballot questions specifically authorize districts to levy amounts that are higher than the annual payment obligations. Reserves can be used to pre-pay debt and/or to level out changes to the levy over time. Districts may choose to raise, lower or hold their bond levies constant irrespective of what happens to an assessment rate, and there is widespread evidence of this (see below). Districts capture additional revenue to build reserves, keep a more stable levy, and/or maximize their debt capacity if they are planning to go to the ballot for a new debt issuance in a future year. Many rural districts report that they like to maintain the maximum number of mills so they can pay off the debt early. Districts often maintain their levy to build their bond reserves. Or, they may maintain their bond levy and use the additional revenue to defease bonds, as Adams 12, St. Vrain and Douglas County School District recently did. In these circumstances, the levy is not impacted by the reduction in assessment rates.
2. There is ample evidence that districts do not automatically adjust their bond levies when an assessment rate changes. The residential assessment rate dropped in 2017 and again in 2019 and many districts kept their bond levies constant:
 - a. Adams 12 School District bond levy stayed constant from 2016 through 2020
 - b. Akron School District bond levy stayed constant from 2018 to 2019

- c. Bayfield 10 JT School District bond levy stayed constant from 2018 to 2019
- d. Bennett School District bond levy stayed constant from 2016 through 2020
- e. Brighton 27J School District bond levy stayed constant from 2016 through 2020
- f. Center School District bond levy stayed constant from 2018 to 2019
- g. Creede School District bond levy stayed constant from 2018 to 2019
- h. Douglas County School District bond levy stayed constant from 2018 to 2019
- i. Durango School District bond levy stayed constant from 2018 to 2019
- j. Eagle County School District bond levy stayed constant from 2018 to 2019
- k. Edison School District bond levy stayed constant from 2018 to 2019
- l. Ellicott 22 School District bond levy stayed constant from 2016 to 2017
- m. Florence School District bond levy stayed constant from 2018 to 2019
- n. Fowler School District bond levy stayed constant from 2016 through 2020
- o. Hanover School District bond levy stayed constant from 2018 to 2019
- p. Harrison School District bond levy stayed constant from 2016 to 2017
- q. Haxtun School District bond levy stayed constant from 2018 to 2019
- r. Holly School District bond levy stayed constant from 2016 to 2017
- s. Johnstown-Milliken School District bond levy stayed constant from 2018 to 2019
- t. Littleton School District bond levy stayed constant from 2016 to 2017
- u. Miami Yoder School District bond levy stayed constant from 2016 to 2017
- v. Montrose School District bond levy stayed constant from 2018 to 2019
- w. Norwood School District bond levy stayed constant from 2018 to 2019
- x. Otis School District bond levy stayed constant from 2016 to 2017 and from 2018 to 2019
- y. Peyton School District bond levy stayed constant from 2016 to 2017
- z. Platte Valley District bond levy stayed constant from 2016 through 2020
- aa. Prairie School District bond levy stayed constant from 2016 to 2017
- bb. Pueblo City Schools District bond levy stayed constant from 2016 to 2017
- cc. Pueblo County Rural School District bond levy stayed constant from 2016 through 2020
- dd. Sanford School District bond levy stayed constant from 2016 through 2020
- ee. Sargent School District bond levy stayed constant from 2016 to 2017
- ff. Silverton School District bond levy stayed constant from 2018 to 2019
- gg. St. Vrain School District bond levy stayed constant from 2018 to 2019
- hh. Strasburg School District bond levy stayed constant from 2018 to 2019

There are many more districts that have held their bond levies constant when assessment rates have changed - too many to include in this document.

3. Denver County has a general obligation bond of 6.5 mills. The city debt manager indicates that when assessed values go up in 2023, the City has the option to preserve the mill levy and use any extra revenue for redemptions or paying down bonds. The manager indicates they “try to keep the levy at a constant rate to avoid it fluctuating.”
4. Setting bond levies is a policy decision that will be made by each district’s governing board. It is not an automatic adjustment that can be incorporated into a statewide formula. While we agree some districts may float their bond levies down by a lesser amount than they otherwise would if Prop HH passes, we do not believe this will be the experience for all districts and we do not believe there will be a dollar-for-dollar impact in most districts. As the examples above illustrate, many districts will hold their bond levy constant regardless of changes in the assessment rate. For this reason, we do not believe it is justified for the Legislative Council to remove bond and contractual levies from the taxpayer savings calculations.
5. Metropolitan district bond levies are unique and we agree that most will get adjusted when assessment rates drop under the terms of a contract or service agreement. We also agree some metro district levies are very large, and this will impact savings under Prop HH. However, the metropolitan district contracts do not require adjustments for reductions in value including the senior homestead exemption and/or the \$50k reduction in value for homes in Prop HH. Metro district bond levies should only be removed from savings calculations for assessment rate reductions. Also, most property owners are not in a metropolitan district. These adjustments could be included in the online calculator by asking the property owner if their property is in a metropolitan district.

Include the local cap on collections in the online tool

It is misleading to omit the local cap on property tax collections from the online savings calculations tool. You are assuming that every affected district in the state will go through a process to waive the legal requirement to remain under the cap, and vote not to reduce their local levy following a public hearing. This is not consistent with the experience in other states that have a similar law.

The local cap on property tax collections in Prop HH is modeled after Utah. The Utah State Tax Commission's Property Tax Division has responsibility for certifying the Truth in Taxation tax rate for each taxing jurisdiction. The Division also publishes an annual report on the proposed rates and the adopted rates for all jurisdictions, <https://propertytax.utah.gov/rates/area-rates/>.

The [Utah Taxpayers Association](#) tracks “overrides” – jurisdictions keeping revenue over the cap after going through the Truth in Taxation process for public notice and hearings. They told the Lincoln Institute for Land Policy that in a typical year there are approximately 60 overrides, but 2022 saw an unusual increase, to 90. Utah has 561 taxing jurisdictions (29 counties, 41 school districts, 245 cities/ towns, and 246 special districts). Therefore, we can estimate that even in the unusual 2022 cycle fewer than 20% of the districts underwent the Truth in Taxation process for revenue increases, and in a typical year it would be approximately 10%. While we recognize that Utah is certainly different from Colorado in many ways, this data demonstrates that it is absolutely not a safe assumption to assume that all districts will override the cap each year.

Update Valuation Data from 2022

While final certification data for 2023 will not be available until after the bluebook is published, there will be sufficient data available by August 25th for the Legislative Council to update its December 2022 forecast of assessed value growth. Counties are required by law to submit their preliminary assessed values by August 25th and DPT believes 55-60 counties will comply by the deadline. These values have already been mailed to property owners throughout the state. 54 counties will be reporting their final abstract numbers while 10 counties (using the alternate protest and appeal schedule) will report preliminary numbers. We believe this data is more up to date and will reflect a more complete picture of the values for 2023 than projections made in December, 2022. We understand that it will still be a forecast, but there is ample data to update the forecast and give voters the most current information.

How these Issues Affect the Estimates

The decision to exclude bond levies from the calculations, use old growth estimates, exclude data from 2024 and 2025, and omit the local collections cap from the online calculator all dramatically reduce taxpayer savings. Combined, these decisions significantly underestimate taxpayer savings and provide misleading information to Colorado voters.

OLC Estimated Savings \$500k home	Estimated Savings using the average mill levy, updated valuation data, and local cap in 2025 \$500k home
\$184 - \$236	\$489 - \$716

OLC Estimated Savings \$1M Commercial Business	Estimated Savings using the average mill levy, updated valuation data, and local cap (2024) \$1M Commercial Business	Estimated Savings using the average mill levy, updated valuation data, the local cap (full implementation)
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		\$1M Commercial Business
\$34 - \$503	\$995 - \$2,347	\$2,573 - \$3,868

		From my Tax notices on my home		
		2023 Tax	2022 Tax	INCREASE
Hadden School Tax	no Amendment HH	\$2,764	\$1,861	\$903
Hadden School Debt	no Amendment HH	\$513	\$345	\$168
Douglas Co Gov't	no Amendment HH	\$1,417	903	\$514
Forecasted w/o Amendment HH Hadden Metro tax		\$2,588	\$1,742	\$846
So Metro Fire Protection District		\$711	478	\$233
Law Enforcement		\$344	232	\$112
Libraries		\$307	206	\$101
Other 5 special districts		87	109.44	-\$22
2023 Special District Valuation tax increases		\$8,731	\$5,877	\$2,854
	3671 x1.045=\$3836			Special District inflationary increase limited to \$264
4.5% inflation limitation		\$5,454	\$6,141	-\$265
Calculation of \$1,783-\$165 = \$1,619				
Savings from Special District inflation limitation				\$2,584
Savings from \$50,000 Reduction per SB23-303 first year				\$386
Savings from \$40,000 SR Property Tax Reduction				\$298 savings delayed until 2025
				\$2,970
reduction from TABOR's Sales tax Refund for 2023 per Legislaive fiscal note				-\$428
Net Amendment HH Tax Benefit reduction for me				\$2,542
Less Increase in Schools not subject to inflation limitation				-\$1,071
Since whether HH exempts schools from the inflation limitation, this tax escalates whether HH passes c				
				Net Saving \$1,471
Total Taxes 2022		2023	2022	
Hadden School Tax	no Amendment HH	\$2,764	\$1,861	\$903
Hadden School Debt	no Amendment HH	\$513	\$345	\$168
school district summary		\$3,277	\$2,206	\$1,071
	district 4.5% inflation	\$265		
	My Special District 2022 tax's	3670.89	\$5,877	
	presumed 2023 tax under HH	\$7,213		
	My Total 2022 Tax			
	My current Assessor on line notice for 2023 tax		\$8,730	
	Increase if Amendment HH does not pass		\$2,853	(\$8730-\$5,877)
	Tax Savings if passes from above chart		-\$2,542	

The primary change in law requiring voter approval is retaining TABOR refunds. It should be listed first along with waiving consent and the revenue cap adjustment.

Proposition HH: STATE RETENTION OF TAXPAYER’S BILL OF RIGHTS (TABOR) REFUNDS AND REDUCE PROPERTY TAX ASSESSMENTS

Reduce Property Taxes and Retain State Revenue

*Placed on the ballot by the legislature •
 Passes with a majority of the vote*

note: bullets rearranged and added new to prioritize primary change in law requiring voter approval

1 Proposition HH, if approved, would:

- 2 • allow the state to retain money **TAXPAYER'S BILL OF RIGHTS (TABOR) REFUNDS** that
- 3 would otherwise be **RETURNED** refunded to taxpayers through at least 2032, ~~with the money~~
- 4 ~~spent on education, reimbursements to local governments for some of their reduced property~~
- 5 ~~tax revenue, and rental assistance programs;~~
- 6 • authorize the state legislature to **RETAIN TABOR REFUNDS** ~~retain revenue~~ after 2032
- 7 without further voter approval, if property tax decreases equivalent to those in the measure
- 8 are maintained;
- 9 • **ALLOW THE STATE TO RETAIN TABOR REFUNDS IN AN AMOUNT EQUAL TO THE**
- 10 **NEW PROPOSITION HH CAP AND ADJUSTED ANNUALLY FOR POPULATION AND**
- 11 **INFLATION PLUS ONE PERCENTAGE POINT**
- 12 • lower ~~S~~ property **ASSESSMENT RATES** taxes owed for homes and businesses for at least
- 13 ten years, compared to what would be **ASSESSED** ~~owed~~ under current law;
- 14 • create **AN OPTIONAL** ~~a~~ new limit on the growth of property tax revenue for
- 15 **SOME** ~~most~~ local governments;
- 16 • distribute **TABOR refunds** Taxpayer’s Bill of Rights (TABOR) refunds to taxpayers in equal
- 17 amounts for tax year 2023 only.

15 YES

What Your Vote Means

16 A “yes” vote on
 17 Proposition HH

ALLOWS THE STATE TO RETAIN TAXPAYER'S BILL OF RIGHTS (TABOR) REFUNDS ADDITIONAL REVENUE THAT WOULD OTHERWISE BE REFUNDED TO TAXPAYERS, CREATES AN OPTIONAL NEW PROPERTY TAX LIMIT FOR SOME LOCAL GOVERNMENTS, lowers property **ASSESSMENT RATES,** ~~taxes owed,~~ ~~allows the state to keep additional revenue that would otherwise be refunded to taxpayers,~~ **AND** temporarily changes how taxpayer Tabor refunds are distributed, ~~creates an OPTIONAL new property tax limit for most local governments.~~

NO

A “no” vote on

Proposition HH

maintains **TAXPAYER'S BILL OF RIGHTS (TABOR) REFUNDS,** current law for property taxes, **TABOR** ~~refunds,~~ and state and local government revenue limits.

1 Overview of Proposition HH

2 **What does Proposition HH do?**

3 Proposition HH **ALLOWS THE STATE TO KEEP ADDITIONAL TAXPAYER'S BILL OF**
 4 **RIGHT'S REFUNDS THAT WOULD OTHERWISE BE RETURNED TO TAXPAYERS.**
 5 reduces property **RATE ASSESSMENTS** taxes owed, resulting in smaller increases in
 6 property taxes beginning in 2023, ~~while allowing the state to keep additional revenue~~
~~that would otherwise be refunded to taxpayers.~~

7 The measure lowers property taxes by reducing the portion of a property's market value
 8 that is subject to taxes, allowing seniors who have qualified for the existing homestead
 9 exemption to receive the same benefit at a new home, and creating a **AN OPTIONAL** new
 10 limit on property tax revenue for **SOME** most local governments. **SCHOOL DISTRICTS**
 11 **AND HOME RULE JURISDICTIONS ARE NOT SUBJECT TO THE LIMIT.** It requires that
 12 local governments exceeding the limit either go through a public process to waive the limit
 or lower tax rates to stay below the limit.

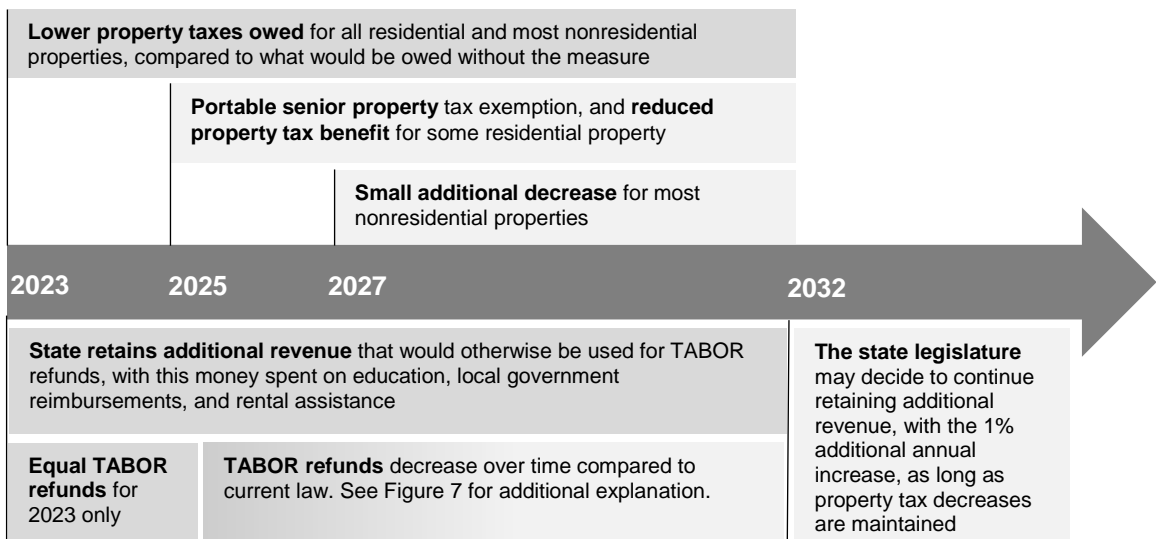
13 The measure creates a new cap on state revenue that grows by the same rate as
 14 the existing cap, plus an additional 1 percentage point each year. The revenue
 15 retained from the new cap is used to fund education, reimburse local
 16 governments for a portion of the lost property tax revenue, and provide rental
 17 assistance.

18 **How long will the changes under the measure last?**

19 Most changes under Proposition HH remain in effect through state budget year
 20 2031-32, and may be extended by the state legislature for subsequent budget
 21 years without further voter approval. If extended, the state may continue to retain
 22 additional revenue in subsequent years, as long as the state legislature extends
 23 property tax reductions equal to or greater than those in the measure. The
 24 amount the state is allowed to retain grows each year, and continues to grow if
 25 the measure is extended.

26 In addition, if Proposition HH passes, another state law distributes refunds under
 27 the Taxpayer's Bill of Rights (TABOR) in equal amounts in tax year 2023 only.
 28 Figure 1 shows the measure's changes through at least 2032.

29 **Figure 1**
 30 **Proposition HH Timeline**



Impacts on Taxpayers

How does Proposition HH impact taxpayers?

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The measure primarily impacts taxpayers in two ways: **ALLOWS THE STATE TO RETAIN TABOR REFUNDS AND REDUCES PROPERTY TAX ASSESSMENT RATES** by reducing the amount owed in property taxes and by changing the amount of TABOR refunds. Figure 2 summarizes the impacts of Proposition HH on various taxpayers, compared to what would happen if Proposition HH does not pass. Each of these impacts is described in more detail later in this analysis.

In 2023, providing equal TABOR refunds to all taxpayers will increase refunds for low-income and middle-income taxpayers, while higher-income taxpayers will receive a lower refund than under current law. Property taxes for all property owners will be smaller than they would be if Proposition HH is not approved. For some higher-income homeowners, the reduction in TABOR refunds in 2023 may offset the savings from lower property taxes.

In 2024 and through at least 2032, TABOR refunds will decrease or be eliminated for taxpayers at all income levels, depending on state revenue collections each year. These future decreases in TABOR refunds may offset or exceed property tax savings under Proposition HH for property owners, depending on the value of their property.

Figure 2
Summary of Taxpayer Impacts
Compared to current law

All Taxpayers – TABOR Refunds	
2023	
<ul style="list-style-type: none"> - Income less than \$100,000: TABOR refunds increase - Income greater than \$100,000: TABOR refunds decrease 	
2024 through 2032	
<ul style="list-style-type: none"> - TABOR refunds decrease, and could be eliminated, for all taxpayers. - To see how state revenue affects the amount of the decrease, see Figure 7. 	
Property Owners – all changes are for 2023 through 2032 unless otherwise noted	
Primary residence, multifamily property	<ul style="list-style-type: none"> - Reduction in property taxes compared to what would be paid otherwise
Seniors	<ul style="list-style-type: none"> - Same reduction in property taxes as for primary residences - Beginning in 2025: Seniors who have qualified for the homestead exemption can receive the same benefit if they purchase and move to a new home.
Other single-family residential properties (second homes, rental properties, etc.)	<ul style="list-style-type: none"> - 2023 and 2024: Same reduction in property taxes as primary residences - Beginning in 2025: Smaller property tax reduction than primary residences
Nonresidential properties	<ul style="list-style-type: none"> - Reduction in property taxes, compared to what would be paid otherwise, for most property types - Amount of reduction depends on type of property
Renters	
<ul style="list-style-type: none"> - Do not directly benefit from property tax decreases - Additional funding for rental assistance to qualifying renters 	

Changes to Property Taxes

1 **How does Proposition HH change property**
2 **taxes?**

RATE ASSESSMENTS INSTEAD OF "TAXES"

3 Proposition HH lowers the property taxes owed
4 by property owners, compared to what would be
5 owed without the measure. Property values have
6 increased significantly in most areas of the state,
7 resulting in higher property taxes owed. The
8 measure results in a smaller increase in property
9 taxes than under current law.

10 In Colorado, there is no state property tax. Only
11 local governments collect property tax. Property
12 taxes are paid on a portion of a property's
13 market value. This portion is known as the
14 taxable value or assessed value, and is
15 calculated by multiplying the market value by the
16 assessment rate. To lower property taxes, the
17 measure:

- 18 • lowers assessment rates for residential property and most nonresidential
19 property and subtracts a set amount from most properties' values before
20 applying the new assessment rates;
- 21 • allows a senior aged 65 and older who has previously qualified for the senior
22 homestead exemption to receive the same property tax benefit in any home
23 they purchase and live in as their primary residence, beginning in 2025;
- 24 • distinguishes owner-occupied primary residences and multifamily properties
25 from other residential properties, resulting in a larger subtraction for primary
26 residences and multifamily properties than other properties, beginning in
27 2025; and
- 28 • establishes a limit on local government property tax revenue growth,
29 including methods to lower tax rates to comply with the limit or to waive the
30 limit. This limit is discussed further below.

31 Figure 3 shows the impact of these changes on different property types and
32 values in 2023. These changes continue through 2032 unless otherwise noted.
33 The impact on an individual property owner depends on the type and value of the
34 property and the tax rates for the local governments where the property is
35 located. Tables with the exact assessment rates and subtractions for different
36 property classes are available in [the fiscal impact statement](#).

Online Calculation Tool:

To see how the combination of the property tax changes and TABOR refund changes impact a taxpayer in your area, please scan the QR code below:



Please note that the online calculation tool included in this third draft is preliminary.

1
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Figure 3
Average Property Tax Impacts Under Proposition HH*

Type of Property	Property Value	Average Change in 2023 Property Tax**	2024-2032
<u>Residential Property</u>			
Primary residences and multifamily properties	\$100,000	-\$166 to -\$172	Further reductions in 2024 and 2025. Beginning in 2025, there is a smaller reduction for non-primary residences and a larger reduction for qualifying seniors.
	\$350,000	-\$177 to -\$212	
	\$500,000	-\$184 to -\$236	
	\$700,000	-\$193 to -\$268	
	\$1,000,000	-\$206 to -\$317	
<u>Nonresidential Property</u>			
Lodging and commercial	\$1,000,000	-\$34 to -\$503	Further reductions in 2024, 2027, 2029, 2031
Industrial, natural resources, state-assessed properties	\$1,000,000	-\$35 to -\$518	Further reductions in 2024, 2027, 2029, 2031
Agriculture and renewable energy	\$1,000,000	-\$0 to -\$459	Further reduction in 2031. Beginning in 2024, there is also a larger reduction for renewable energy agricultural land.
Vacant land	\$1,000,000	-\$35 to -\$518	Change in 2023 only.
Oil and gas and mines	\$1,000,000	No change	

3 * This example shows the estimated reduction in property taxes owed for a hypothetical property, based
 4 on 2022 statewide average mill levy of 69.120 mill levies, which excludes mill levies for bonds and
 5 contractual obligations. For properties located in areas where local mill levies will decrease from 2022 to
 6 2023 even if Proposition HH does not pass, the property tax reduction will be smaller than estimated.
 7 The actual change in property tax will depend on local tax rates, changes in property values, and local
 8 government property tax policy.

9 ** Property tax savings will depend on whether or not local governments waive the new revenue limits
 10 created by Proposition HH. The high end of the range reflects the savings if local governments do not
 11 waive the limit. The low end of the range reflects the savings if local governments waive the limit.

12 **Retained State Revenue**

13 **What is the state’s revenue limit, known as the TABOR limit?**

14 The Colorado Constitution includes a section, “The Taxpayer’s Bill of Rights,”
 15 commonly known as TABOR, that limits the amount of money that the state
 16 government can collect and spend or save each year. Voter approval is required
 17 to retain money above the TABOR limit. If money is collected above the limit, the
 18 excess must be refunded to taxpayers. This is called a TABOR refund.

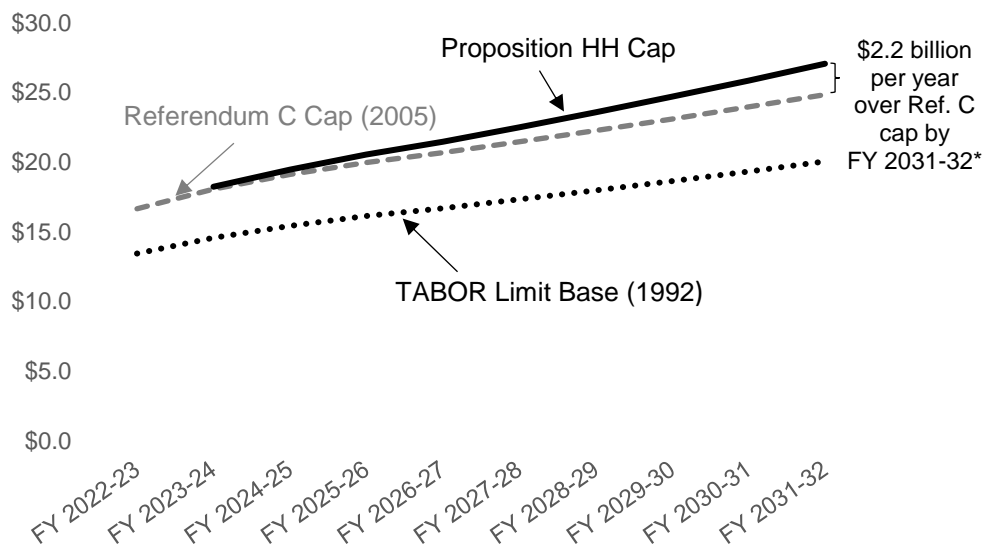
19 Currently, a portion of this money is refunded through property tax reductions,
 20 including those for seniors, veterans with a disability, and Gold Star surviving
 21 spouses, and the remainder is distributed as a tiered sales tax refund using the

1 state income tax return. For last year only, part of the TABOR refund was
 2 distributed to taxpayers through checks in the amount of \$750 for a single filer
 3 and \$1,500 for a joint filer, rather than through the tiered system. Flat refunds
 4 provide larger amounts for lower-income taxpayers and smaller refunds for
 5 higher-income taxpayers when compared with the tiered refund system.

6 **What happens to the state revenue limit if Proposition HH passes?**

7 Proposition HH creates a new cap on the amount of money the state may retain
 8 over its revenue limit that is higher than the current cap established by
 9 Referendum C in 2005. Proposition HH allows the state to retain additional
 10 revenue up to the new cap, which grows by population growth and inflation, plus
 11 1 percentage point, each year. The measure allows the state to retain an
 12 estimated \$170 million in state budget year 2023-24 and \$360 million in state
 13 budget year 2024-25. The state is allowed to retain increasing amounts through
 14 at least 2032, depending on revenue collections (see Figure 7 for more
 15 information). Figure 4 shows the new cap over the next ten years.

16 **Figure 4**
 17 **Proposition HH Cap on State Revenue**
 18 *Dollars in Billions*



19 **Assumes inflation through 2025 from the June 2023 Legislative Council Staff forecast and*
 20 *2.5 percent annual inflation for 2025 to 2031. Population growth projections from the Colorado*
 21 *State Demography Office.*

22 **How will the retained revenue be spent?**

23 The retained money will be used for the following purposes:

- 24 • up to 20 percent to reimburse local governments for lost property tax
- 25 revenue;
- 26 • up to \$20 million for rental assistance; and
- 27 • the remaining funds to reimburse school districts for reduced property tax
- 28 revenue as a result of the measure, and for education-related programs,

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Figure 6
Projected Change in TABOR Refunds for 2024 and 2025
Under Proposition HH
For a single filer; amounts double for joint filers

Adjusted Gross Income	Percent of Taxpayers*	Refund Amount		Change in Refund
		Current Law	Under Prop. HH	
<u>2024 Refunds</u>				
Up to \$52,000	35%	\$357	\$326	-\$31
\$52,001 to \$103,000	27%	\$476	\$434	-\$42
\$103,001 to \$163,000	17%	\$548	\$500	-\$48
\$163,001 to \$226,000	9%	\$651	\$594	-\$57
\$226,001 to \$289,000	4%	\$701	\$639	-\$62
\$289,001 and up	7%	\$1,128	\$1,028	-\$100
<u>2025 Refunds</u>				
Up to \$53,000	35%	\$336	\$269	-\$67
\$53,001 to \$105,000	27%	\$448	\$358	-\$90
\$105,001 to \$167,000	17%	\$515	\$412	-\$103
\$167,001 to \$231,000	9%	\$612	\$490	-\$122
\$231,001 to \$297,000	4%	\$659	\$527	-\$132
\$297,001 and up	7%	\$1,060	\$848	-\$212

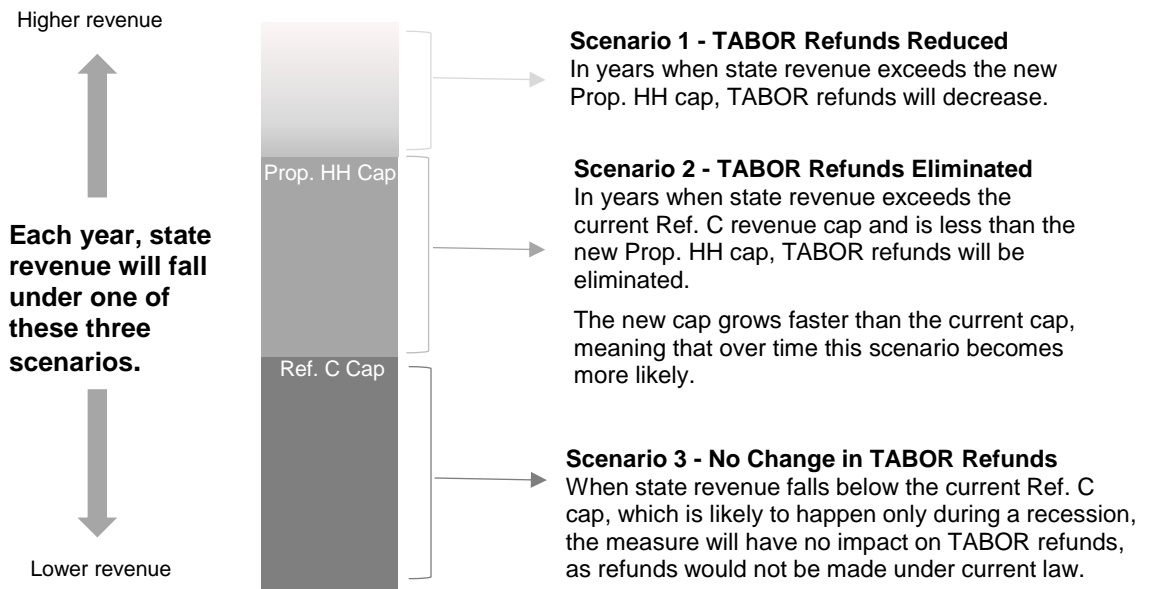
5 **Totals may not sum due to rounding.*

6 **How does the measure impact TABOR refunds in the long term?**

7 The measure’s impact on TABOR refunds over the long term depends on
8 population growth, inflation, and state revenue collections. Absent future policy
9 changes, state revenue collections are largely driven by economic activity.
10 Figure 7 shows scenarios for state revenue collection and the impact on TABOR
11 refunds. The changes in Proposition HH are in place until 2032, but the measure
12 allows the state legislature to extend them without additional voter approval.

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Figure 7
Scenarios for TABOR Refund Changes



Note: Figure 7 is not to scale.

3 Changes for Local Governments

4 How does the measure impact local governments?

5 Revenue growth for local governments will slow due to a new property tax
6 revenue limit and reduced property taxes. Some reductions will be partially offset
7 by reimbursements from the state. Cities, counties, school districts, and special
8 districts collect property taxes to fund public schools and local services such as
9 road maintenance, police departments, fire protection, water and sewer
10 infrastructure, parks, and libraries. Not all local governments that collect property
11 taxes are treated the same by Proposition HH, as explained below.

12 **Property tax revenue limit.** Under Proposition HH, many local governments that
13 are not currently subject to other local revenue limits cannot collect property tax
14 revenue above the amount they collected in the prior year plus inflation. If a local
15 government would exceed this limit, it may waive the limit by annually notifying
16 the public, holding a meeting for public comment, and adopting an ordinance or
17 resolution. Otherwise, it must lower its tax rate (mill levy) for one year or refund to
18 taxpayers any property tax revenue collected above the limit. School districts and
19 home-rule jurisdictions are not subject to this limit.

20 **Reimbursements.** Under Proposition HH, the state reimburses local
21 governments for some of the revenue lost due to property tax reductions. This is
22 paid from the revenue that the state retains under the new revenue cap, and
23 other state funds, with some limitations. Reimbursements depend on available
24 funds, and may be reduced in years when state revenue collections fall below the
25 Proposition HH cap.

1 Reimbursements range from 65 percent to 100 percent of lost revenue, based on
2 the type of local government, the population of the county in which the local
3 government is located, and growth of property values in the jurisdiction. Smaller
4 counties and those with slower property value growth generally receive higher
5 reimbursement rates.

6 Most counties, cities, and special districts are initially eligible for reimbursement;
7 however, most local governments are not reimbursed if their assessed value
8 exceeds 2022 levels by 20 percent, which is expected to happen at some point
9 between 2023 and 2031 for most local governments. School districts are fully
10 reimbursed through the public school funding formula, using money retained by
11 the state.

For information on those issue committees that support or oppose the measures on the ballot at the November 7, 2023, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://www.sos.state.co.us/pubs/elections/Initiatives/ballot/contacts/2023.html>

12 **Arguments For Proposition HH**

- 13 1) With Colorado facing a historic increase in residential property values,
14 Proposition HH provides long-term property tax relief for homeowners and
15 businesses. In doing so, the measure also limits the impact on local services,
16 makes Colorado a more competitive environment for businesses, and allows
17 seniors to downsize or move without losing the benefits of their homestead
18 exemption.
- 19 2) The new property tax limit makes local taxing entities more accountable to
20 their constituents. By requiring a public process to waive the limit,
21 Proposition HH gives people a say in how much they are taxed while
22 providing flexibility for local governments to retain revenue needed to provide
23 important services.
- 24 3) By allowing the state to retain additional revenue, the measure benefits public
25 schools. The state's spending cap has limited Colorado's ability to fully fund
26 education for years. Proposition HH provides a funding source for at least ten
27 years, using money the state already collects.
- 28 4) Proposition HH benefits low- and middle-income people, many of whom are
29 renters, by providing a more equitable distribution of TABOR refunds in 2023.
30 With recent high inflation and housing costs, this puts more money in the
31 pockets of those who need it most.

32 **Arguments Against Proposition HH**

- 33 1) Proposition HH essentially increases taxes by reducing or eliminating future
34 TABOR refunds, potentially growing the state budget by up to \$2.2 billion per
35 year by 2032. The measure removes important taxpayer protections and
36 gives the state legislature the power to extend the new revenue cap forever
37 without asking voters.

- 1 2) Property tax relief should not come at the expense of TABOR refunds. While
2 the measure provides some limited property tax relief, the loss to taxpayers
3 over the long term from the reduction or elimination of TABOR refunds is
4 likely to exceed the property tax savings over time. The measure is also
5 costly for renters, who do not directly benefit from property tax relief and will
6 receive lower TABOR refunds in the future.
- 7 3) Property taxes are a local issue, best handled by local communities.
8 Proposition HH pushes state priorities and an unnecessary new revenue limit
9 onto local governments and their residents, rather than letting them find
10 solutions that work locally.
- 11 4) Proposition HH adds unnecessary complexity to an increasingly confusing
12 property tax system, with new classes of property and an additional
13 administrative burden for homeowners, seniors, county assessors, and
14 potential homebuyers. As a result, the measure makes it harder for people to
15 access their tax benefits and navigate the housing market, opening the door
16 to unintended consequences.

17 **Fiscal Impact of Proposition HH**

18 This measure decreases local government property tax revenue, creates new
19 state spending requirements, and reduces the amount refunded to taxpayers in
20 years when state revenue is over the Referendum C cap, which is then available
21 to increase state spending. These impacts are discussed below. The state
22 budget year runs from July 1 to June 30.

23 **Taxpayer impacts.** Proposition HH impacts taxpayers in two ways by changing
24 the amount of TABOR refunds and reducing the amount owed in property taxes.

25 *TABOR refund changes.* Proposition HH results in a change in how state
26 revenue is returned to taxpayers in state budget year 2023-24, then reduces the
27 amount potentially returned to taxpayers by larger amounts each year through at
28 least state budget year 2032-33, depending on how much state revenue is
29 collected over the Referendum C cap each year.

- 30 • For state budget year 2023-24, an estimated additional \$120 million will be
31 refunded to taxpayers through an existing property tax refund mechanism as
32 a result of this measure. The remaining money that would otherwise be
33 refunded through the six-tier sales tax refund mechanism is instead refunded
34 in equal amounts to qualifying taxpayers, as shown in Figure 5 and discussed
35 above.
- 36 • Beginning for state budget year 2024-25, the measure will reduce revenue
37 returned to taxpayers by an estimated \$170 million, with this reduction
38 increasing to \$360 million for the next state budget year.

39 *Property tax changes.* The measure will also reduce property taxes owed
40 compared with current law through changes in assessment rates and reductions
41 in value, and possibly through the local government revenue limit, as estimated
42 below.

- 43 • Lower assessment rates and value reductions are estimated to reduce
44 property taxes owed statewide by \$350 million in 2024, \$790 million in 2025,
45 and \$970 million in 2026. Decreases are larger in 2025 and 2026 due to

1 scheduled increases in assessment rates and the expiration of certain value
2 reductions that would occur if the measure does not pass.

- 3 • The local government revenue limit may decrease property taxes owed by an
4 additional \$280 million in 2024, \$250 million in 2025, and \$320 million in
5 2026, depending on how many local governments waive the limit.

6 **Local government impact.** After accounting for both the reduced property tax
7 collections and state reimbursements to school districts and other local tax
8 jurisdictions, Proposition HH is estimated to decrease revenue to local
9 governments statewide, on net, by at least \$100 million in 2024, \$350 million in
10 2025, and \$550 million in 2026.

11 The revenue decreases are larger in later years due to scheduled increases in
12 assessment rates and the expiration of certain property value reductions that
13 would occur if the measure does not pass, and smaller reimbursements paid to
14 local governments over time. Additionally, the local government revenue limit in
15 the measure may decrease revenue further, as noted above in the taxpayer
16 impacts section. Reduced revenue due to the limit is not reimbursed by the state.

17 The revenue impact will vary among local governments across the state, and the
18 specific impact on each city, county, school district, or special district will depend
19 on several factors including mill levies, local policy decisions, and the
20 composition of properties in each local area.

21 The measure increases local spending for county treasurers and assessors to
22 implement the property tax changes in the bill. County assessors will require
23 additional staff to administer the measure’s provisions.

24 **State transfers.** Proposition HH transfers \$128 million from the state’s General
25 Fund to a fund that will be used to reimburse local governments for lost property
26 tax revenue, and transfers \$72 million to the State Public School Fund. Further,
27 state revenue retained under the Proposition HH cap will be transferred, as
28 estimated below:

- 29 • *Funding for rental assistance.* In state budget year 2024-25, an estimated
30 \$8 million will be transferred to the Housing Development Grant Fund for
31 rental assistance programs. An estimated \$18 million will be transferred in
32 FY 2025-26. Transfers to the fund are expected to grow, but are capped at
33 \$20 million per year.
- 34 • *Education funding.* Transfers to the State Education Fund will reach an
35 estimated \$125 million in state budget year 2024-25, and \$270 million in state
36 budget year 2025-26. In future years, larger amounts are expected to be
37 transferred to the State Education Fund depending on revenue retained
38 under the Proposition HH cap.

39 **State spending.** The measure increases state spending to reimburse local
40 governments for a portion of their lost property tax revenue, replace lost property
41 tax revenue to school districts, and to pay for increased workload for the state to
42 administer the measure’s provisions, as estimated below:

- 43 • *Reimbursements to local governments.* The measure increases state
44 spending by an estimated \$160 million in state budget year 2024-25 and
45 \$70 million in state budget year 2025-26 to reimburse local governments for
46 lost property tax revenue. Reimbursements are limited to a certain amount of

1 money retained under the Proposition HH cap, as well as by eligibility
2 requirements for local governments as described above.

3 • *School district funding.* The measure will increase the state aid obligation for
4 public schools by an estimated \$120 million in state budget year 2023-24,
5 \$280 million in state budget year 2024-25, \$350 million in state budget
6 year 2025-26, and larger amounts in future years as some nonresidential
7 assessment rates decrease.

8 • *Administrative costs.* The measure will increase General Fund spending in
9 the Department of Local Affairs by an estimated \$62,426 in state budget year
10 2023-24, \$195,498 in state budget year 2024-25, and \$159,779 in state
11 budget year 2025-26 for the Division of Property Taxation to develop software
12 systems, hire additional staff, and to update procedures, forms, manuals, and
13 technical assistance to local governments.

Proposition HH
Reduce Property Taxes and Retain State Revenue
Contact List

Interested Party	Organization Name	Email Address
Berrick Abramson	Confluence Policy & Strategy Group	berrick@confluencepsg.com
Rachel Amspoker	Colorado Association of School Boards	ramspoker@casb.org
Ruth Aponte	Aponte & Busam	raponte@aponte-busam.com
Kate Bartlett	Colorado School Finance Project	kate.b@cosfp.org
Rachel Bender	Colorado Municipal League	rbender@cml.org
Josh Bogen	Michael Best Strategies	joshua.bogen@michaelbeststrategies.com
Taylor Boyer		boyerta721@gmail.com
Eileen Brittingham	Larimer County	brittie@co.larimer.co.us
David Broadwell		david.broadwell.denver@gmail.com
Douglas Bruce	not a collectivist	Taxcutter@msn.com
Kristin Burton Brown	Advance Colorado	kbb@advancecolorado.org
Natalie Castle		natalie.castle@coleg.gov
Lauren Cecil	Colorado Association of REALTORS	lcecil@coloradorealtors.com
Matt Cook	Colorado Association of School Boards	mcook@casb.org
Lauren Corboy	Colorado Children's Campaign	laurenc@coloradokids.org
Dianne Criswell	SDA	dianne@sdaco.org
Ed DeCecco		ed.dececco@coleg.gov
Lori DeCrow	State of Colorado	lori.decrow@state.co.us
Kyra deGruy Kennedy	Young Invincibles	kyra.degruy@younginvincibles.org
Timothy Derocher	Department of Early Childhood	tim.derocher@state.co.us
Kori Donaldson	University of Colorado	kori.donaldson@cu.edu kori.donaldson@yahoo.com
Bruce Eisenhauer	DOLA	bruce.eisenhauer@state.co.us
Donna Elkins		delkins0305@gmail.com
Richard Elsner	Park County	delsner@parkco.us
Keith Erffmeyer	City & County of Denver	keith.erffmeyer@denvergov.org
Cathy Eslinger		cathy.eslinger@coleg.gov catherinedeslinger@gmail.com
Auston Fearn	Aponte Busam Public Affairs	afearn@aponte-busam.com
Stephen Fenberg		steve@stevefenberg.org
Michael Fields	Advance Colorado	michael@advancecolorado.org
Gary Fisk		gfisk293@msn.com
Lisa Frizell		lfrizell@gmail.com
Robert Glenn		rbglenn@yahoo.com
Alex Goddard		Alex.Goddard@ColoradoSOS.gov
Jenna Goldstein	Governor's Office	jenna.goldstein@state.co.us
Dan Graeve	LCS	dan.graeve@coleg.gov
Karlin Gray	House Majority	karlin.gray.house@gmail.com
Jared Gregorio	Education Reform Now	jared@edreformnow.org
JonAnn Groff	Division of Property Taxation	JoAnn.Groff@state.co.us

Proposition HH
Reduce Property Taxes and Retain State Revenue
Contact List (Cont.)

Interested Party	Organization Name	Email Address
Jason Gulley		jgulley4583@gmail.com
Tom Hadden		TH3108Pines@msn.com THDec232012@aol.com
Chris Hansen		chris.hansen.senate@coleg.gov
Craig Harper		craig.harper@coleg.gov
Alicia Haywood		alicia.haywood@state.co.us
Sara Heald		sheald@msn.com
Nick Hinrichsen		nick.hinrichsen.senate@coleg.gov
Courtney Hunt	Denver Country Club	chunt@denvercc.net
Megan Ives	Colorado Children's Campaign	megan@coloradokids.org
Russell Johnson	Colorado Department of Law	russell.johnson@coag.gov
Chris Kennedy		chris.kennedy.house@coleg.gov
Barb Kirkmeyer	State Senator	senkirkmeyer@gmail.com
Riley Kitts	Colorado Children's Campaign	riley@coloradokids.org
Jane Ko	University of Colorado - System Office	jane.ko@cu.edu
David Kopel	Independence Institute	david@i2i.org
Elizabeth Lo	Husch Blackwell Strategies	elizabethl@hbstrategies.us
Joshua Mantell	The Bell Policy Center	mantell@bellpolicy.org
Melissa Mares	Colorado Children's Campaign	melissa@coloradokids.org
Gary Marner	Home Owner	garymarner@gmail.com
Zach Martinez	Gary Advocacy	zmartinez@garycommunity.org
Chad Marturano	University of Colorado	chad.marturano@cu.edu
Rich Mauro	DRCOG	rmauro@drcog.org
Joseph McGrath	Colorado Department of Local Affairs	joe.mcgrath@state.co.us
N. Menten	Self	coloradoengaged@gmail.com
Bret Miles	Colorado Association of School Executives	bmiles@co-case.org
Kim Monson	Self	kmonsoninco@outlook.com
Meredith Moon	Metro Denver Economic Development	meredith.moon@metrodenver.org
Nellie Moran	Colorado State Senate	nellie.moran.senate@gmail.com
Ben Murrey	Independence Institute	ben@i2i.org
Maud Naroll	League of Women Voters	action@lwvcolorado.org
Pete Naseth	N/A	threepete@comcast.net
Hunter Nelson	Colorado Children's Campaign	hunter@coloradokids.org
Samantha Nuechterlein	The Capstone Group	samantha@capstonegrouppllc.com
Emily Ochoa	Spring Institute for Intercultural Learning	eochoa@springinstitute.org
Emily Parker	University of Colorado	emily.parker@cu.edu
Noah Patterson	Department of Law	noah.patterson@coag.gov
Karl Paulson	CDPHE	karl.paulson@state.co.us
Catherine Perrone	League of Women Voters	lwvcovote411@gmail.com
Penn Pfiffner	TABOR Foundation	constecon@hotmail.com
Donald Pierce		dlpierce63@gmail.com

Proposition HH
Reduce Property Taxes and Retain State Revenue
Contact List (Cont.)

Interested Party	Organization Name	Email Address
Gini Pingnot		gpingnot@ccionline.org
Edward Ramey	Tierney Lawrence Stiles LLC	eramey@TLS.legal
Sheila Reiner	CCTPTA	sheila.reiner@mesacounty.us
Brian Rossbert	Housing Colorado	brian@housingcolorado.org
Julia Scanlan	Aponte & Busam Public Affairs	jscanlan@aponte-busam.com
Laura Schroetlin	Phillips County	laura.schroetlin@phillipscounty.co
Amelia Schubert-Zhang		aschubertzhang@gmail.com
Skyler Schuck	GovOffice - OSPB	skyler.schuck@state.co.us
Sophie Shea	Colorado Fiscal Institute	shea@coloradofiscal.org
Robert Sheesley	Colorado Municipal League	rsheesley@cml.org
Emily Sirota		emily.sirota.house@coleg.gov
Briaa Smith	DOR	bretana1226@gmail.com
Mike Smith	Jefferson County	mpsmith@jeffco.us
Henry Sobanet		Henry.Sobanet@colostate.edu
Krista Spurgin	Stand for Children Colorado	kspurgin@stand.org
Heather Stauffer	Colorado Municipal League	hstauffer@cml.org
Robert Stegmueller	AD12	ste021235@adams12.org
Mollie Steinemann		msteinemann@cml.org
Danielle Sterle		danielle.sterle@mesacounty.us
Ellen Stern	Children's Hospital Colorado	ellen.stern@childrenscolorado.org
Paul Stevens		pstevens6299@gmail.com
Brian Tanner	Colorado Association of REALTORS	btanner@coloradorealtors.com
Jaclyn Terwey	Colorado Municipal League	jterwey@cml.org
Mikayla Unruh	Colorado Association of School Boards	munruh@casb.org
Michael Valdez	Special District Association of Colorado	michael@sdaco.org
Salih Varoglu		turk2007@msn.com
Anne Wallace		anne.wallace@denvergov.org
Jennifer Waller	Colorado Bankers	jenifer@coloradobankers.org
Kate Watkins	Bright Fox Analytics	kate@brightfoxanalytics.com
Mike Weissman		mike.weissman.house@coleg.gov
Tony Werckman	DOLA - DPT	tony.werckman@state.co.us
Curtis Woitte	Denver art museum	cwoitte@denverartmuseum.org
Jubal Yennie	Colorado Association of School Boards	jyennie@casb.org
Jesse Zamora	Colorado Association of REALTORS	jzamora@coloradorealtors.com
Alasyn Zimmerman	KOAA-TV	alasyn.zimmerman@koaa.com

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Proposition HH
Reduce Property Taxes and Retain State Revenue

Ballot Question: 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?