

RESOLUTION NO. 10-2020

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF IGNACIO, COLORADO SUPPORTING REPEAL OF THE GALLAGHER AMENDMENT (AMENDMENT B) IN THE NOVEMBER 3, 2020, GENERAL ELECTION

WHEREAS, the Gallagher Amendment in the Colorado Constitution mandates that property taxes assessed on personal residences can only make up 45% of the total property taxes the state collects, with business property taxes making up the remaining 55%; and

WHEREAS, the Colorado tax code calls for a calculation called the Residential Assessment Rate (RAR) in order to keep this 45/55 ratio between residential and nonresidential property taxes. When the Gallagher Amendment was passed, the residential property taxes were calculated at 21% of the assessed value and nonresidential was 29% of the assessed value; and

WHEREAS, the residential assessment rate has dropped from 21% in 1982 to 7.15% in 2020, while the nonresidential rate has stayed at 29%. The nonresidential assessment rate impacts business property owners, farmers, ranchers, and landowners; and

WHEREAS, the residential assessment rate is projected to continue to fall due to the relative growth of residential versus nonresidential property values; and

WHEREAS, every time the residential assessment rate drops, the state must backfill the loss in local revenue for schools, road, fire protection, libraries, police and other local services. The continual drop in the residential assessment rate creates significant pressure on the General Fund and other areas of the state budget; and

WHEREAS, analysts are forecasting additional shortfalls in FY 2021-22 and FY2022-23 due to the prolonged loss of revenue to the state during the health emergency and lag in collection of sales and income taxes; and

WHEREAS, the next assessment cycle is 2021-22 with 2021 as the reassessment year, with the cutoff date for that cycle being June 30, 2020; and

WHEREAS, the Division of Property Taxation estimates a 33% drop in value for oil and gas and a 20% drop in commercial, while estimating that residential will go up 10% in value; and

WHEREAS, repealing the Gallagher Amendment will prevent a loss in needed funding to help schools and local governments maintain essential services for the community.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF IGNACIO, COLORADO, THAT:

The Town of Ignacio Board of Trustees declares its support for Repealing the Gallagher Amendment for the purpose of maintaining funding for public services in the State of Colorado.


ADOPTED THIS TWELFTH DAY OF OCTOBER, 2020.

TOWN OF IGNACIO, COLORADO



Stella Cox, Mayor

Attest:



Tuggy Dunton, Town Clerk