

B

Repeal Gallagher Amendment

For information on those issue committees that support or oppose the measures on the ballot at the November 3, 2020, 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/InitiativesHome.html>

Arguments For Amendment B

- 1) The Gallagher Amendment is outdated and full of unintended consequences. If the Gallagher Amendment is not repealed, owners of high-end homes in Denver's wealthiest neighborhoods would get a tax cut next year, while small businesses and farmers would pay a larger share of property taxes. The Gallagher Amendment causes small businesses to be taxed at a rate four times higher than residential property owners, and penalizes rural and low-income communities that lack a significant commercial tax base.
- 2) Colorado has some of the lowest residential property taxes in the nation, and Amendment B fixes property tax assessment rates at their current levels. Amendment B is not a tax increase. Under Amendment B, the property tax rates homeowners and businesses pay could only be increased by a vote of the people.
- 3) Amendment B will prevent deep cuts to schools, hospitals, fire protection, and other local services in many areas of the state. Declines in the residential assessment rate caused by the Gallagher Amendment have resulted in significant reductions in vital services provided by local governments, particularly in rural and low-income communities. Amendment B allows local governments to continue providing services that their communities expect.

Arguments Against Amendment B

- 1) Amendment B results in higher property taxes for homeowners by preventing future drops in the residential assessment rate. Increasing home values have already resulted in higher property taxes for many homeowners. Higher taxes mean that homeowners will have less money to spend or save, and landlords may increase rents, at a time when many are already struggling to make ends meet.
- 2) The current property tax system keeps residential property taxes low, and prevents special interests from obtaining tax breaks at the expense of homeowners. Amendment B removes an important protection for homeowners from the constitution. Without these protections, homeowners may end up paying an increasing share of property taxes.
- 3) There are better alternatives to amending the constitution. Local governments can instead ask their voters to raise tax rates or seek other solutions to provide services such as fire protection, schools, and libraries. These alternatives would allow voters in each local jurisdiction to decide for themselves how to best fund services for their community.