

# Local elected officials have the power to provide property tax relief

Coloradans badly need property tax relief. And it must come from our local elected officials who have the power and means to reduce our taxes.

We don't just need the rate of increase to ease, or even to stop; we need a full reversal, a reduction in single-family home and multi-family home property taxes.

For more than a decade, property taxes have increased unabated, driven by tax increases, new districts and mostly by the rising value of homes. Now homeowners are feeling the pinch — property tax increases that have outstripped even America's brutal inflation rate this past decade.

Property taxes in Colorado primarily fund schools, counties, cities, water, fire protection, and debt from developer spending.

How much a property owner pays is based on a complex formula that considers three things: the local tax rates (known as mill levies), the state-wide assessment rate and the assessed value of the property.

While mill levies have increased and the state has tinkered up and down with the rate, it is property assessed-value increases that have hit homeowners the hardest.

For an average-priced home purchased for \$500,000 in the City and County of Denver, property taxes have increased from \$1,800 in 2020 to \$4,400 in 2026. Taxpayers did approve a mill levy override for Denver Public Schools in 2020, but since then, they have not approved a single measure that would increase mill levies — the increase has been driven entirely by the unrealized gains of property values. Denver has one of the lowest mill levy tax rates in the Front Range. The impact of housing valuation increases will be felt more in counties with higher tax rates or on homes that also pay metro district taxes.

Property tax relief could come to Coloradans in several forms in the coming years.

Starting in 2027, taxpayers will receive some relief with the imposition of a tax break already approved by state lawmakers. Homeowners will see a graduated 10% decrease in their assessed value up to \$700,000 in value. These tax cuts approved by the Colorado legislature will help tremendously.

Also, Colorado seniors can finally keep their homestead tax exemption if they move homes, something that prevented many older Coloradans from downsizing and punished retirees who had to move because of a disability.

Additionally, Colorado lawmakers imposed a cap on property tax revenue increases for governments — 6% for school districts in a single year, and 5.25% for local governments and special districts.

Until property values finally begin to decline in Colorado to reasonable and affordable levels, local jurisdictions must serve their taxpayers by doing more. Nothing prohibits a city, county, school district or metro district from reducing the mill levy even beyond the 6% cap. These governments must recognize that their revenue has grown unsustainably over the past decade and take measures to provide relief.

Localized property tax reductions are also the only way forward because not every municipality or metro district has seen the crushing weight of property inflation. Governments can look at their revenue gains over the past decade, look hard at their expenditures and reserves and consider offering temporary mill levy reductions until home values decrease.

A 6% growth in revenue for a city, county or school district is not troubling in any one single year, but 6% growth on top of the already mounting valuations will have dire results for many Coloradans.

We all must reach out to our local elected officials or the developers of our subdivisions and tell them how property taxes are impacting our budgets. Developers can refinance or recast debt, new projects can be delayed, and school districts can hold off on asking for renewals of bond debt, freeing up mill levies in this dire economic time.

Colorado voters willingly gave up protections from property tax inflation in 2020 when we agreed that the Gallagher Amendment was hurting our local businesses. Now, our local elected officials and developers must return the favor and protect homeowners from this financial crush.