

Does SB24-233 Provide Taxpayer Relief and Predictability?

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In the last few days of session, [SB24-233](#), a measure to address Colorado's property taxes, was introduced. In the last few hours of session, the key question is: Will Coloradans pay more or less in property taxes?

Bottom Line: Under SB24-233, Coloradans will still see an increase in property taxes from what is being paid today. Next year, Colorado homeowners will pay the same elevated amounts from the spike in 2023. In 2025, the same year as the next reassessment period, property tax rates will increase, setting Coloradans up for another increase in their property tax bills.

Crucially, any assessment of this bill should refer to what Coloradans currently pay in property taxes, not what they would pay if the actions from prior sessions were to sunset. SB24-233 comes at a time when the average Colorado household is spending \$1,230 more per month due to inflation compared to what was spent in 2020.

As shown in tables below:

- **There is no relief for taxpayers. Coloradans will not have property tax relief from recent spikes.** As reported by [CSI](#), residential property assessment values increased over 27% in 2023. Under SB24-233, Coloradans are locked into these recent elevated property tax payments, resulting in no tax relief for this year or next.
- **Property taxes will continue to increase. Tax rates increase from what Coloradans are paying today under SB24-233.** Even if the value of a home does not increase in 2025, property tax bills will still increase given the growth in underlying rates. For a household with a home valued at \$400,000 in 2022, that just saw a spike in their tax bill this year, their effective property tax rate is set to increase from 5.14% under current rates, to 5.71% by 2026. Therefore, even if the value of their home does not change in 2025, they will see an 11%, or \$318 increase in their bill. A \$700,000 home would face a \$403, or 8% increase through 2026. This is driven by an increase in the assessment rate from 6.7% today, to a combination of a 7.15% assessment rate for school districts and a 6.95% assessment rate for all other property tax districts.
- **This is not a long-term fix. True property tax reform should provide more predictability to homeowners.** The proposed 5.5% cap has true limitations. If the state sees another spike in home values, then Colorado is right back at the same place it was several years ago. The re-imposition of the 5.5% district revenue limit includes several carve outs including school districts (which represent over 50% of the tax base) home rule governments, and multiple other revenue sources including oil and gas operations and new construction.

Figure 1

Effective Property Tax Rate - \$400,000 Home in 2022 with 40% Value increase in 2023					
	2022	2023	2024	2025	2026
Tax Under SB24-233	0.591%	0.514%	0.514%	0.577%	0.571%
Tax Under Current 2023 Rates	0.591%	0.514%	0.514%	0.514%	0.514%
Tax if Special Session Relief Sunsets	0.591%	0.514%	0.600%	0.608%	0.608%

Figure 2

Property Tax Scenarios by Tax Year					
Assume No Growth in Next Assessment Period					
	2022	2023	2024	2025	2026
Home Value	\$700,000	\$980,000	\$980,000	\$980,000	\$980,000
Home Value Growth Rate		40%	0%	0%	0%
Tax Under SB24-233	\$4,137	\$5,270	\$5,270	\$5,652	\$5,673
Tax Under Current 2023 Rates	\$4,137	\$5,270	\$5,270	\$5,270	\$5,270
Tax if Special Session Relief Sunsets	\$4,137	\$5,270	\$5,884	\$5,958	\$5,958
	2022	2023	2024	2025	2026
Home Value	\$400,000	\$560,000	\$560,000	\$560,000	\$560,000
Home Value Growth Rate		40%	0%	0%	0%
Tax Under SB24-233	\$2,364	\$2,877	\$2,877	\$3,229	\$3,196
Tax Under Current 2023 Rates	\$2,364	\$2,877	\$2,877	\$2,877	\$2,877
Tax if Special Session Relief Sunsets	\$2,364	\$2,877	\$3,362	\$3,405	\$3,405
Assume 20% Growth in Next Assessment Period					
	2022	2023	2024	2025	2026
Home Value	\$700,000	\$980,000	\$980,000	\$1,176,000	\$1,176,000
Home Value Growth Rate		40%	0%	20%	0%
Tax Under SB24-233	\$4,137	\$5,270	\$5,270	\$6,782	\$6,849
Tax Under Current 2023 Rates	\$4,137	\$5,270	\$5,270	\$6,387	\$6,387
Tax if Special Session Relief Sunsets	\$4,137	\$5,270	\$5,884	\$7,150	\$7,150
	2022	2023	2024	2025	2026
Home Value	\$400,000	\$560,000	\$560,000	\$672,000	\$672,000
Home Value Growth Rate		40%	0%	20%	0%
Tax Under SB24-233	\$2,364	\$2,877	\$2,877	\$3,875	\$3,835

Tax Under Current 2023 Rates	\$2,364	\$2,877	\$2,877	\$3,515	\$3,515
Tax if Special Session Relief Sunsets	\$2,364	\$2,877	\$3,362	\$4,086	\$4,086

Figure 3

Homeowner Occupied Residential Property Tax Assessment Rate and Exemptions (as amended 5/7)						
Assessment Rates						
		2022	2023	2024	2025	2026
Tax Under SB24-233	School	6.95%	6.70%	6.70%	7.15%	7.15%
	Non-School	6.95%	6.70%	6.70%	6.40%	6.95%
Tax Under Current 2023 Rates	All Tax Districts	6.95%	6.70%	6.70%	6.70%	6.70%
Tax if Special Session Relief Sunsets	All Tax Districts	6.95%	6.70%	7.06%	7.15%	7.15%
Property Value Exemptions						
		2022	2023	2024	2025	2026
Tax Under SB24-233	School	\$0	\$55,000	\$55,000	\$0	10% of Value up to \$70,000
	Non-School	\$0	\$55,000	\$55,000	\$0	
Tax Under Current 2023 Rates	All Tax Districts	\$0	\$55,000	\$55,000	\$55,000	\$55,000
Tax if Special Session Relief Sunsets	All Tax Districts	\$0	\$55,000	\$0	\$0	\$0