

RESOLUTION OF THE BOARD OF DIRECTORS OF THE Eagle Bend Metropolitan DISTRICT  
IN SUPPORT OF THE REPEAL OF THE GALLAGHER AMENDMENT

WHEREAS, Senate Concurrent Resolution (SCR)20-001 submits a question to voters in November 2020, repealing several constitutional provisions regarding property taxes, commonly referred to as the Gallagher Amendment. Specifically, it repeals the 29 percent assessment rate in the Constitution for most nonresidential property, the calculation of the target percentage, and the requirement that the General Assembly adjust the residential assessment rate to maintain the target percentage; and

WHEREAS, When the Gallagher Amendment was passed by the voters in 1982, the residential assessment rate (RAR) for residential property was 21 percent, and for nonresidential property was 29 percent; and

WHEREAS, the initial intent of the amendment was for the RAR for residential property to be adjusted periodically, up or down, as the statewide valuation of residential property increased or decreased in relation to nonresidential property; and

WHEREAS, the TABOR Amendment, adopted by voters in 1992, included language that prohibited the adjustment of the RAR upward without a vote of the electors, and the RAR has been steadily adjusted downward until it is now at 7.15 percent; and

WHEREAS, the downward adjustment of the RAR causes a reduction in the tax base for special districts, school districts, counties and municipalities, forcing either a reduction in budgets, or costly mill levy elections; and

WHEREAS, the adjustments in the RAR are statewide, causing wide disparities across geographic areas; and

WHEREAS, as local governments adjust their mill levies upward to compensate for the lowering of the RAR, the higher mill levies apply to nonresidential properties, resulting in a shifting to tax burden to business and agricultural properties; and

WHEREAS, without relief, the RAR will continue to ratchet down, wreaking havoc with the budgets of some 2,500 special districts, 64 counties, school districts and cities.

NOW THEREFORE, be it resolved that the Board of Directors of the Eagle Bend Metropolitan district, in meeting duly held this 1st day of October, 2020, Resolves to support the repeal of the Gallagher Amendment as it is on the statewide ballot on November 3, 2020, and urges voters to support this repeal measure.

Adopted this 1st day of October, 2020:

Signed: Larry Moore, Board Chairman Larry Moore

Attest: Ed Malone

Ed Malone