

# YES ON AMENDMENT B FOR COLORADO

A bipartisan plan to protect small businesses from higher property taxes and to save schools, first responders, and rural communities from deeper budget cuts — **WITHOUT increasing the property tax rate for homeowners.**



## B FOR LOCAL BUSINESSES

Prevents a further shift of the property-tax burden to our local businesses as they grapple with the impacts of the pandemic and recession.



## B FOR HOMETOWN HEROES

Removes the 1982 Gallagher Amendment, which squeezes budgets for fire districts and first responders, from our state constitution.



## B FOR OUR SCHOOLS

Spares local school districts and the state from making deeper cuts to our K-12 schools as we weather the current economic storm.



## B FOR FAIRNESS

Eliminates an outdated formula that for too long has punished rural and low-income communities across Colorado.



## B FOR BALANCE

Protects businesses and local services by freezing residential rate, which is currently third-lowest in the nation.

## WHY SHOULD YOU VOTE YES ON AMENDMENT B?



### IT FREEZES PROPERTY TAX RATES FOR HOMEOWNERS

The only way they can increase is by a vote of the people.



### IT'S BI-PARTISAN

It was sent to voters with support from 3/4 of the state Legislature — Republicans and Democrats.



### IT UNCLUTTERS THE CONSTITUTION

Strips fiscal policy with unintended consequences from the state constitution.

## AMENDMENT B WILL REPEAL THE NEARLY 40-YEAR-OLD GALLAGHER AMENDMENT

Gallagher is a reckless policy that has trapped rural and low-income communities across Colorado in a downward spiral of higher business taxes and declining local services.

Gallagher is damaging our economic recovery and undermining our competitiveness by placing an enormous tax burden on small business, agriculture, and industry of all types.

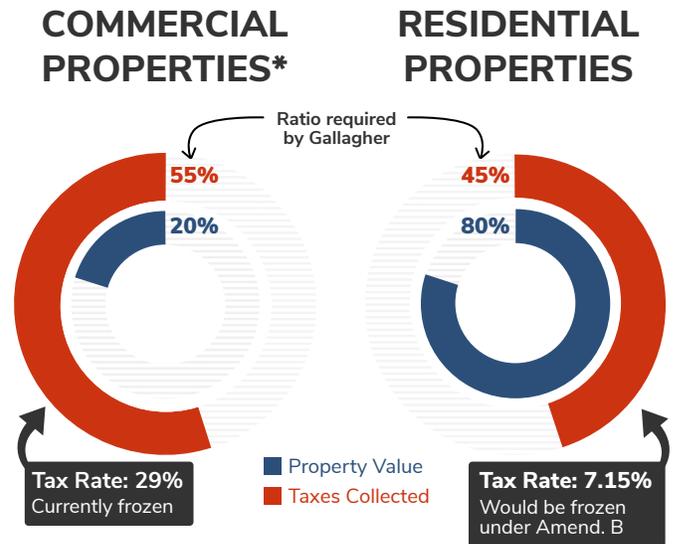
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# WHAT IS THE GALLAGHER AMENDMENT?

Passed in 1982, this constitutional amendment requires a 45/55 statewide ratio between residential and non-residential (including business, commercial, agricultural and industrial) property tax collections, respectively.

When the Gallagher Amendment was first adopted, residential properties were valued at \$35 billion, or 53% of all the value in the state. In 2019, Colorado's residential properties had a total market value of \$874 billion, or nearly 80% of the property value in the state. That means local businesses, commercial properties, and farmers are paying 55% of the property taxes when they have just 20% of the state's property value.

**Put simply: Gallagher is out-of-date and out-of-balance.**



\* Farms, Small Businesses, Commercial, Industrial

## GALLAGHER HAS CAUSED UNINTENDED CONSEQUENCES FOR:

### SMALL BUSINESSES

The business property tax rate is 4x higher than residential, and that figure is projected to be 5x next year if we don't repeal Gallagher. Skyrocketing property taxes can be the final straw for many local businesses struggling given the pandemic and recession.

### FIRST RESPONDERS

Gallagher squeezes budgets for public services — particularly in communities without large commercial property-tax bases — like firefighters, first responders and frontline health providers.

### OUR SCHOOLS

Already faced with making \$1 billion in budget cuts next year, Gallagher would require the state to come up with an additional \$250 million for schools — meaning deeper cuts to other areas of the budget like higher education and transportation.

### OUR COMMUNITIES

The Gallagher formula penalizes rural and lower-income communities which have a smaller business and commercial tax base to pay for essential services. There are not enough local tax dollars to pay for their necessary and emergency services.

## QUICK FACTS

Repealing Gallagher will NOT increase the tax rate for property owners — rates will be frozen at the existing 7.15% (down from 21% in 1982) and at 29% for commercial.

The effort to repeal Gallagher is supported by nearly 75% of the state legislature - Republicans and Democrats.

Property taxes are the primary way to fund local services (schools, emergency services, etc.) and every year Gallagher's out-of-date ratio squeezes their budgets more while placing additional tax burden on small, local businesses.

**FOR THE MOST UPDATED LIST OF ENDORSERS, GO TO [YESONAMENDMENTB.COM/ENDORSEMENTS](https://yesonamendmentb.com/endorsements)**



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