

**RESOLUTION No. 42
SERIES OF 2020**

**RESOLUTION SUPPORTING TOWN OF VAIL BALLOT ISSUE 2G REGARDING
GALLAGHER STABILIZATION**

WHEREAS, the Gallagher Amendment was referred to Colorado voters by the Colorado General Assembly in 1982 in response to concerns about rising residential property taxes as a result of the state's rapid population growth in the 1970's;

WHEREAS, in 1982, residential property in Colorado constituted approximately 45% of total property value in the state, with other classes of property such as commercial property, agriculture land, vacant land, industrial property and public utilities making up the other 55%;

WHEREAS, the Gallagher Amendment proposed to freeze the ratio of the total value of residential property (45%) to the total value of non-residential property (55%) in perpetuity;

WHEREAS, since 1982, the growth of residential property values has outpaced the growth of the value of non-residential property in the state, to the point residential property currently makes up 90% of the total assessed value of all property in Vail;

WHEREAS, given the Gallagher Amendment requires residential property constitute 45% of total statewide valuation, the Colorado General Assembly has been required to reduce the property tax "assessment rate" on residential property from 21% in 1982 to 7.15% in 2020;

WHEREAS, it is expected continued residential growth in the State of Colorado will force the Colorado General Assembly to further reduce the residential assessment rate from 7.15% to approximately 5.88% in 2021;

WHEREAS, the Gallagher Amendment's continued erosion of the residential property tax assessment rate has resulted in an almost 300% increase in the shift of the property tax burden from homeowners to business owners;

WHEREAS, the Gallagher Amendment has eroded the property tax base which funds all local public services;

WHEREAS, the reduction in in the assessment rate from 7.15% to approximately 5.88% is expected to result in a revenue loss to the Town of Vail in the amount of approximately \$1,400,000 in 2022;

WHEREAS, if the Gallagher Amendment Repeal Measure passes, Senate Bill 20-223 of the Colorado General Assembly will take effect freezing property tax assessment rates at the current rates (7.15% for residential property and 29% for non-residential property);

WHEREAS, the Vail Town Council has placed Ballot Issue 2G on the ballot in the November 3, 2020, Eagle County, Colorado General Mail Ballot Election, which would authorize, but not require, the Vail Town Council to adjust Vail's mill levy rate for the sole purpose of maintaining revenues that may otherwise result from the Gallagher Amendment or other state imposed reductions in the ratio of assessed property tax valuations in order to avoid the continued erosion of funding of Town of Vail services;

WHEREAS, the Colorado Fair Campaign Practices Act authorizes local governments to

adopt resolutions in support of or opposition to ballot issues, and it is the desire of Vail Town Council to express its overwhelming and strongest possible support of the Gallagher Amendment Repeal Measure, Town of Vail Ballot Issue 2G and

WHEREAS, the Colorado Fair Campaign Practices Act also authorizes local governments to distribute in normal fashion an adopted resolution regarding any ballot issue of importance to that local government.

NOW THEREFORE, BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF VAIL, COLORADO:

Section 1. Recitals Incorporated. The above and foregoing recitals are incorporated by reference and adopted as findings and determinations of the Town Council.

Section 2. Ballot Issue 2G. The Vail Town Council affirmatively supports the Town of Vail ballot question regarding Gallagher stabilization and urges qualified electors to vote YES on Ballot Issue 2G.

INTRODUCED, PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Vail held this 6th day of October 2020.

TOWN OF VAIL

ATTEST

Dave Chapin, Mayor

Tammy Nagel, Town Clerk