



Proposition HH One-Pager

➤ *For more detailed information, please consult the fiscal note to SB23-303 or the Legislative Council “blue book” that was mailed to voters in September.*

Overview

On the ballot this November, Proposition HH would provide limited property tax reductions for homeowners, taxpayers would forgo a portion of future TABOR refunds, and K-12 education funding would grow whenever state revenues increase. An economic downturn would change these projections.

School Impact

Proposition HH allows the state to retain money that otherwise would be refunded by TABOR. With these additional retained revenues, the State would allocate money to the State Education Fund for K-12 education. This funding is expected to grow over time with estimates as high as \$2,246 in additional per-pupil funding by 2032.¹²

The measure would have negligible direct impact on district revenues in the short-term but is projected to increase education funding over the next 10 years. While the proposed reduction in property tax revenues also reduces the “local share” of school funding, HH increases the state share to compensate local school districts for the loss in revenue.

Non-Education Elements of Proposition HH

Assessment Rates/Taxable Values. Proposition HH would decrease assessment rates and taxable values for residential and nonresidential property owners. For an “average” homeowner, using the statewide average of 69 mills: taxes on a \$500,000 home will decrease by an average of \$221/year for the 2023 tax year. This reduction in property taxes is not absolute but rather reduces by about half an increase that will occur.

TABOR Limit. Proposition HH allows the state to retain money that otherwise would be refunded by TABOR for ten years, and the legislature can extend that by legislation, without another ballot vote. TABOR’s revenue limit is inflation plus population growth, and Prop HH adds an additional 1.0 percent to the calculation. Assuming continued growth, the state would collect an additional estimated \$2.2 billion not subject to

¹ Bell Policy Center

² Common Sense Institute

TABOR by FY 2031-32. With these additional retained revenues, the State will backfill local governments, allocate funding for rental assistance, and allocate money to the State Education Fund for K-12 education.

TABOR Refunds. For 2023, if Prop HH passes all TABOR refunds will be equalized at \$820. Beyond 2023 TABOR refunds will decrease if the state's TABOR revenue limit increases.

Local Government Revenue Cap. Proposition HH creates a property tax revenue cap for local governments, excluding home-rule cities and counties and all school districts. Districts can take action to exceed the cap.

Additional Resources. [Denver Gazette/9News HH Debate](#) featuring Governor Polis, Arthur Laffer, Representative Rose Pugliese, and Michael Fields. [Colorado Sun Proposition HH Explainer](#).