

POLITICS > DENVER POLITICS

Colorado could raise property tax rates for short-term rentals like Airbnb

Change could cause an increase from the 7.2 percent of value taxed for residential to 29 percent for commercial



Helen H. Richardson, The Denver Post

Home owner John Krauklis is pictured inside the newly renovated living room of his VRBO in Capitol Hill on February 29, 2016 in Denver, Colorado. He operates this house as a short term vacation rental throughout the year.

By **ANNA STAVER** | astaver@denverpost.com | The Denver Post
September 17, 2018 at 6:00 am

As elected officials across Colorado struggle to avoid steep budget cuts to rural fire stations, libraries and other public services, one group is looking to short-term rentals such as Airbnbs for a possible solution.

Right now, those properties are valued and taxed as homes. But a draft bill awaiting approval from the Alternatives to the Gallagher Amendment Interim Study Committee would make owners pay commercial property tax rates for every short-term rental, which is defined as a property that's available for rent for periods shorter than 30 days.

"We have people who don't live in the area who own 10 or 15 condos," said Beverly Breakstone, the assessor in Summit County, which is home to Breckenridge and other resort communities. "We're thinking from the fairness point of view."

Assessment rates are basically what portion of your property's value can be taxed. A state constitutional amendment called Gallagher sets those rates, and in 2018 it was 7.2 percent for residential and 29 percent for commercial.

If the owner lives in part of the house, it would be taxed like a bed and breakfast, where the private parts of the home are assessed at the residential property tax rate. If the owner doesn't live in the house, the whole house would be taxed like a commercial property.

The change would create more commercial property in the state, which means it would change how Gallagher is calculated and potentially reverse the trend of falling property taxes across rural Colorado.

In Summit County, where about one in five homes is used as a short-term rental, Legislative Council Staff estimated this could raise the amount of assessed value in the county by 63 percent. In Mineral County, the increase could be as high as 51 percent.

That's a lot of extra potential dollars for counties staring down the barrel of a constitutional trigger that's expected to cut residential property taxes by 15 percent in 2019.

"Here it makes a difference on whether the fire department is funded," Mineral County Assessor Libby Lamb said.

Mineral County is in a sparsely populated part of southern Colorado. Nearly all of the county's land is public and most of its private property is residential — making it a poster child for the challenge created by Gallagher.

The amendment states that no matter what happens to home values across Colorado, homeowners can't pay more than 45 percent of the state's total property tax bill. When the amendment passed, counties taxed homeowners on 21 percent of their home's assessed value. Then home prices soared along the Front Range, and the state continually lowered the rate paid by homeowners to keep that 45-55 split.

Denver homeowners kept paying more in property taxes despite the lower rate, but rural Coloradans started to pay less because their homes' values weren't rising as fast.

And that's the problem.

Rural communities across the state have seen the money they get to pay for firefighters, police and even the county clerk's office wither as the assessment rate ratcheted down every two years. That has forced a variety of cost-cutting measures in small counties such as Las Animas, which shaved two days off its employees' work week in January 2017.

"How to address the Gallagher problem is the most serious problem we have to address after the drought we're experiencing in western Colorado and the wildfires," Ouray County Commissioner Ben Tisdell told the interim committee earlier this month.

The short-term rental draft bill is one of eight proposed changes to Gallagher under review by the interim committee. One bill would repeal Gallagher altogether and another would divide the state into regions to stop home prices in Denver from lowering assessment rates in Trinidad.

Those two proposals are assessors Breakstone's and Lamb's preferred solutions to Gallagher because they're straightforward to implement.

Although Breakstone thinks it would be more fair for rental owners to pay the commercial rate, she's concerned about how to police the taxes of owners who occupy their property for part of the year or part of their property year-round.

That's Lamb's concern, too: "I'm a one-person office. I can't go out and investigate this."

A straight repeal is also the preference of state Sen. Jack Tate, R-Centennial, who sits on the interim committee.

"It's a bill I'll be carrying for sure," Tate said.

He's not so sure about the short-term rental question. He sees it as a big tax increase that wouldn't solve the overall problem.

If any of the bills gets voted out of the interim committee on Oct. 3, they would likely be legislative referrals that go to the people for a vote. Even the short-term rental bill could require the state to ask voters whether counties could keep those extra dollars. Tate realizes that could be a tough sell to his constituents.

"There's a perception that there's not a problem statewide because on the Front Range it's not a problem," Tate said. "You judge things by what's near you."

Rep. Daneya Esgar, D-Pueblo, who chairs the interim committee, thinks it's possible to repeal Gallagher if rural communities share their stories, but she is also open to the idea of statutory changes like reclassifying short-term rentals.

"You have some homes where people are never living in it," Esgar said. "Where it gets wonky and tricky is how do you divide up the homes people live in without being unfair."

She plans to wait and see whether the bill gets changed at the next committee meeting before deciding whether she'll support it.

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JACK TATE, MONEY, SHORT-TERM RENTALS, TAX, TAXES, TRINIDAD, WILDFIRES

Anna Staver

Anna Staver covers politics and breaking news for The Denver Post. She's spent her career writing in statehouses, courthouses and even a few fair board meetings. She and her husband fell in love with the West a decade ago and have called Oregon, Idaho and Nevada home.

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By Nature Made



Ever find that you have a hard time falling asleep, or sleep only fitfully waking every

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Sherri Baca <sherri.baca@pueblolibrary.org>

Tax Increment Financing

Magoon, Tammy <Magoon@pueblocounty.us>
 To: Sherri Baca <sherri.baca@pueblolibrary.org>
 Cc: "Mascarenas, Pat" <Mascaren@pueblocounty.us>

Mon, Sep 17, 2018 at 2:19 PM

The totals are broken down to areas as shown below, this comes from the county warrant. The calculations for the break down for just the Library portion are not exact but close, I had to do some hand calculating for those. These are totals for 2017 payable in 2018.

	Total	Library
NORTH PUEBLO	\$ 252,155.91	\$ 14,686.00
DOWNTOWN	640,682.72	37,315.00
LAKE MINNEQUA	602,184.48	35,073.00
THUNDER VILLAGE	5,644.73	329.00
ST CHARLES IND PARK	2,839,624.79	165,387.00
EASTSIDE	424.95	25.00
LOWER WEST SIDE	5,823.09	339.00
TOTAL	\$4,346,540.67	\$253,154.00

Tammy Magoon

Revenue Specialist

Pueblo County Treasurer's Office

215 W. 10th St. Rm. 110

Pueblo CO 81003

719-583-6690

magoon@pueblocounty.us

From: Sherri Baca [mailto:sherri.baca@pueblolibrary.org]
Sent: Monday, September 17, 2018 11:15 AM
To: Magoon, Tammy <Magoon@pueblocounty.us>
Cc: Mascarenas, Pat <Mascaren@pueblocounty.us>



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Phone: 303-463-6400 • Fax: 303-458-0002
www.cal-webs.org Email: cal@cal-webs.org

Representative Daneya Esgar
Colorado State Capitol
200 E. Colfax
Denver, CO 80203

August 22, 2018

Dear Representative Esgar,

As the President of the Colorado Association of Libraries (CAL), I write to you on behalf of Colorado libraries that receive funds through property tax. The impact of the Gallagher Amendment on Colorado's public libraries – those formed as a district and those serving counties, publicly funded school libraries, and some academic libraries is significant.

As you heard from Jon Walker, Doreen Martinez, and Sherri Baca from the Pueblo City and County Library District on July 12, 2018, they expect to see a total loss of \$1,090,513 in revenue between this year and 2020's anticipated reduction of property tax funds due to the impact of Gallagher. Those not currently anticipating a significant drop in revenues – mostly along the northern part of the I25 corridor – are monitoring this situation in anticipation that there will be a negative change in 2020.

Other libraries that are already losing revenues due to Gallagher include the library in Lyons, which was rebuilt after being destroyed in the 2013 floods anticipates revenues dropping by \$70,000 which is 25% of their \$280,000 operating budget. In Grand County, where mining revenues have been declining, they anticipate a \$100,000 decrease due to the impact of Gallagher. Even libraries in resort communities anticipate a negative impact – in Telluride, the Wilkinson Library also anticipates seeing a drop up to \$100,000 as their growth is based on having more residents rather than businesses.

While voters will have a chance to decide on school funding through Amendment 73, which includes a way to manage Gallagher impacts, this only addresses the school-side if approved. Whether or not it gets voter support, action needs to be taken to support libraries as a community resource that provides access to the joy of literature, self-education, and workforce support.

On behalf of Colorado libraries and the people served by these libraries, I encourage you and the members of the Alternatives to the Gallagher Amendment Interim Study Committee to identify a path that balances the interests of lower tax rates with the financial needs of a service used 3 out of 5 Coloradans (statistic from [Quotable Facts About Colorado Libraries, 2018](#)).

Thank you for your time and consideration.

Sincerely,

Carol Smith, CAL President

The Colorado Association of Libraries (CA) is a 501(c)(6) membership organization that is the common bond, voice, and power for the library community. We are united to advocate for quality library services, support access to information, and foster the professional development of our members.



August 29, 2018

Dear Jon and Pueblo Library District Board of Directors:

On behalf of Xcel Energy, I am writing to personally thank you for your strong support of our Colorado Energy Plan. As you know, this is a transformative plan that will allow us to deliver on our vision to provide low-cost, clean renewable energy for our customers, stimulate economic development in rural Colorado, and substantially reduce our carbon emissions.

I am pleased to share that on August 27, the Colorado Public Utilities Commission approved our proposal, along with a Preferred Colorado Energy Plan generation portfolio that will allow for early retirement of Comanche coal units 1 & 2 and add more than 1,100 MW of new wind generation, 700 MW of large-scale solar and 275 MW of large-scale battery storage.

We are excited to move forward and provide far-reaching benefits for our customers including:

- *Cleaner Energy:* This portfolio will allow us to cut carbon dioxide emissions by nearly 60 percent and increase renewable energy sources in our fuel mix to 55 percent by 2026.
- *Customer Savings:* This portfolio continues the most cost-effective transition of our generation fleet to cleaner, more diverse energy resources and is expected to save customers about \$213 million.
- *Economic Development:* The plan will lead to investment of \$2.5 billion in eight counties and harness the state's abundant renewable resources and secure ongoing investment in our own backyard.

We could not have made this vision a reality without the support of your organization and collaboration with a diverse group of partners. Thank you again for your leadership and for helping to create a clean energy future for Colorado. Please feel free to contact me with questions or for additional information on our efforts.

Sincerely,

A handwritten signature in black ink that reads 'Ashley R. Valdez'.

Ashley R. Valdez

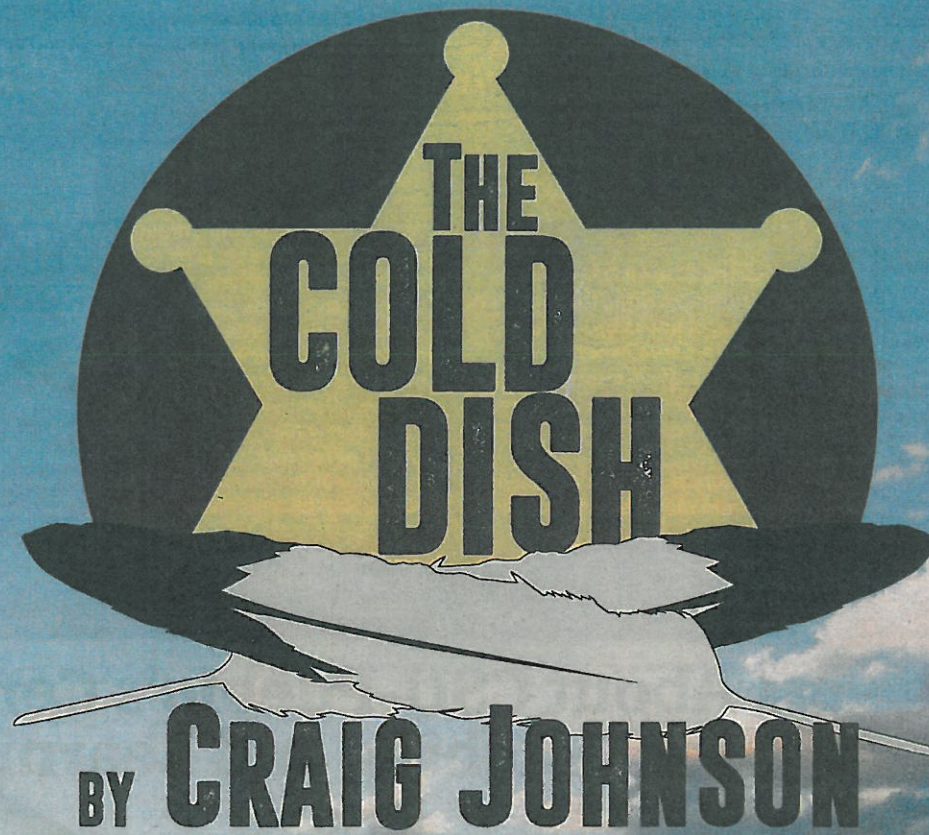
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PUEBLO CITY-COUNTY

September 2018

news & events

Locations Key:

AV Avondale Satellite
BK Barkman

PRINTED THANKS TO THE GENEROUS SUPPORT OF FRIENDS OF THE LIBRARY

BS Beulah Satellite
GI Giodone
LU Lucero

LB Lamb
LY Library @ the Y
GV Greenhorn Valley

PW Pueblo West
RA Rawlings

Celebrate Hispanic Heritage month

Fifth Annual Latino/a Book Festival

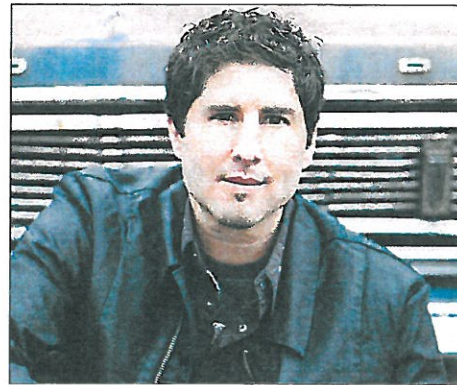
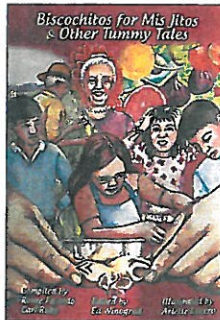
This year's authors include: Matt de la Pena, Crafty Chica Kathy Cano-Murillo and the authors of *Biscochitos for Mis Jitos & Other Tummy Tales* (2018). There will also be a biscochito contest; to register visit, www.pueblolibrary.org or call (719) 562-5626.

The festival is in partnership with Pueblo City-County Library District, CSU-Pueblo's Chicano Studies and English Departments and MSU Denver Journey Through Our Heritage. All events are free and open to the public.

Latino/a Book Festival

Thursday, Sept. 13, 6:15-7:30 p.m., RA, Ryals Room-4th floor

Reception, book signing and reading by authors of *Biscochitos for Mis Jitos & Other Tummy Tales* (2018). Biscochito contest winners will be announced. At 7:30 p.m. enjoy Obsidian Blues Jazz with Freddy Rodriguez Jr. and Dr. Ramon Del Castillo.



Matt de la Pena

New York Times bestselling, Newbery Medal winning, author of six young adult novels, including *Mexican WhiteBoy*, *We Were Here and The Living*, and four picture books including *Last Stop on Market Street* and *Love*.

Matt de la Pena School Presentations

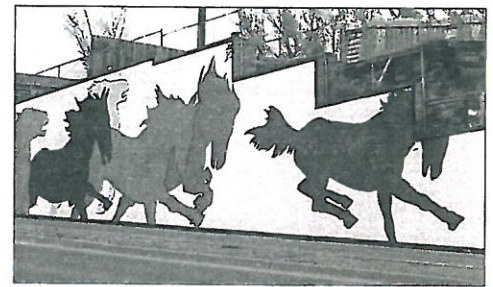
Wednesday, Sept. 12 and Thursday, Sept. 13, 9 a.m. and 10:30 a.m., RA, Ryals Room-4th floor

Presentation to area students.

Wednesday, Sept. 12, 12:30 p.m., CSU-Pueblo, General Classroom Building, Room 201

Thursday, Sept. 13, 1:30 p.m., Avondale Elementary School

More Latino/a, page 3



This is a mural by Michael Casaus on Joplin Avenue depicting caballos y vaqueros (horses and cowboys)

EXHIBITS

Hispanics in Pueblo: People and Places

Sept. 1-30, All locations

Images from PCCLD's Special Collections department representing Hispanic Heritage in Pueblo, Colo.



Urban Landscapes

Sept. 1-30, RA, Hispanic Resources Gallery-2nd floor

Local artist Maria Lopez will display her paintings of urban landscapes of Colorado.

More programs, page 2



Hours:
Monday - Thursday
9 a.m. to 9 p.m.

10 a.m. to 7 p.m. (Greenhorn, Giodone and Lucero only)

Monday - Friday
9 a.m. to 1 p.m.; 4 to 8 p.m. (Library @ the Y only)

Friday & Saturday
9 a.m. - 6 p.m.

10 a.m. - 6 p.m. (Greenhorn, Giodone and Lucero only)

Saturday
9 a.m. to 1 p.m. (Library @ the Y only)

Sunday (Rawlings only)
1 - 5 p.m.

Phone: 562-5600

Locations:

Barkman Library
1300 Jerry Murphy Rd.
Greenhorn Valley Library
4801 Cibola Dr.
Colorado City, Colo.
Giodone Library
24655 U.S. Hwy 50 E.
Lamb Library
2525 S. Pueblo Blvd.
Library @ the Y
3200 Spaulding

Lucero Library
1315 E. 7th St.
Pueblo West Library
298 S. Joe Martinez Blvd.
Rawlings Library
100 E. Abriendo Ave

Satellite library locations:

Avondale Elementary
213 Hwy. 50 E.
Beulah School
8734 Schoolhouse Ln.

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