



Following the Trends: Colorado's Economic Outlook

Chris Stiffler

Economist, Colorado Fiscal Institute

Leila Kleats

Chief Economist, Office of State Planning & Budgeting

Kate Watkins

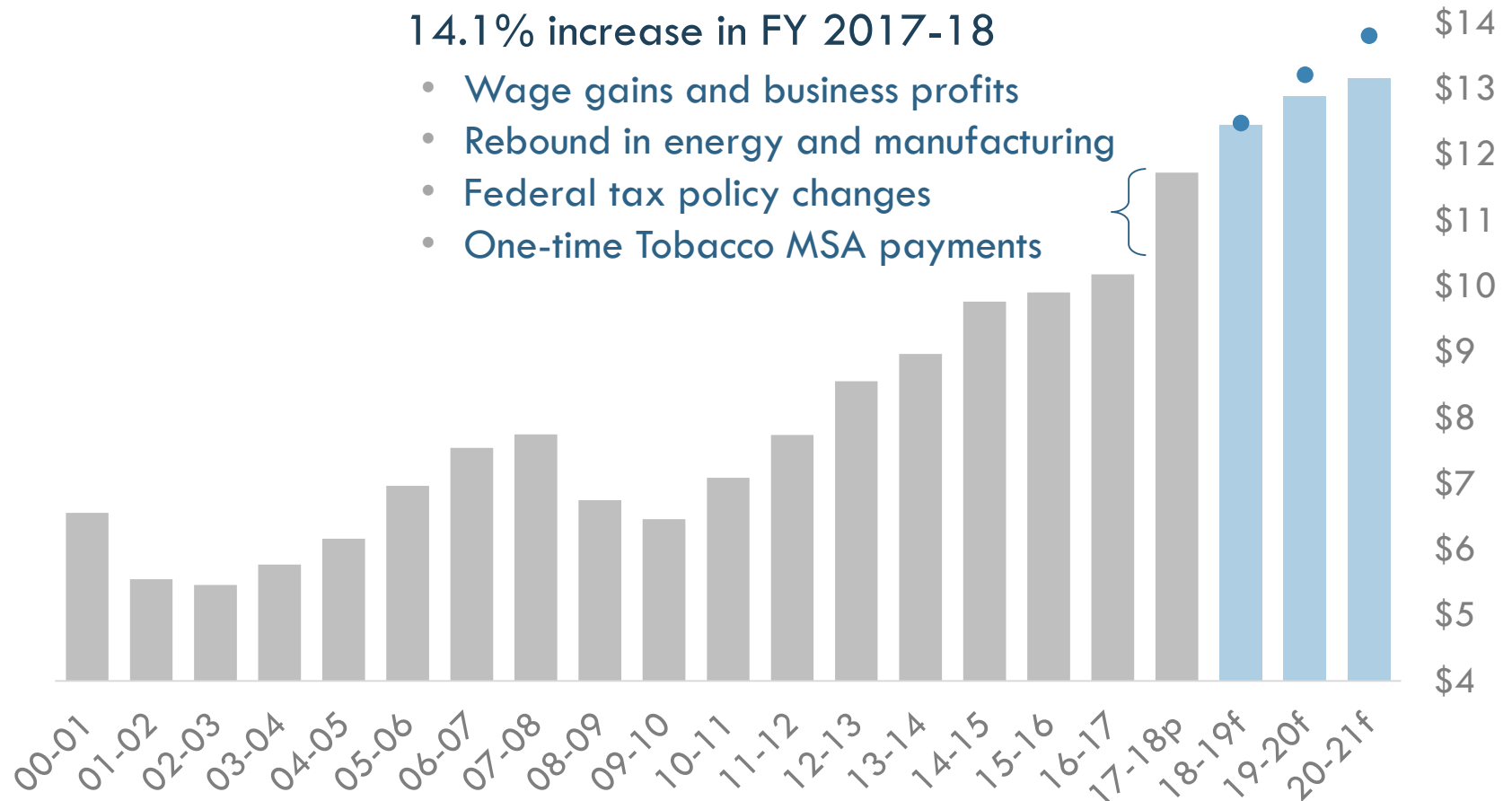
Chief Economist, Legislative Council Staff

#FiscalForum19

Gross General Fund Revenue

Billions of Dollars

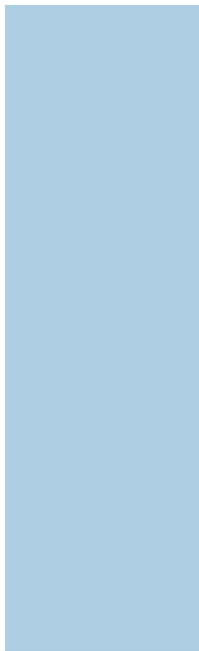
● OSPB
■ Legislative Council



Next Year | FY 2019-20 Budget Outlook

General Fund available above FY 2018-19 appropriations to spend, save, or return to taxpayers

\$1.22 billion*



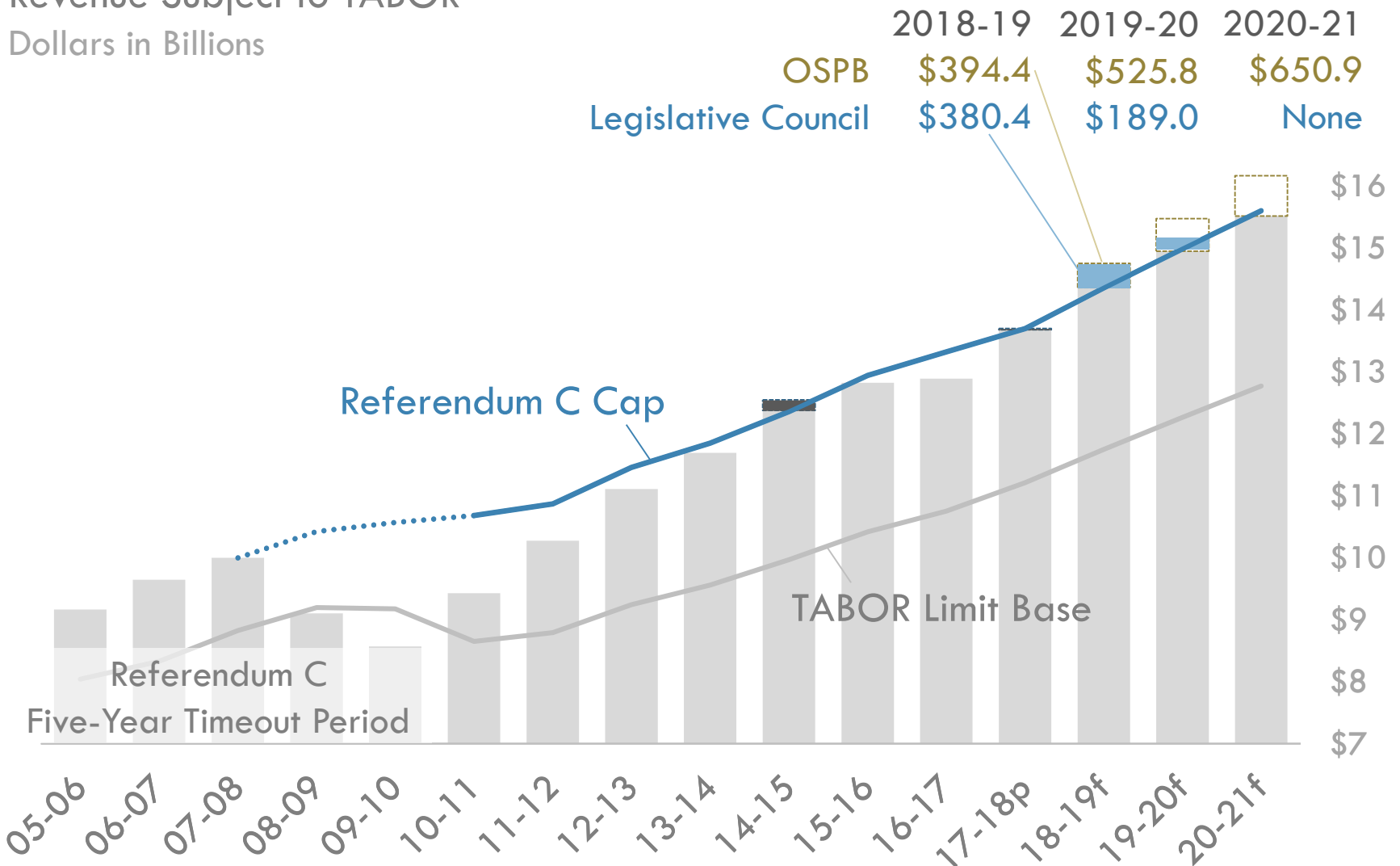
*Reflects revenue expectations and transfers required under current law for FY 2019-20. Since a budget has not yet been set for FY 2019-20, this amount assumes FY 2018-19 appropriations and reserve requirements. Any changes to current law, including FY 2018-19 appropriations, will result in changes to this amount.

TABOR Outlook

Revenue Subject to TABOR

Dollars in Billions

Expected TABOR Surpluses (Millions)



Colorado Property Tax Base

Actual Values



Assessment Rate

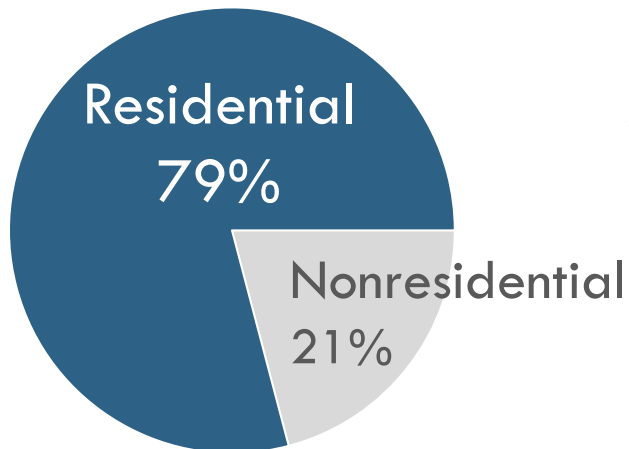
× 7.20% Residential*
29% Nonresidential**

=

Assessed Values

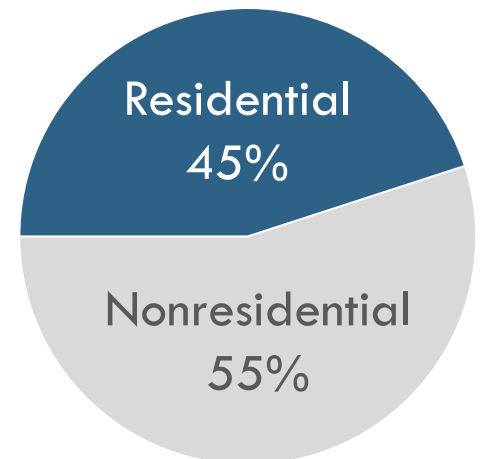


Actual Share
of Actual Values



Reducing the
residential
assessment rate
allows the target
share to be met

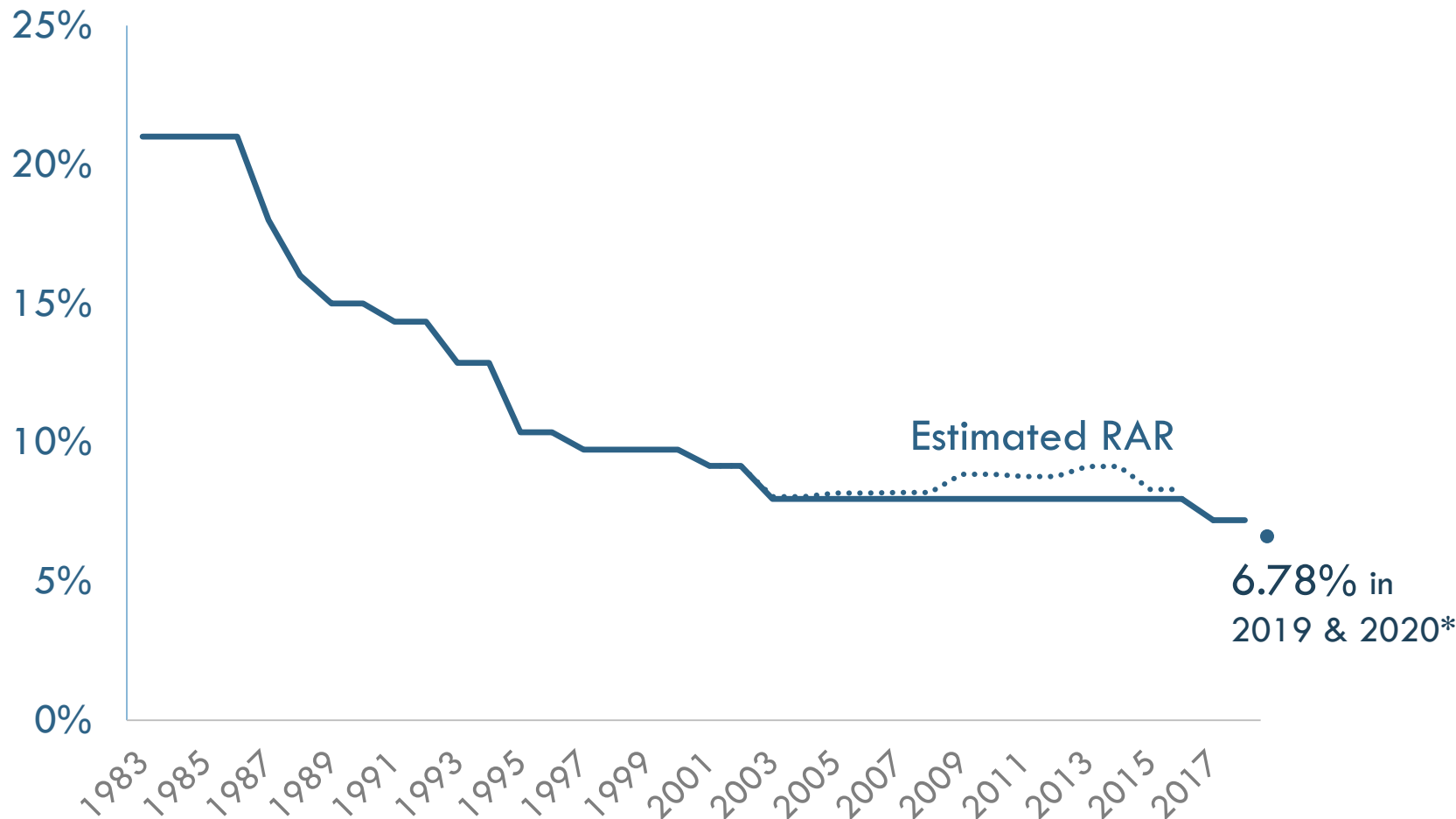
Gallagher Amendment
Target Share
for Assessed Values



*2017 and 2018 Residential Assessment Rate.

**Assessment rate for most nonresidential property (87.5% rate for Oil and Gas).

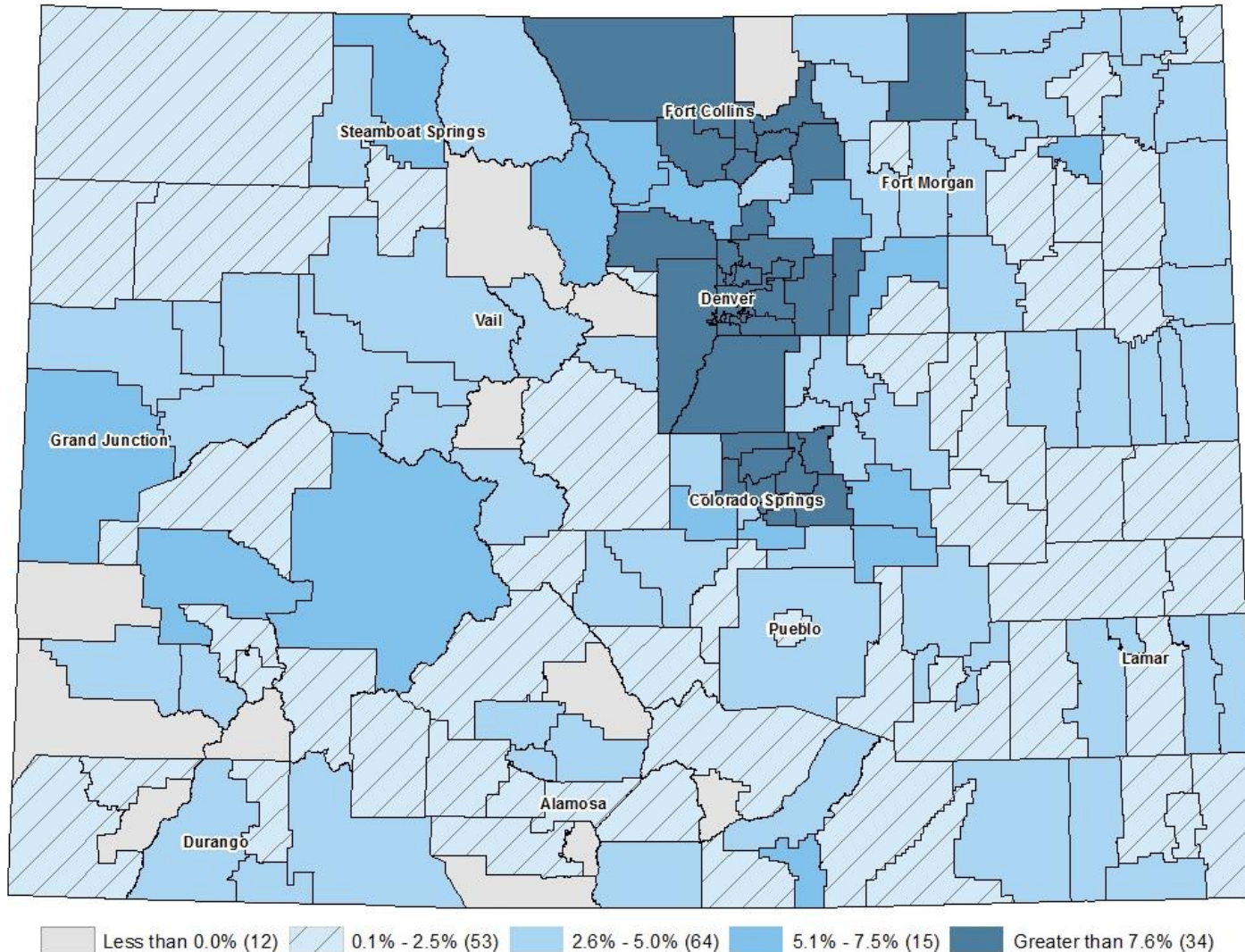
Residential Assessment Rate



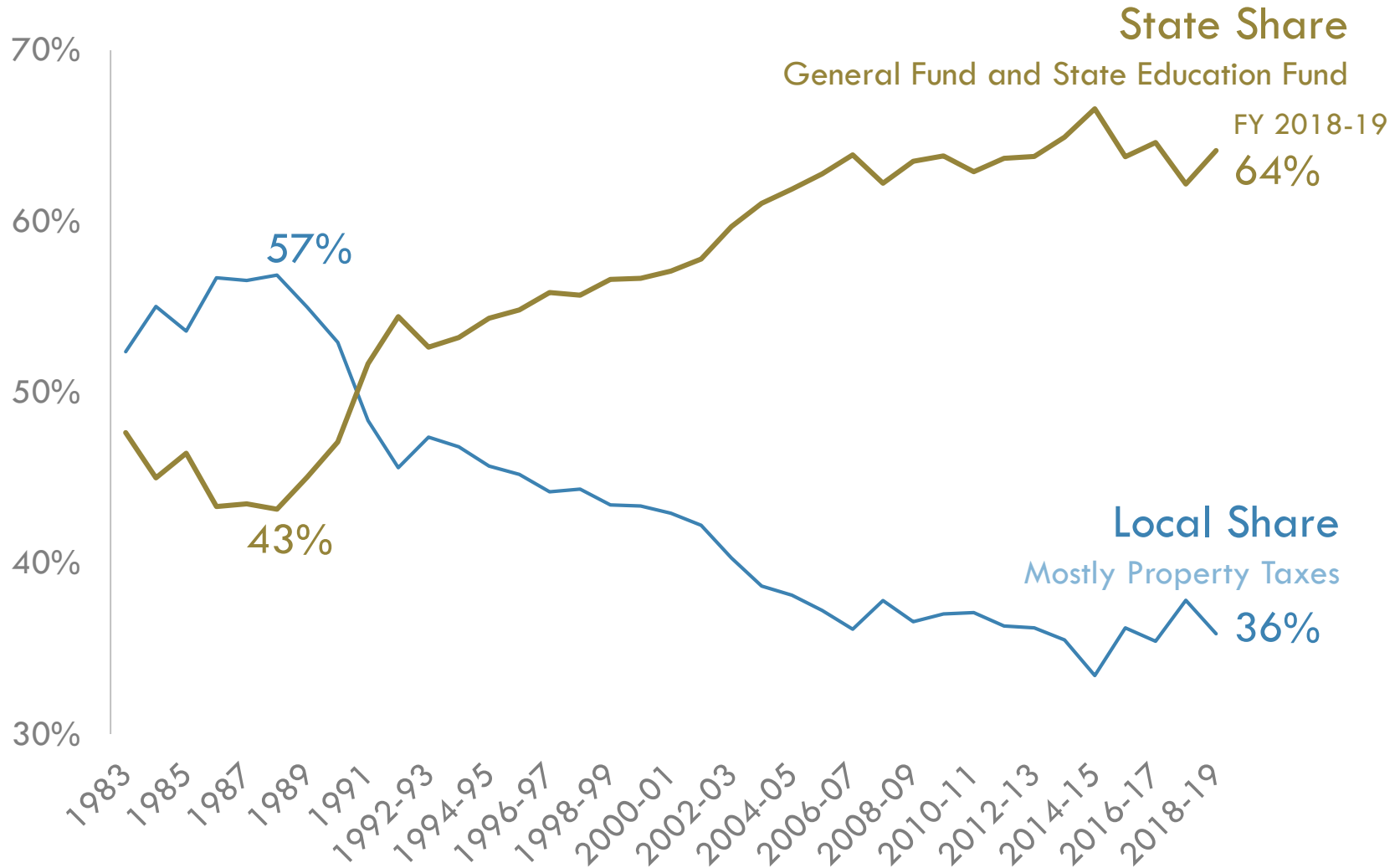
Data source: Colorado Department of Local Affairs, Division of Property Taxation.

*Legislative Council Staff December 2018 forecast.

Change in Total Assessed Values by School District 2018 to 2019



Required growth in total program funding has resulted in the state taking on a rising share of P-12 funding over time

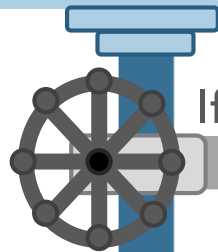


Data source: Colorado Department of Education and Legislative Council Staff.
Prior to 1993, K-12 funding was allocated on a calendar year basis.

TABOR Refund Obligation

#1

Reimburse Local Gov'ts for
Property Tax Exemptions
Up to ~\$150 million



If ~\$400 million+

#2

Temporary
Income Tax Rate Reduction
Next ~\$250 million

If the refund is large enough to
fund the first mechanism and
the rate reduction

#3

Sales Tax Refund
Any remaining

TABOR Refund Mechanisms