Proposition HH:
Residential Property Tax Cuts and TABOR Rebates

Executive Summary:

Colorado Families to Receive over $5,000 in Property Tax Savings Over the Next Decade with HH and Still Receive Up to $10,000 in TABOR Rebates

Coloradans will vote on Proposition HH this November to address large increases in their property taxes, which have grown an average of over 40% during the past two years. Struggling Colorado families, still dealing with historic inflation, can't afford a 40% increase in property taxes. Proposition HH cuts taxes in a responsible way while still preserving funding for the critical local government services that rely on property tax revenue, like our schools.

If Proposition HH passes, the average homeowner in Colorado will get $1,336 over the next three years in property tax savings and still receive $1,690 in TABOR refunds. Netting the property tax savings with expected reductions to state refunds over the whole decade, Proposition HH will result in $2,682 net savings.

CFI modeled two 10-year scenarios to gauge the net benefit of HH, that include the foregone TABOR rebates and property tax savings. One model includes a recession, while the other assumes no recession. Recessions would reduce the revenue over the TABOR cap, thereby reducing TABOR rebates. In both scenarios, taxpayers still receive TABOR rebates under Proposition HH.

Assuming average historical growth rates that include a recession, the average taxpayer in the average valued home in Colorado stands to save $4,455 over the decade from Proposition HH. This includes $4,872 in property tax savings and $417 less in TABOR rebates over the decade. Under a non-recession scenario, which assumes revenues grow consistently throughout the decade, the average taxpayer would receive $4,872 in property tax savings and $2,190 less in TABOR rebates for a net savings of $2,682. In this scenario, taxpayers can still expect to receive $4,950 in TABOR rebates ($9,900 for joint filers) over the decade. Savings will be larger for owners of homes worth more than the average and for homeowners in districts where property tax rates (mills) are above the state average.

If Prop HH passes, taxpayers can still expect between $300 and $1,300 in TABOR rebates a year, with the foregone rebate dollars going to backfill the budgets of critical services, like fire, water, and schools. Overall, Proposition HH provides significant property tax relief while protecting local services and allowing school districts to benefit from expected growth even with these property tax reductions – giving districts nearly $1 billion in additional revenue per year by the end of the decade. Finally, Proposition HH maintains large and growing TABOR refunds for Colorado taxpayers when Colorado's economy grows.

Introduction

Coloradans will vote on Proposition HH this November to address large increases in their property taxes, which have grown over 40% on average during the past two years. Struggling Colorado families, still dealing with historic inflation, can't afford a 40% increase in property taxes. Proposition HH makes sure that when their bill comes, they won't see such a drastic increase. In addition to the property tax savings, most Colorado tax filers will see an increase in their TABOR rebate next year if HH passes. 62% of tax filers—those making less than $99,000 a year – will see a higher TABOR rebate for tax year 2023 only if Proposition HH passes, and will continue to see rebates in future years. If Proposition HH passes, all taxpayers will get $898 in TABOR refunds for 2023 and about $500 in 2024 and 2025, depending on economic growth.

Proposition HH cuts taxes in a responsible way while still preserving funding for critical local government services that rely on property tax revenue, like our schools. A yes vote on HH allows the state to retain more revenue, a majority of which will go to schools. Combining the property tax savings with expected changes to state refunds, Proposition HH will result in around $1,300 net savings for the average homeowner over the next three years.

What Does Proposition HH Do?

Proposition HH reduces property taxes owed for homeowners, seniors, and businesses for at least 10 years, resulting in smaller increases in property taxes as values rise beginning in 2023. Proposition HH also imposes a cap on the growth in property taxes equal to the rate of inflation. To protect local services, Proposition HH allows the state to keep some of the TABOR surplus that would otherwise be refunded to taxpayers and uses it to reimburse schools and other local governments for some of their foregone property tax revenue, and for a rental assistance program. A yes vote on HH also distributes TABOR rebates to taxpayers in an identical amount for tax year 2023, giving all taxpayers an $898 rebate. HH would also create a benefit similar to the Senior Homestead Exemption that is portable, meaning seniors who qualify for the exemption will not lose the benefit if they decide to downsize or move. Importantly, this benefit is retroactive, so seniors who previously qualified for, but lost their exemption, will immediately become eligible for the tax benefit again.

Property Tax Basics

Property taxes are collected by counties, school districts, cities and towns, and special districts to pay for local services including fire, water, ambulance, hospitals, libraries, parks, schools, and other local services. No property taxes go to the state budget, but property tax changes can impact the state budget through the school finance formula, since Colorado funds its schools with both local and state dollars. About half of all property taxes go to schools.

For the past forty years, property taxes in Colorado have been governed by a constitutional amendment called the Gallagher Amendment, which was approved by Colorado voters in 1982. The Gallagher

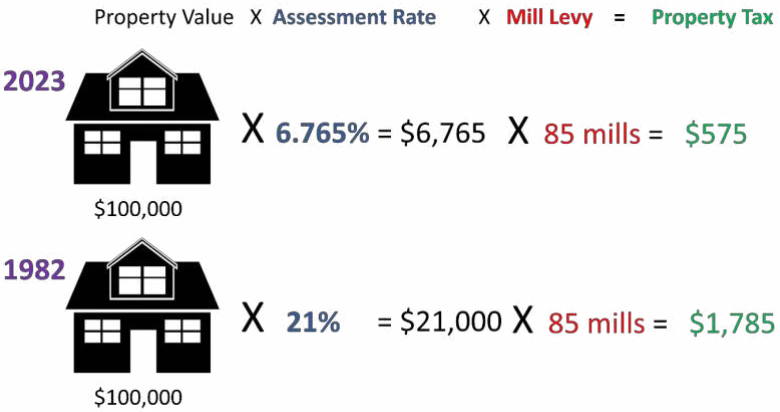
Amendment reduced the amount of home value that could be taxed by local jurisdictions (including schools) whenever statewide home values grew faster than non-residential values. Over the decades, the Gallagher Amendment reduced the portion of residential property value that is taxed. According to DOLA's 2019 annual report, the reduction in the residential assessment rate from 21% to 7.15% saved homeowners $2.8 billion in 2019.

The Gallagher Amendment has been useful for homeowners. In 1982, when the Gallagher Amendment passed, the net effective tax rate on the average home in Colorado was 1.8% (the effective tax rate is the amount paid in tax divided by the value of the property). In 2021, the effective tax rate on the average home in Colorado was 0.48%. But low property taxes are bad news for the local services that rely on property tax revenue to serve their communities. Homeowners are paying much lower property taxes today for our schools, fire protection, water, and other local services than our parents did. Today Colorado ranks 47th among states in residential property tax burden — meaning only 3 states have lower property taxes on homes than Colorado. The national average is a 0.99% effective rate. Colorado homeowners see half that rate at 0.48%, according to 2021 U.S. Census data.

While these savings have helped homeowners, the ongoing reductions have created challenges for local governments, many of which struggle to meet community demands for local services. Funding for K-12 education has fallen behind for decades. Today per pupil funding provided through Colorado's School Finance Act – the law that equalizes education funding across the state – is below funding levels from 1990 adjusted for the rate of inflation. Average teacher pay in the majority of Colorado's school districts is below $45,000 per year, and school districts across the state are struggling to attract and retain educators. Many schools can't offer basic services like bus transportation and/or air conditioning. Other local governments have also experienced serious shortfalls. Exploding population means more emergency call volume for our firefighters and EMTs, yet their funding has also eroded over time. These service impacts are one of the reasons the voters of Colorado repealed the Gallagher Amendment in 2020.

How To Calculate Your Property Tax

You can see for yourself how your property tax bill has changed over the decades. To calculate your property tax, you take the actual (market) value of your property times the assessment rate (set in state law) times the total local mill levy and divide by 1,000. Everything you need can be found on your county assessor's website and on your property tax bill. The illustration shows the average property tax on $100,000 of home value in 2023 compared to 1982 under current law.



If the property tax on the average home had kept pace with inflation (CPI) from 1982, the average homeowner's bill would be more than double compared to what it is today. This has benefited homeowners but has hindered the ability of local governments to maintain service levels.

Beyond the Basics

Depending on where you live, your property tax bill could look very different. A $700k home in Denver has a tax bill of $3,922, while the same house with the same value in Grand County has a tax bill of $3,209. This is a function of unique mill rates in different areas across the state. The mill levy rate is unique to the county, city, special district, and school district where you reside. Homes in metropolitan districts (special districts with taxing authority, usually approved by voters) with higher mills face higher property taxes. Colorado does not currently treat second homes differently from primary residences, but this would change under Proposition HH. If Proposition HH is adopted, exemptions will be lower on second homes and investment properties than they are on owner-occupied homes after 2025.

It's also important to note that property taxes vary across the state. Large urban areas like Denver have a large amount of property value per person – think of the skyscrapers downtown, hotels, and industrial properties – whereas rural communities have a much smaller amount of property value per person. Because of this, the same tax rate raises much more in urban areas and resorts areas than it does in other parts of the state. For example, in 2022, one mill raised about $202,000 in Alamosa, which amounts to about $12 per mill per resident in the county. That same rate of tax raised $3.7 million in Aspen (Pitkin County), which is $219 per mill per resident.

As a result of this, some areas of the state must impose a much higher levy (a much higher net effective tax rate) to fund the same level of service. Generally, communities with high property value have lower property tax rates and better-funded services, and communities with lower property value have higher property tax rates and less sufficient revenue to meet the needs of their communities.

The state corrects this imbalance for public education. The state School Finance Act equalizes funding for public education using state dollars to make sure every school district receives the same amount per student. In other words, some school districts get higher state funding to compensate for disparities in property wealth. But other service providers don't receive state backfill. Some providers, like fire districts, may not have a large enough tax base to support their operations, even though local residents are burdened with much higher tax rates than the rest of the state. This is particularly acute in fire protection districts whose tax base is mostly residential.

Proposition HH lowers property tax rates for all homeowners, seniors, and businesses in the state and attempts to correct for these disparities by providing a larger backfill in districts with less property value growth.

Growth in Home Values

Many homeowners in Colorado will see a large increase in their property taxes in 2023. This is the result of the market value of the house increasing, not the result of higher rates. The Colorado Association of Realtors shows the average home sale price grew from $503,000 at the beginning of the 2023 assessment period (June 2020) to $723,000 at the end of the assessment period (June 2022). This is a 43.7% increase in value. Colorado assessors have reported preliminary 2023 value estimates for their counties: total assessed residential values across Colorado increased 27.7% between 2022 and 2023. Some counties have seen even higher growth in total residential assessed values: Eagle County saw 34.1%, Lake County saw 34%, Pitkin County is up 44.6%. Routt County is up 42.2%. Chaffee County is up 33.9%. And these are assessed values — which take into account a reduction in the residential assessment rate passed by the legislature last year (SB22-238). Growth in market values of residential property is even higher.

Proposed Property Tax Reductions Under HH

Proposition HH would reduce property taxes through several mechanisms.

1. HH reduces assessment rates for homes and businesses.
2. HH exempts a portion of value from taxation for primary homeowners.
3. HH caps the growth in property tax collections.
4. HH allows seniors who moved (or move in the future) and lost their Homestead Exemption to claim an equal reduction again.

These reductions will make Colorado's property tax system more progressive because it will allow primary homeowners to exempt a portion of their value from being taxed ($50,000 in 2023 and $40,000 in future years), which will benefit the lowest valued homes the most.

	2023	2024	2025-2032
Residential Assessment Rate (Current Law)	6.765%	6.98%	7.15%
Residential Assessment Rate (Prop HH)	6.70%	6.70%	6.70%
Exempted Market Value (Current Law)	$15,000	$0	$0
Exempted Market Value (Prop HH)	$50,000	$40,000	$40,000

Property Tax Savings for Homeowners

Each homeowner's savings under Proposition HH will depend on where they live, the value of their house, how much their home value goes up, and how much their local taxing districts reduce rates under the new cap on the growth in collections. The following table shows estimated average savings over the next two years. The average should be viewed as a ballpark figure. The savings for homeowners could be higher on properties which have higher market values, that aren't in home rule cities, that are in areas where mill rates are higher than the state average, and/or whose local governments reduce their mill levy to stay under the new limit on property tax collections in Proposition HH.

Our calculations assume the statewide weighted average levy of 85 mills in 2022 will drop to 75 mills in 2023 and 2024 as values rise. Statewide average mills in 2022 were higher at 85 mills, but the growth in assessed values in 2023 will cause local governments, many of which already have a cap on growth collections, to lower their mills. Thus, we adjusted the 85 mills weighted average downward for our average calculations below.

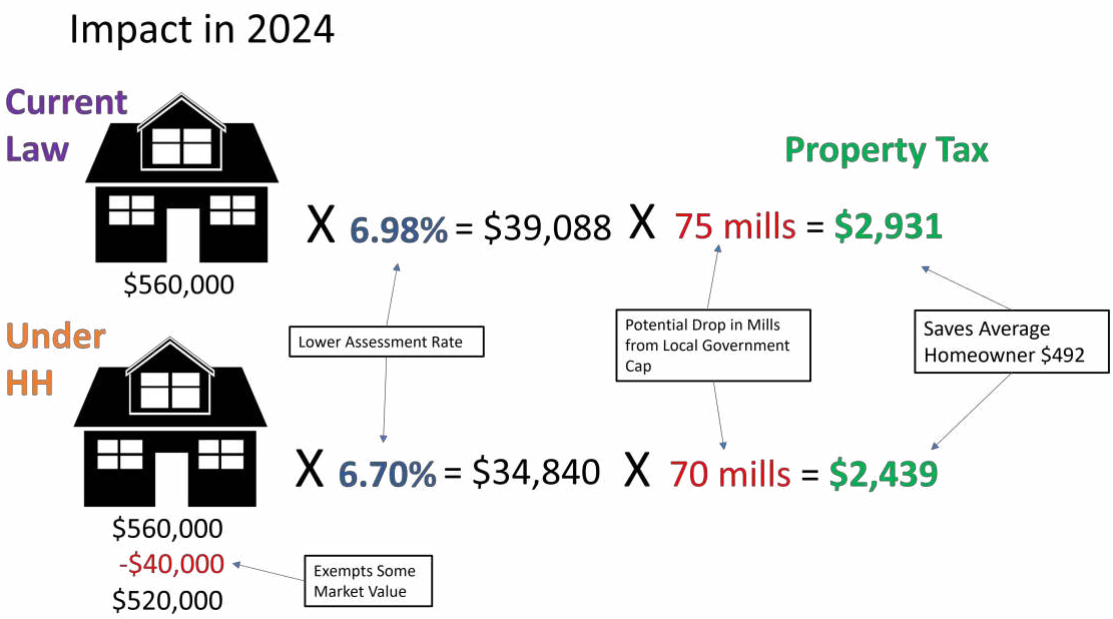
Proposition HH would impose a new cap on the growth of property tax collections for districts other than school districts and home-rule districts that is equal to the annual inflation rate. Impacted districts must reduce their mill levies to stay under the cap, or, to retain any amount of revenue growth above this cap, the governing board must hold a public hearing and take a public vote. To estimate the savings from local governments lowering their mills under the new HH cap on local collections, we assumed only levies affected by the new cap would drop, and our calculations estimate the total average mills would be further reduced by 5.1 mills in 2023 and 2024. To get to 5.1 mills, our calculation first removed 43 mills to account for schools that aren't subject to the local cap. It also assumes the average home is located in a home rule municipality. The average mill levy on Colorado's 99 home rule cities was 10.53 mills in 2022. So, the calculations assume these mills aren't impacted. County impacts from the local cap on the growth in collections will vary across the state. Four counties are home rule: Weld, Pitkin, Denver, and Broomfield, and therefore are not subject to the cap.

It's important to note that counties have been subject to several property tax limits in the past, including the TABOR revenue cap (inflation plus local growth) and a state law that limits property tax growth to no more than 5.5% annually. Voters in many counties have waived these limits, but some counties (and other local governments) are still subject to one or both of these limits.

The proposed Proposition HH cap on local property tax collections would limit property tax revenue growth to the rate of inflation. The measure of inflation is the CPI (Consumer Price Index), which measures what consumers buy like t-shirts, toasters, airline tickets, and telephone bills, not necessarily what governments buy. Our calculations assume many local governments won't drop their mill levies to restrict revenue to CPI inflation. Instead, we assume most would retain some revenue above inflation. Our calculations assume governments would adjust mills to retain growth that is double the inflation rate. For example, if your local government's revenue grew by 30% in 2023, our calculations assume it would have a public hearing and decide to keep twice the inflation rate, so 16% in 2023. Thus, we assume the locals will lower their levies to reduce collections from 30% (expected) to 16% growth in revenue. Our calculations assume that average mills would fall by 5.1 mills in 2023 in order to limit collections to 16% growth. We do not predict what might happen with the local growth caps in any year past 2024 following the next reassessment cycle.

Market Value of Home	Saving from Lower RAR and Exempt Value	Savings from Local Cap	2023 Property Tax Savings
$300,000	$190	$85	$275
$500,000	$200	$154	$364
$700,000	$209	$222	$431
$900,000	$219	$290	$509
$1,100,000	$229	$359	$588
$1,300,000	$239	$427	$667

Market Value of Home	Saving from Lower RAR and Exempt Value	Savings from Local Cap	2024 Property Tax Savings
$300,000	$264	$89	$353
$500,000	$306	$157	$463
$700,000	$348	$226	$574
$900,000	$390	$294	$684
$1,100,000	$432	$362	$794
$1,300,000	$474	$431	$905



How Does Proposition HH Change My TABOR Refund?

Proposition HH would use a portion of the state TABOR surplus to backfill school districts, fire districts, and other local governments that will see a reduction to the increase in revenue they are projected to

receive as a result of lower property tax rates, thereby reducing the amount that gets refunded to Colorado taxpayers. Proposition HH would increase the state TABOR revenue limit by 1% annually and distribute the retained revenue to school districts and other local districts. Currently the state limit is calculated as inflation (CPI) plus the percent change in state population. If HH passes, the new state spending limit would be CPI + population growth + 1%.

If Proposition HH passes, refunds will be distributed in an equal amount of $898 to all taxpayers in 2023. This is more for most individuals than they would receive if HH doesn't pass. In 2024, taxpayers can expect to get $42 less in TABOR rebates ($434 under HH instead of $476), and in 2025 they will get $90 less in TABOR rebates ($358 under HH instead of $448).

The figure below shows the net impact of the property tax savings and changes to state refunds under Proposition HH (including HB 23-1311) for the average earner with the average home in Colorado with the average mill levy.

	2023	2024	2025	3 Year Net Savings from Proposition HH
TABOR Rebate Change	$60	-$42	-$90	-$72
Property Tax Savings Including Local Cap	$377	$496	$463	$1,336
NET Savings Under HH	$437	$454	$373	$1,264

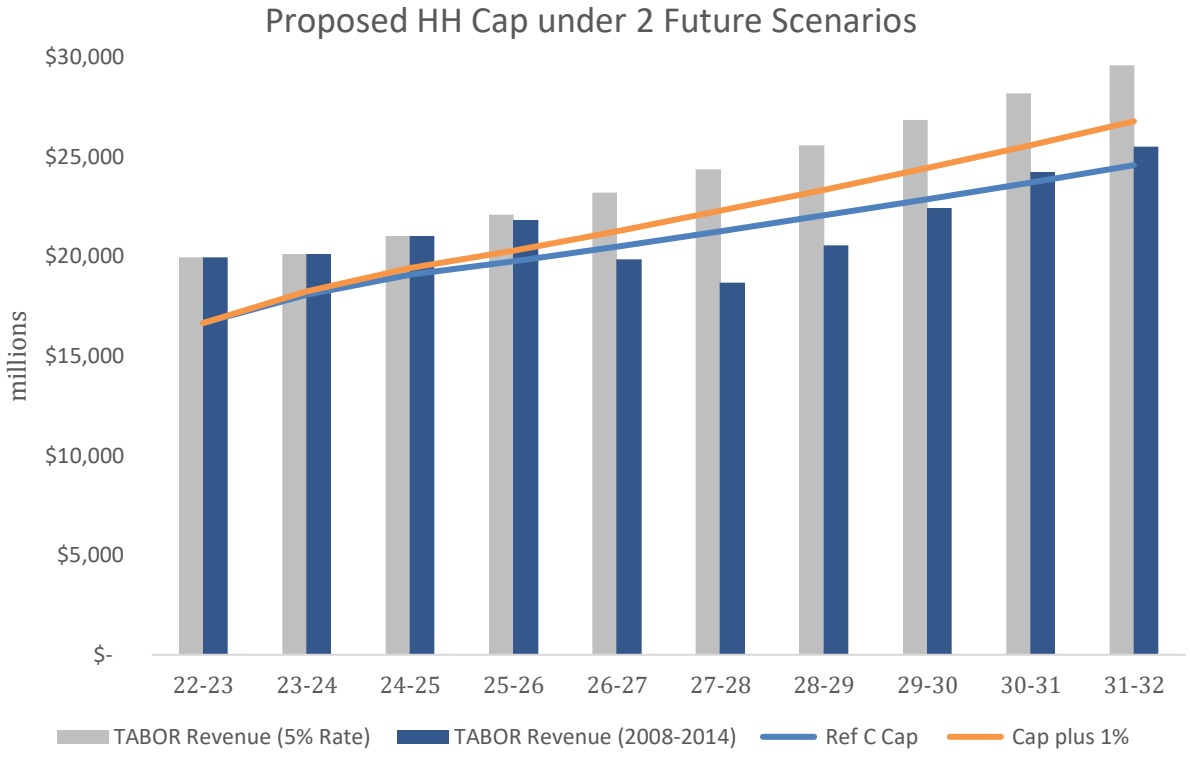
**Assumes homeowner makes $85,000 and has a $560,000 home subject to 75 mills, with the local government cap dropping 5.1 mills for 2023 and 2024.

What about Future Years?

As the 1% increase in the HH cap continues over time, it allows the state to retain more revenue than the current cap allows (Referendum C). In graphical terms, that is shown by the divergence of the two lines in the chart below.

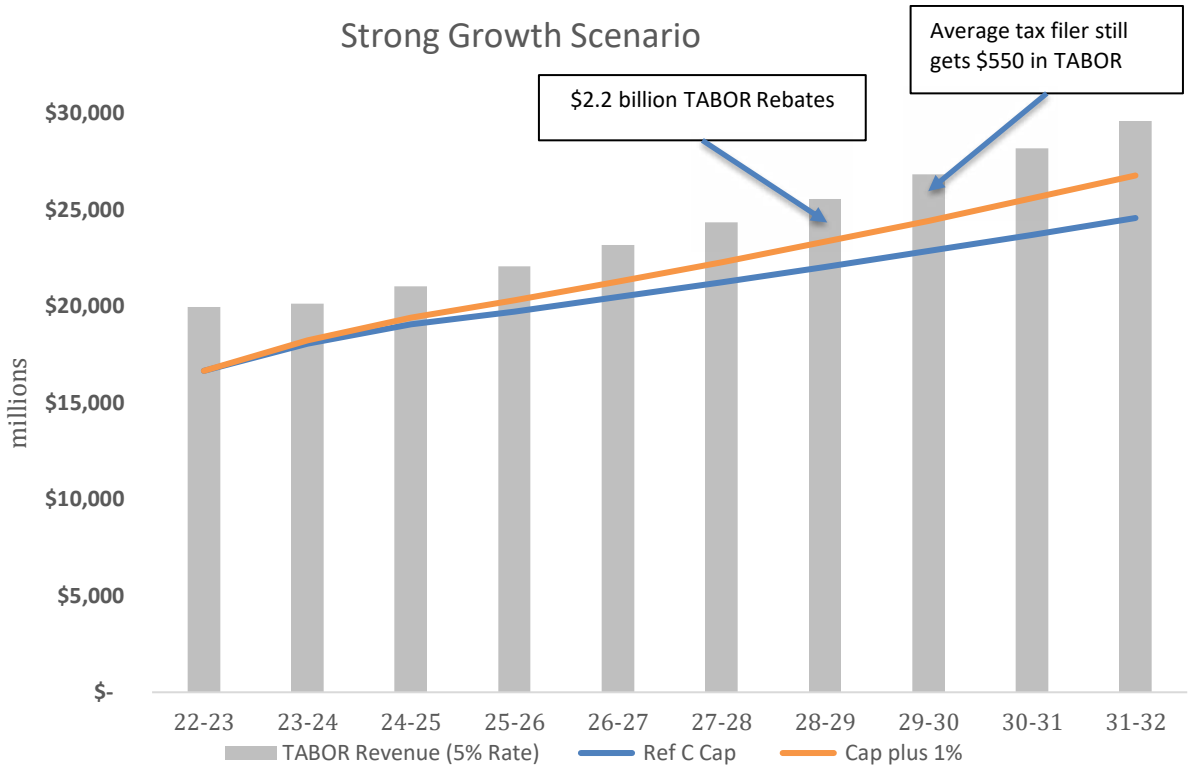
We modeled two scenarios to give a range of what could happen with TABOR rebates over a 10 year period. The chart below shows both scenarios: one where revenue subject to the cap ("Fiscal Year Spending") grows by 5% annually (gray bars) and one where there is a recession – modeled after the historical experience between 2008 and 2014 (blue bars).

The bars represent revenue. The blue line represents the current Referendum C Cap and the orange line represents the proposed HH cap. The part of the bar above the cap represents the amount that must be returned to taxpayers as TABOR rebates.

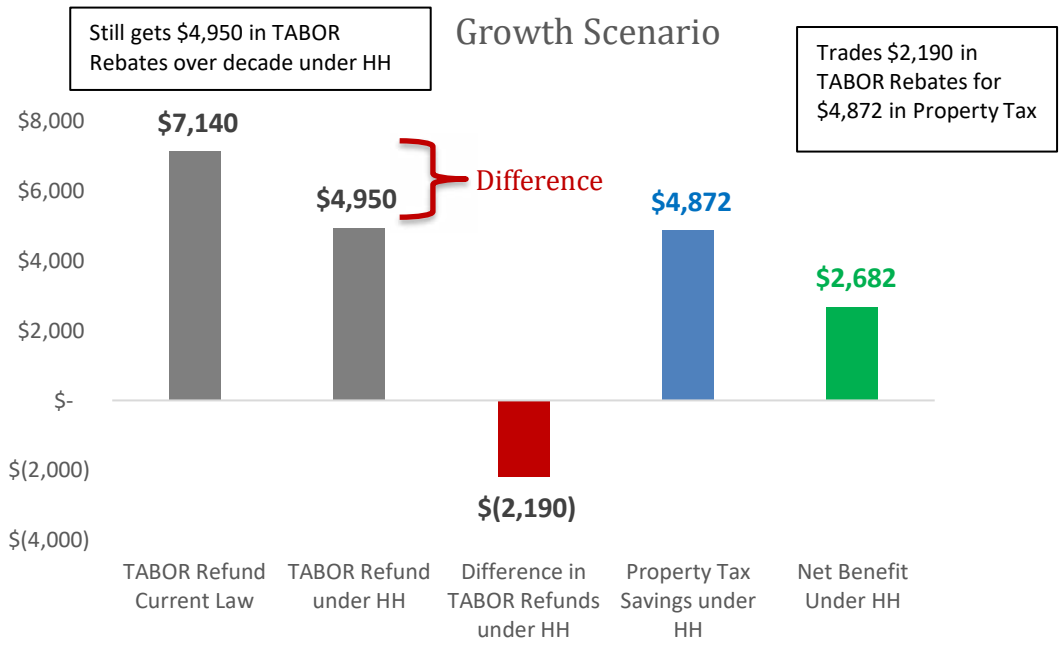


In years in which Colorado's economy grows, taxpayers will continue to receive large and growing TABOR refunds, but Prop HH will reduce the amount. Under most scenarios, taxpayers can still expect to get over $500 dollars back annually in a state TABOR refund throughout the decade if HH passes. If Colorado experiences a recession or modest economic downturn, taxpayers would not expect to get surplus refunds under current law, so Prop HH would have no effect on refunds in those years (graphically seen in years when blue bar is below both caps). The only scenario in which Prop HH would eliminate TABOR refunds is if revenues fall precisely between the Ref C growth cap and the Prop HH growth cap.

Let's first look at the strong growth scenario by comparing the Referendum C Cap to the Proposed HH cap and how it impacts TABOR rebates.



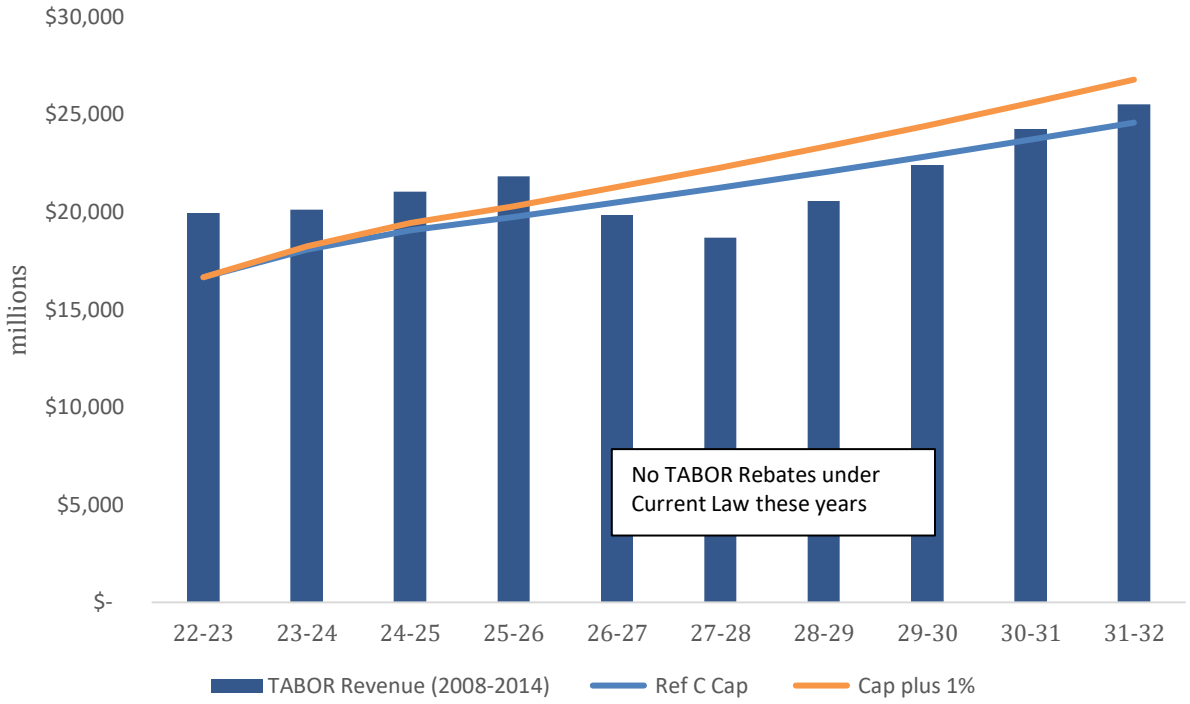
Combining the property tax savings with the change in TABOR refunds, the average taxpayer in the average home across Colorado stands to save $4,682 over the next decade from Proposition HH.

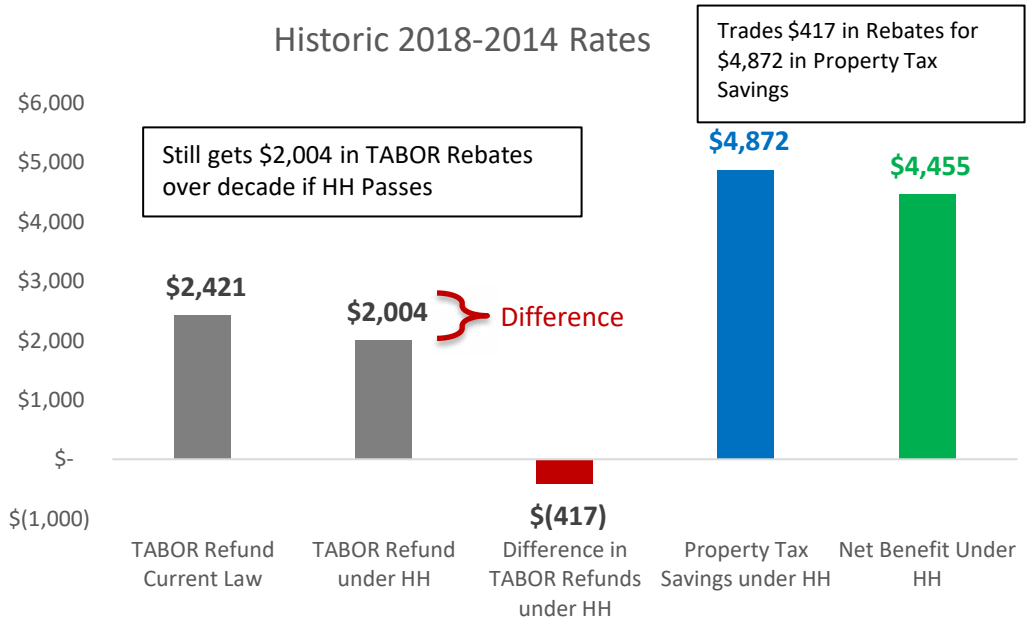


Under the optimistic scenario where TABOR revenue grows by 5% each year after 2025, the average taxpayer would receive $2,190 less in TABOR rebates. The chart below shows projected TABOR rebates for the next 10 years under HH for a single filer. The amounts are double for joint filers. Tax filers can still expect between $400 and $1,300 a year with the HH cap. The average joint-filing family can still expect $10,000 in TABOR rebates over the decade with HH.

TABOR Rebates With HH (Strong Growth Scenario)											
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**10-Year Total**
Up to $50k	$898	$326	$269	$284	$303	$323	$345	$369	$396	$425	$3,938
$50k to $99k	$898	$434	$358	$379	$404	$431	$460	$492	$528	$566	$4,950
$99k to $157k	$898	$500	$412	$436	$465	$496	$529	$567	$608	$652	$5,562
$157k to $218k	$898	$594	$490	$518	$553	$589	$629	$673	$722	$775	$6,441
$218k to $278k	$898	$639	$527	$558	$595	$634	$676	$725	$777	$833	$6,861
Above $278k	$898	$1,028	$848	$897	$957	$1,020	$1,088	$1,166	$1,250	$1,341	$10,493

Under the scenario where Colorado would experience historic growth rates that include a recession, the average taxpayer would receive $412 less in TABOR rebates over the decade as a result of Proposition HH. In four of those years there wouldn't be TABOR rebates regardless of whether Proposition HH passes. So, under a recession scenario, the average homeowner stands to net even more – saving $4,872 on average in property taxes compared to losing $412 in TABOR rebates.


Historic Growth Scenario (2018-2014)
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
millions
No TABOR Rebates under Current Law these years
22-23
23-24
24-25
25-26
26-27
27-28
28-29
29-30
30-31
31-32
TABOR Revenue (2008-2014)
Ref C Cap
Cap plus 1%


Historic 2018-2014 Rates
Trades $417 in Rebates for $4,872 in Property Tax Savings
Still gets $2,004 in TABOR Rebates over decade if HH Passes
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$-
$(1,000)
$2,421
$2,004
Difference
$4,872
$4,455
$(417)
TABOR Refund Current Law
TABOR Refund under HH
Difference in TABOR Refunds under HH
Property Tax Savings under HH
Net Benefit Under HH

Where Does the Retained Revenue Go?

Proposition HH asks voters to dedicate a portion of the state TABOR surplus to backfill lost property tax revenue to school districts, fire districts, and other local governments. Other local governments will receive backfill until their local assessed value grows 20% over what it was in 2022. This ensures local governments see enough growth in their revenues to meet community needs.

Backfill will be paid for with a portion of the state TABOR surplus. Proposition HH asks voters to increase the state spending limit and dedicate the funds to backfilling local governments for lost property tax revenue. Proposition HH would add 1% annually to the calculation of the state TABOR spending limit. Currently, state spending cannot grow by more than annual rate of inflation plus the percent growth in state population. When state revenues exceed this limit, the overage is returned to taxpayers. Last year, taxpayers received a $750 check plus an additional $153 to $486 (double for joint filers) refunded on their 2022 tax return. This is the largest amount ever returned — four times as large as any TABOR rebates in the past. Taxpayers received a TABOR surplus refund in five of the last ten years.

Prop HH protects funding for local services by using a portion of the state TABOR surplus to backfill school districts, fire districts, and other local governments. Prop HH would use $167 million from over $2 billion in TABOR surplus in 2024, and $359 million from over $1.9 billion in surplus in 2025 for backfill.

Net Savings for Homeowner under Prop HH

The following table shows annual property tax savings for the average homeowner and annual reductions in state refunds to show a net 10-year scenario. The average homeowner will save about $4,500 over 10 years from the drop in the residential assessment rate and exemption under HH. We estimate the savings from local governments lowering their mills to stay under the cap growth for the years 2023 and 2024, but we do not include estimated savings beyond 2024. This is because we do not know how local governments will respond to the new cap in future years. If local governments keep their mills lowered beyond 2024, the savings to property owners will be even higher.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10-Year Impact
Median Home Value	$560k	$560k	$615k	$615k	$675k	$675k	$741k	$741k	$814k	$814k	
Property Tax Savings from Lower RAR and Exemption	$202	$319	$463	$463	$486	$486	$511	$511	$539	$539	**$4,520**
Property Tax Savings Local Government Cap	$174	$178									**$352**
TABOR Rebate Difference 5% Average Tax Filer	$60	-$42	-$90	-$134	-$185	-$239	-$296	-$356	-$420	-$487	**-$2,190**
TABOR Rebate Difference (2008-2014) Average Tax Filer	$60	-$42	-$90	-$134	$0	$0	$0	$0	-$63	-$149	**-$417**

*For a single filer earning $85,000 with median value home in Colorado.

Conclusion

Proposition HH provides significant property tax relief for homeowners, seniors, and businesses at a time when property values are rising rapidly. Without Proposition HH, property owners will see a large jump in their property bill that will aggravate Colorado's housing crisis and burden brick-and-motor businesses. Renters will also be impacted as many landlords will pass increases through as higher rent. Proposition HH reduces the property tax burden on all property owners while protecting funding for schools, emergency response, and other local services, and will keep property tax decisions at the local level. While it asks taxpayers to give up some of their state TABOR rebates, families will still receive large state rebates – $898 next year and up to $10,000 over the decade – in addition to over $5,000 in property tax relief.

Model Assumptions

Data through FY24-25 is from Colorado Legislative Council's Blue Book Analysis and June 2023 Revenue Forecast. For later years, CFI's model assumed the following:

Population assumptions come from the state demographer. The recession scenario is modeled after the historical growth rates in Fiscal Year Spending between 2018 and 2014. The growth in the cost of the Homestead Property Tax Break was modeled after the 2024 and 2025 growth predicted by Legislative Council. Growth in median house value was modeled after Colorado's average two-year growth rate between 2010 and 2020 from U.S. Census data.

	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Population	1.02%	1.27%	1.26%	1.25%	1.21%	1.19%	1.17%
5% Growth TABOR Revenue	5%	5%	5%	5%	5%	5%	5%
Recession Rates TABOR Revenue	3.70%	-8.96%	-5.87%	10.00%	9.00%	8.12%	5.26%
Homestead Cost Growth Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Average Mills on Home	85	85	85	85	85	85	85
Average Home Value Growth	9.80%	0.00%	9.80%	0.00%	9.80%	0.00%	9.80%

Appendix

HH Savings Compared to Property Tax Increase in 2023

Market Value of Home 2022	Market Value of Home 2023 (With 35% Increase)	Property Tax 2022	Property Tax 2023 Current Law	Property Tax 2023 HH	Increase Current Law	Savings from HH	HH Savings as Portion of Increase
$300,000	$405,000	$1,564	$1,979	$1,663	$415	$316	**76%**
$500,000	$675,000	$2,606	$3,349	$2,927	$742	$422	**57%**
$700,000	$945,000	$3,649	$4,719	$4,192	$1,070	$527	**49%**
$900,000	$1,215,000	$4,691	$6,089	$5,456	$1,397	$632	**45%**
$1,100,000	$1,485,000	$5,734	$7,458	$6,721	$1,725	$738	**43%**
$1,300,000	$1,755,000	$6,776	$8,828	$7,985	$2,052	$843	**41%**

*assumes 75 mills and a drop of 5.1 mills because of the local government cap under HH