



FOR IMMEDIATE RELEASE
Nov. 17, 2023

CONTACT: Sara Goodwin
720-254-7329

Long-Term Property Tax Structure Should Include Commercial Building Owners ***Industry Faced with Disproportionate Tax Burden & Costly Regulations***

Denver, CO – As state lawmakers are called back to the Capitol today by Governor Polis for a special session to craft a temporary fix for rising property taxes, a long-term property tax structure should include a key group of taxpayers – commercial property owners.

The Colorado Real Estate Alliance (CREA) – a coalition of real estate focused organizations with both residential and commercial interests – appreciates the short-term property tax relief measures being discussed but believes any long-term review of Colorado’s property tax structure needs to include the commercial property industry, especially at a time when it is challenged with compliance and implementation costs of several other regulations recently passed. For example, industry members have determined the costs to comply with Regulation 28 – adopted by the Air Quality Control Commission in August – may be to the tune of an estimated \$3.1 billion.

“We wholeheartedly agree with Governor Polis that there remains an immediate and dire need to provide tax relief for property owners, but more is needed than just a temporary fix. A long-term review of Colorado’s property tax structure needs to include a key group of taxpayers in Colorado...commercial property owners,” said Kathie Barstnar, executive director of NAIOP Colorado – a commercial real estate development association – and one of the founders of CREA. “Due to the former Gallagher Amendment, the commercial property industry has been supporting a disproportionately high share of property taxes while residential property owners have enjoyed an artificially low percentage of the tax burden. What is critical to understand is that the high property tax burden on commercial building owners eventually gets passed on to their tenants, which are mostly small business owners.”

Compounding the issue is that in the Denver metropolitan area and elsewhere in the state, commercial office buildings and real estate owners are already operating in a financially stressful environment due to many circumstances, including high vacancy rates and rising foreclosures; stagnant demand and declining lease rates; rising interest rates and inflation; and supply chain problems.

“Members of the Colorado Real Estate Alliance urge Governor Polis and state lawmakers to include commercial property owners in any long-term property tax structure, as we all work together to help alleviate Colorado’s affordability challenges,” said Barstnar.

About the Colorado Real Estate Alliance

CREA is a coalition of real estate focused organizations with both residential and commercial interests, including associations and businesses that are involved in real estate construction, service, ownership and management. CREA’s mission is to advocate for regulations, legislation and policies that increase real estate ownership and construction affordability, foster safety of residents and workers, sustain and increase workforce development, and provide

opportunities to gain access to new markets in the Colorado real estate industry. For more information, visit www.corealestatealliance.org.