



The Public School System is a priority in Colorado, and enjoys special treatment in the Colorado Constitution. The Constitution also requires school districts to provide education opportunities for all school age children residing in the district.

Background:

- Financially, the Housing Industry significantly supports the local public school system through property taxes paid on vacant land, homes, and commercial buildings. Financial support is also provided through the local school land dedication requirements.
- Public school districts enjoy the right to issue bonds for school construction at favorable interest rates. School districts may issue bond debt that pays the holder interest that is exempt from state and federal income taxes.
- Further, taxpayers in school districts are able to deduct both the principal as well as the interest of bond issuance through the property tax deduction in itemized deductions.
- The public school system provides a general public benefit through an educated workforce, taxpayers and voters.
- Most of the growth in student population is due to local births, not due to housing construction. Many new students are local residents moving to new housing opportunities with their families.
- A healthy and vibrant school district is a factor in the home purchase decision. It is also a significant factor in the equity that homeowners enjoy in their home values.
- Impact fees on new homes to build new school facilities are often looked at as a reasonable source of funding for new schools. However, implementation of impact fees:
 - Is a very expensive way to finance schools for the new homeowner,
 - Avoids the accountability of elected officials and administration that bond issues provide,
 - Does not take into account the fact that not all new homes make use of the public schools. New home purchasers are less and less traditional families.

Position:

- *The HBA is opposed to school impact fees to pay for new schools.*
- *The HBA supports the use of the existing finance methods to pay for new schools, financed by the broader district tax base.*
- *The HBA supports the equitable application of the school land dedication ordinance.*