

1 **BY AUTHORITY**

2 RESOLUTION NO. CR17-1361
3 SERIES OF 2017

COMMITTEE OF REFERENCE:
Finance & Governance

4
5 **A RESOLUTION**
6

7 **Levying upon all taxable property within the City and County of Denver taxes**
8 **for the year 2017, to be collected in 2018, for purposes authorized by law.**
9

10 **WHEREAS**, §§ 7.4.1 and 7.4.2 of the Charter require the City Council to annually levy ad
11 valorem property taxes in the City and County of Denver, including property taxes necessary to
12 pay general obligation debt service; and

13 **WHEREAS**, between tax years 1992 and 2012, annual increases in revenue derived from
14 four components of the City’s mill levy—General Fund, Human Services, Police Pension, Fire
15 Pension (the “affected funds”)—were constrained by the property tax revenue limitations set forth
16 in Article X, Section 20 of the Colorado Constitution (TABOR); and

17 **WHEREAS**, in order to comply with the TABOR property tax revenue limitation prior to
18 2012, the City adopted temporary property tax credits on a year-to-year basis as authorized by §
19 39-1-111.5, C.R.S.; and

20 **WHEREAS**, on November 6, 2012 Denver voters approved a measure permanently
21 authorizing the City to exceed the TABOR property tax revenue limitation; requiring instead that
22 Denver comply with an annual city property tax revenue limitation as codified in § 20-26,
23 D.R.M.C.; and allowing the City to continue to adjust the temporary property tax credits on a
24 year-to-year basis to the extent necessary to comply with the city property tax revenue limitation;
25 and

26 **WHEREAS**, in 2016, City Council authorized dedicated funding streams for affordable
27 housing programs, including a property tax levy that is separately itemized in an affordable
28 housing property tax fund beginning in 2017 as codified in § 27-150 (i), D.R.M.C.; and

29 **WHEREAS**, this authorized affordable housing levy totaled one-half of one mill (0.5 mill)
30 for 2016 property taxes due in 2017 and drew down on the City’s temporary property tax credit;
31 and
32
33

1 **WHEREAS**, the affordable housing mill levy is subject to the same adjustment of the
 2 levies for the affected funds to the extent necessary to comply with the City property tax revenue
 3 limitation, until 2027 when the affordable housing mill levy expires or such time as the credited
 4 mills are entirely eliminated, whichever is first; and

5 **WHEREAS**, the Chief Financial Officer has estimated that the city property tax revenue
 6 limitation would allow the total property tax revenue for the affected funds to grow to
 7 \$273,787,300 in 2018, and that the levies set forth in this resolution will cause the revenue in the
 8 affected funds to total this amount, thus complying with the limitation; and

9 **WHEREAS**, a portion of the \$273,787,300 listed above is incremental property tax
 10 revenue from several expiring Tax Increment Financing districts that is not subject to the City
 11 property tax revenue limitation; and

12 **WHEREAS**, pursuant to voter approvals occurring in 2003 and 2007 respectively, the City
 13 is authorized to impose dedicated property tax levies for services to the developmentally
 14 disabled and for capital maintenance, the revenue from which is entirely exempted from the
 15 TABOR property tax revenue limitation and the city property tax revenue limitation; and

16 **WHEREAS**, § 39-10-114(1)(a)(1)(B), C.R.S., permits any taxing entity to adjust its
 17 property tax levy by an amount which does not exceed its prorated share of abatements and
 18 refunds of taxes erroneously or illegally assessed or collected in the previous years; and

19 **WHEREAS**, the City and County of Denver has determined that Denver’s proportional
 20 share of abatements and refunds granted in the previous year totals \$5,286,678 to be
 21 apportioned as set forth in this resolution.

22 **NOW, THEREFORE, BE IT RESOVED BY THE COUNCIL OF THE CITY AND COUNTY OF**
 23 **DENVER:**

24 **Section 1.** That the rate of City property taxation for the affected funds is calculated as
 25 follows:
 26

	2016	2017	2017	2017
	Property Tax	Property Tax	Abatements &	<u>Net Mill Levy</u>
	<u>Levy Base</u>	<u>Levy Base</u>	<u>Refunds Levy</u>	
General Fund	11.054	9.735	0.209	9.944
Social Services	3.791	3.339	0.041	3.380
Fire Pension	1.329	1.171	0.014	1.185
Police Pension	1.585	1.396	0.017	1.413
Affordable Housing	0.500	0.441	0.001	0.442
Total	18.259	16.082	0.282	16.364

1 **Section 2.** That the rate of City property taxation for voter-approved levies is calculated
 2 as follows:

	Voter-Approved <u>Mill Levy</u>	2017 Abatements & Refunds	2017 <u>Net Mill Levy</u>
Developmentally Disabled	1.000	0.010	1.010
Capital Maintenance	2.500	0.026	2.526
Total	3.500	0.036	3.536

3 **Section 3.** That the rate of taxation for general obligation debt service is calculated as
 4 follows:
 5

	2017 <u>Net Mill Levy</u>
Sinking/Bond Principal	7.000
Bonded Indebtedness	1.433
Total	8.433

6
 7 **Section 4.** That there be and is hereby levied for the year 2017 collectible in 2018 upon all
 8 taxable property, real, personal, and mixed, within the City and County of Denver the taxes in mills,
 9 for each dollar of assessed valuation, set forth in the following tabulation, pursuant to which the
 10 proceeds of the several levies listed under the heading "City and County of Denver" are to be paid
 11 into the respective funds named:

FUND	TAX LEVY
City and County of Denver:	
General Fund	9.944
Social Services Special Revenue	3.380
Developmentally Disabled	1.010
Fire Pension	1.185
Police Pension	1.413
Sinking (Bond Principal)	7.000
Bonded Indebtedness Interest	1.433
Capital Maintenance	2.526
Affordable Housing	0.442
TOTAL	28.333

1 **Section 5.** If any part, section, or subsection of this resolution levying taxes shall be held to
2 be illegal or unconstitutional, the validity or constitutionality of the remaining parts, sections, or
3 subsections of this ordinance shall not be affected. The Council hereby declares that it would have
4 passed the remaining parts, sections, or subsections if it had known that other parts, sections, or
5 subsections would be illegal or unconstitutional.

6
7 THIS RESOLUTION ESTABLISHES THE CITY'S MILL LEVY AND IS REQUIRED BY LAW IN
8 ORDER TO IMPLEMENT THE CITY'S ANNUAL BUDGET AS ADOPTED BY CITY COUNCIL.
9

10 COMMITTEE APPROVAL DATE: December 12, 2017

11 MAYOR/COUNCIL DATE: N/A

12
13 PASSED BY THE COUNCIL _____
14 _____ - PRESIDENT

15 ATTEST: _____ - CLERK AND RECORDER,
16 EX-OFFICIO CLERK OF THE CITY AND COUNTY OF DENVER

17 PREPARED BY: Alyson Gawlikowski and Tom Migaki, Budget and Management
18 December 14, 2017.

19
20 Pursuant to section 13-12, D.R.M.C., this proposed resolution has been reviewed by the office of
21 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
22 resolution. The proposed resolution is not submitted to the City Council for approval pursuant to
23 § 3.2.6 of the Charter.

24
25 Kristin M. Bronson, Denver City Attorney

26 BY: *Kristin J. Crawford*, Assistant City Attorney DATE: Dec 14, 2017