

2011 Denver Property Tax Levy Resolution

Government & Finance Committee
Presentation

December 7, 2011

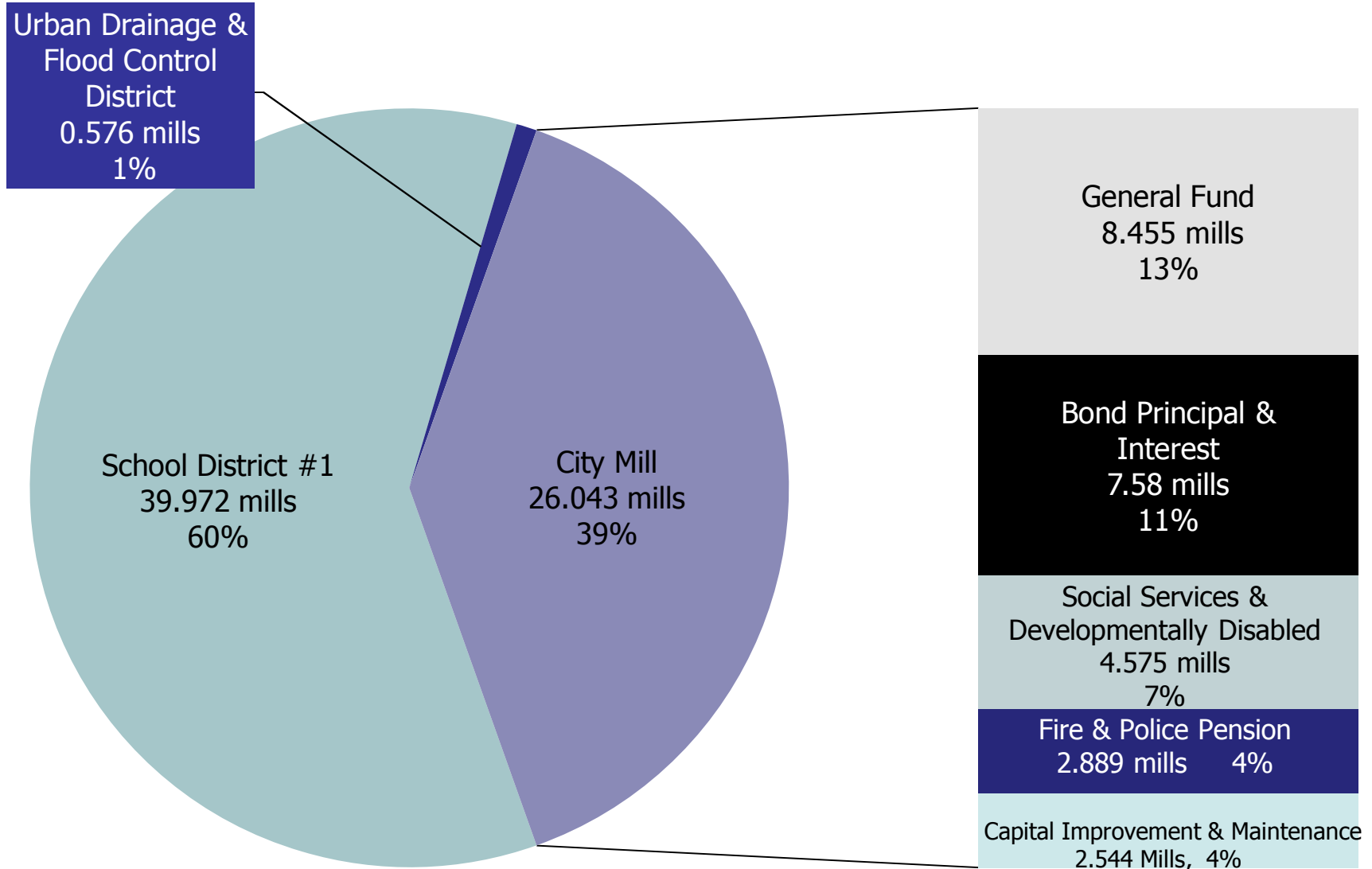


DENVER
THE MILE HIGH CITY

Overview

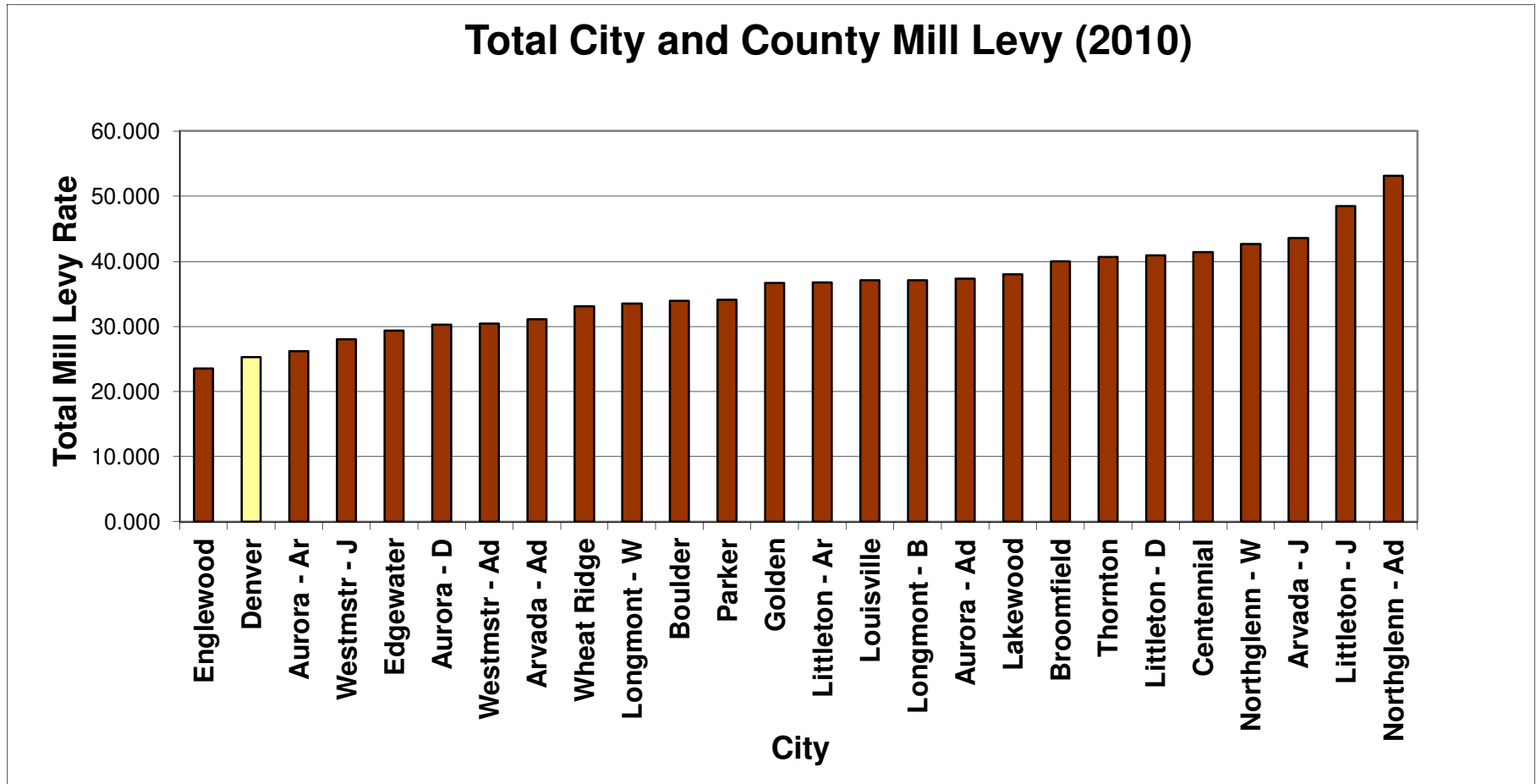
- Focus on residential property impact.
- Questions about commercial property valuation impacts should be directed toward the Denver Assessor's Office (Appraisal Supervisor Larry George at 720-913-4112)
- The presentation reviews city mills only not DPS or special districts.

Denver Property Tax Mill Levy 2010



Note: Average special district taxes are not included since mill levies vary across City.
 Source: 2010 Abstract of Assessment and Summary of Levies, City and County of Denver, Colorado

Property Tax Mill Levy Comparison



In 2010 Denver had the 2nd lowest property tax mill levy in the Denver-metro area for providing comparable city and county services.

Mill Setting Process

- The Assessor certifies assessed valuations no later than August 25th ;
- The levies are calculated based on state statutory and constitutional requirements;
- The resulting levies are used to calculate budget estimates. The budget is approved in October;
- The Assessor certifies final assessed valuations no later than December 10th;
- All Denver mill levies are approved by resolution after tax entities have certified their levies no later than December 15th . The resolutions must be approved by City Council before the end of the year.

TABOR Limited Mills

- TABOR (Article X Section 20) restricts revenue growth in which yearly property tax collections may not grow by more than the sum of inflation and “local growth”. Local growth is defined as a change in the municipality's actual real property value caused by the net affect of additions to (less deletions from) the property tax roll.
- Denver’s TABOR limited funds are:
 - General Fund
 - Human Services
 - Police Pension
 - Fire Pension
- Between 1996 and 2009, Denver’s assessed value growth would have resulted in revenue greater than what TABOR would allow. Therefore a series of temporary City tax rate credits (millage reductions) were applied by the City in order to stay under the TABOR limit.

2011 Reassessment

- Following the 2011 Reappraisal, Denver's real property tax base declined -8.6%. One third of the values for residential properties increased in 2011. Two thirds decrease from -5% to more than -40%.
- To capture property tax revenue allowable under TABOR the accumulated un-used or credited mills may now be restored to capture what TABOR will allow as growth in 2012.
- If this revenue is not captured reductions in the 2012 will be necessary of approximately \$7M in permanent reductions in the General Fund and Capital Improvement Fund. The total City lost revenue would be \$10.7M.

Denver's 2011 Value Change

2011 Individual Residential Value Changes			
Percent Change	Number of Parcels	Percent in Range	Percent of Prop in Range
More Than +30%	638	0.39%	4.19%
+25% to +30%	956	0.58%	
+20% to +25%	1,928	1.17%	
+15% to +20%	3,400	2.06%	
+10% to +15%	6,848	4.14%	57.53%
+5% to +10%	13,167	7.97%	
0% to +5%	25,426	15.38%	
-7.2% to 0%	49,647	30.04%	
-7.27% Tax Neutral	604	0.37%	0.37%
-7.3% to -10%	16,729	10.12%	23.11%
-10% to -15%	21,476	12.99%	
-15% to -20%	12,282	7.43%	14.81%
-20% to -25%	6,008	3.63%	
-25% to -30%	3,040	1.84%	
-30% to -35%	1,376	0.83%	
-35% to -40%	900	0.54%	
More Than -40%	868	0.53%	

2010 v. 2011 City Mills

Estimated 2011 Millage(Mill Levy) for Denver Funds compared to 2010 Millage(Mill Levy)			
Fund	Mill Levy for 2010	Mill Levy for 2011	Change in Mill Levy
General	8.455	9.805	1.350
Bond Principal	4.470	3.980	-0.490
Bond Interest	3.110	3.600	0.490
Total Bond	7.580	7.580	0.000
Social Services	3.556	4.101	0.545
Developmentally Disabled	1.019	1.030	0.011
Fire Pension	1.317	1.519	0.202
Police Pension	1.572	1.812	0.240
Capital Maintenance	2.544	2.572	0.028
Total City Mills	26.043	28.419	2.376

2010 v. 2011 Median House Tax Bill

Estimated 2011 Taxes for Denver Funds Compared to 2010 Taxes for Median Residential Actual Values			
Fund	2010 taxes due in 2011 based on \$229,800 median residential actual value	2011 taxes due in 2012 based on \$224,800 median residential actual value	Change in estimated taxes
General	\$154.66	\$175.45	\$20.79
Bond Principal	\$81.77	\$71.22	-\$10.55
Bond Interest	\$56.89	\$64.42	\$7.53
Total Bond	\$138.65	\$135.64	-\$3.02
Social Services	\$65.05	\$73.38	\$8.34
Developmentally Disabled	\$18.64	\$18.43	-\$0.21
Fire Pension	\$24.09	\$27.18	\$3.09
Police Pension	\$28.76	\$32.42	\$3.67
Capital Maintenance	\$46.53	\$46.02	-\$0.51
Total City Taxes	\$476.38	\$508.53	\$32.15

Summary

- Combining all estimated 2011 Denver rates, a typical homeowner with a house currently valued at \$224,800, will experience a \$32 difference in their tax bill between 2010 and 2011. (This does not include any additional mill changes from DPS, Urban Renewal Authority, or special districts).
- Property values that decrease by approximately 7.3% offset increased mills (Denver funds only).