

1 **BY AUTHORITY**

2 RESOLUTION NO. CR12-0911
3 SERIES OF 2012

COMMITTEE OF REFERENCE:
Government and Finance

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7 **A RESOLUTION**
8

9 **Levying upon all taxable property within the City and County of Denver taxes**
10 **for the year 2012, to be collected in 2013, for purposes authorized by law.**
11

12 **WHEREAS**, the Taxpayer’s Bill of Rights, Section 20, Article X, of the Colorado Constitution
13 (TABOR) limits increases in a “district’s property tax revenue” over the revenue so generated in
14 the prior year to what is derived from “inflation” and “local growth” as both of those terms are
15 defined in TABOR; and

16 **WHEREAS**, TABOR allows voters to approve the receipt, retention and expenditure of
17 revenue in excess of the property tax revenue limit set forth in TABOR, and on November 6, 2012
18 the voters of the City and County of Denver did so through the approval of Referred Measure 2A,
19 adopting Ordinance No. 426, Series 2012, now codified at Sec. 20-26, D.R.M.C.; and

20 **WHEREAS**, the following components of the city’s total gross property tax mill levy have
21 historically been subject to the TABOR property tax revenue limitation: General Fund; Social
22 Services; Fire Pension; Police Pension; and

23 **WHEREAS**, commencing with 1996 taxes collected in 1997, the city has annually adopted a
24 temporary mill levy credit in accordance with § 39-1-111.5, C.R.S., in order to ensure that property
25 tax revenue generated for the four TABOR-limited funds did not exceed the TABOR property tax
26 revenue limitation; and

27 **WHEREAS**, because of decreases in property values within the City and County of Denver
28 within the time period applicable to determining the assessed value for 2012, the projections of the
29 Manager of Finance are that the current mill levies for the four TABOR-limited funds will generate
30 less revenues than what is allowed by the TABOR limit, thus requiring a reduction in the current
31 credits in order to generate annual property tax revenue growth up to the amount allowed by
32 TABOR; and

33 **WHEREAS**, by virtue of the adoption of Referred Measure 2A, the voters have allowed the
34 city to further reduce the current credits in the total amount of 4 mills and thereby increase
35 property tax revenue in excess of the TABOR limit for 2012 property taxes to be collected in 2013;
36 and

1 **WHEREAS**, Denver voters previously authorized the city to keep and spend all revenue in
 2 excess of the TABOR limit for other components of the city’s total gross mill levy, namely 1 mill for
 3 services to the Developmentally Disabled (2003) and 2.5 mills for Capital Maintenance (2007); and

4 **WHEREAS**, Denver voters, through a series of ballot issues approving the issuance of
 5 general obligation bonds, previously authorized the city to establish mill levies for Sinking/Bond
 6 Principal and Bonded Indebtedness, with these levies to be adjusted annually as necessary to pay
 7 for debt service on a year to year basis; and

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

11 **WHEREAS**, the City and County of Denver has determined that Denver’s proportional
 12 share of abatements and refunds granted in the previous year totals \$8,692,948; and

13 **WHEREAS**, the Manager of Finance has provided information that the estimated property
 14 tax revenue to the City and County of Denver, itself, for the year 2012 will not intentionally exceed
 15 the TABOR limit and the additional voter-approved authority to exceed the TABOR limit by using
 16 the mill levies described in the following tabulation; further, that the final column in the tabulation
 17 accurately reflects the net mill levy to be imposed for 2012 as follows:

18 FUND

19 City and County of Denver Funds Subject to TABOR Tax Revenue Limitation

	1996 Gross Property Tax Rate	Previous Temporary Mill Levy Rate Reduction 2011	Adjustment To Temporary Mill Levy Rate Reduction for 2012	Additional Adjustment to Temporary Mill Levy Rate Reduction Authorized by 2A of 2012	2012 Abatements & Refunds Levy	Net Mill Levy for 2012
General Funds	12.783	3.433	0.369	3.108	0.535	13.362
Social Services	5.541	1.536	0.158	0.236	0.121	4.520
Fire Pension	2.055	0.572	0.059	0.000	0.045	1.587
Police Pension	2.451	0.681	0.070	0.000	0.053	1.893
Total	22.830	6.222	0.656	3.344	0.754	21.362

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1 City and County of Denver Funds Previously Authorized to Keep and Spend Revenue in Excess of
 2 TABOR Limit

	Voter- Approved <u>Mill Levy</u>	2012 Abatements & <u>Refunds</u> <u>Levy</u>	Net Mill Levy for <u>2012</u>
Developmentally Disabled	1.000	0.033	1.033
Capital Maintenance	2.500	0.081	2.581
Total	3.500	0.114	3.614

3
 4 City and County of Denver Funds Previously Authorized by voters for General Obligation Bonds

	Net Mill Levy for <u>2012</u>
Sinking/Bond Principal	4.170
Bonded Indebtedness	3.780
Total	7.950

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 6 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF**
 7 **DENVER:**

8
 9 **Section 1.** That there be and is hereby levied for the year 2012 collectible in 2013 upon all
 10 taxable property, real, personal, and mixed, within the City and County of Denver the taxes in mills,
 11 for each dollar of assessed valuation, set forth in the following tabulation, pursuant to which the
 12 proceeds of the several levies listed under the heading "City and County of Denver" are to be paid
 13 into the respective funds named:

FUND	TAX LEVY
City and County of Denver:	
General Fund	13.362
Social Services Special Revenue	4.520
Developmentally Disabled	1.033
Fire Pension	1.587
Police Pension	1.893
Sinking (Bond Principal)	4.170
Bonded Indebtedness Interest	3.780
Capital Maintenance	<u>2.581</u>
TOTAL	32.926

1 **Section 2.** 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
4 have passed the remaining parts, sections, or subsections if it had known that other parts,
5 sections, or subsections would be illegal or unconstitutional.

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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 COMMITTEE APPROVAL DATE: N/A MAYOR/COUNCIL DATE: N/A

10 PASSED BY THE COUNCIL _____, 2012

11 _____ - PRESIDENT

12 ATTEST: _____ - CLERK AND RECORDER,

13 EX-OFFICIO CLERK OF THE CITY AND COUNTY OF DENVER

14 NOTICE PUBLISHED IN THE DAILY JOURNAL _____, 2012

15 PREPARED BY: Karen Todd, Office of the Controller and Molly Duplechian Budget and Management
16 December 13, 2012.

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

21 Douglas J. Friednash, Denver City Attorney

22 BY: _____, _____ City Attorney, DATE: _____, 2012

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