



2020 City Mill Levy Resolution

Finance and Governance Committee
December 8, 2020

Agenda

- Mill Levy Distribution
- 2020 Preliminary Mill Levies
- Mill Levy Calculation
- History of 2A Credited Mills
- Capped vs. Uncapped Funds since 2A
- Timing of DPS and Special District Mill Levies

TOTAL MILL LEVY DISTRIBUTION

■ DPS ■ City Not Capped ■ City 2A Capped ■ Urban Drainage



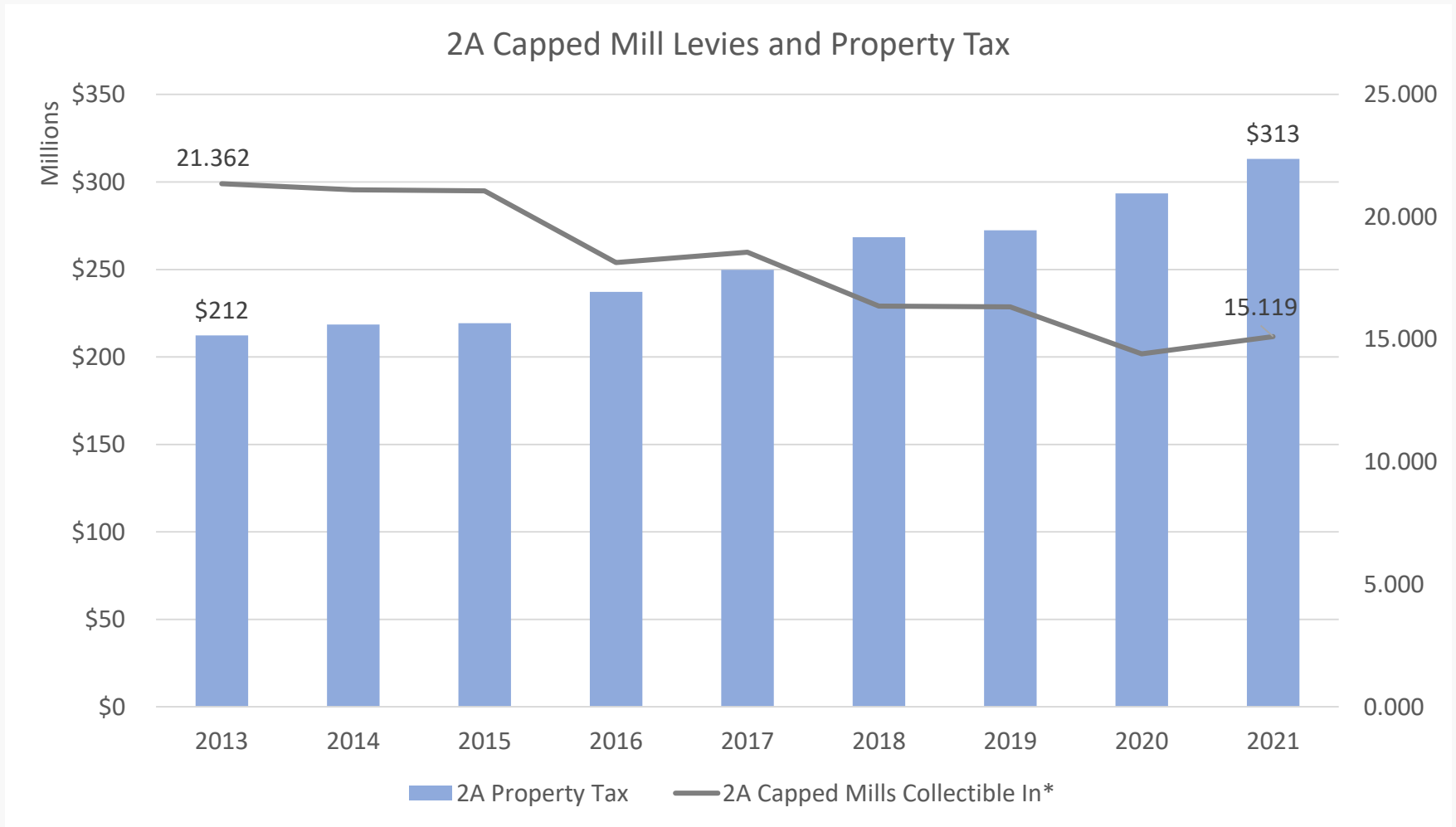
	2019 Base Mill	2020 Base Mill	Y/Y Difference	Restored Property Tax	2020 Abatement/ Refunds Mill	2020 Total Mill
Total City Mill Levy	24.138	24.870	0.732	\$ 15,164,353	0.288	25.158
2A Capped Funds	14.138	14.870	0.732	\$ 15,164,353	0.249	15.119
General Fund	7.268	7.716	0.448	\$ 9,276,087	0.165	7.881
Capital Improvement	1.786	1.896	0.110	\$ 2,279,317	0.021	1.917
Social Services	2.440	2.591	0.150	\$ 3,114,840	0.031	2.622
Fire Pension	1.029	1.029	0.000	\$ -	0.012	1.041
Police Pension	1.227	1.227	0.000	\$ -	0.015	1.242
Affordable Housing	0.387	0.411	0.024	\$ 494,109	0.005	0.415
Uncapped Funds	10.000	10.000	0.000	\$ -	0.039	10.039
Develop. Disabled	1.000	1.000	0.000	\$ -	0.011	1.011
Capital Maintenance	2.500	2.500	0.000	\$ -	0.028	2.528
Bond Principal/Int.	6.500	6.500	0.000	\$ -	n/a	6.500

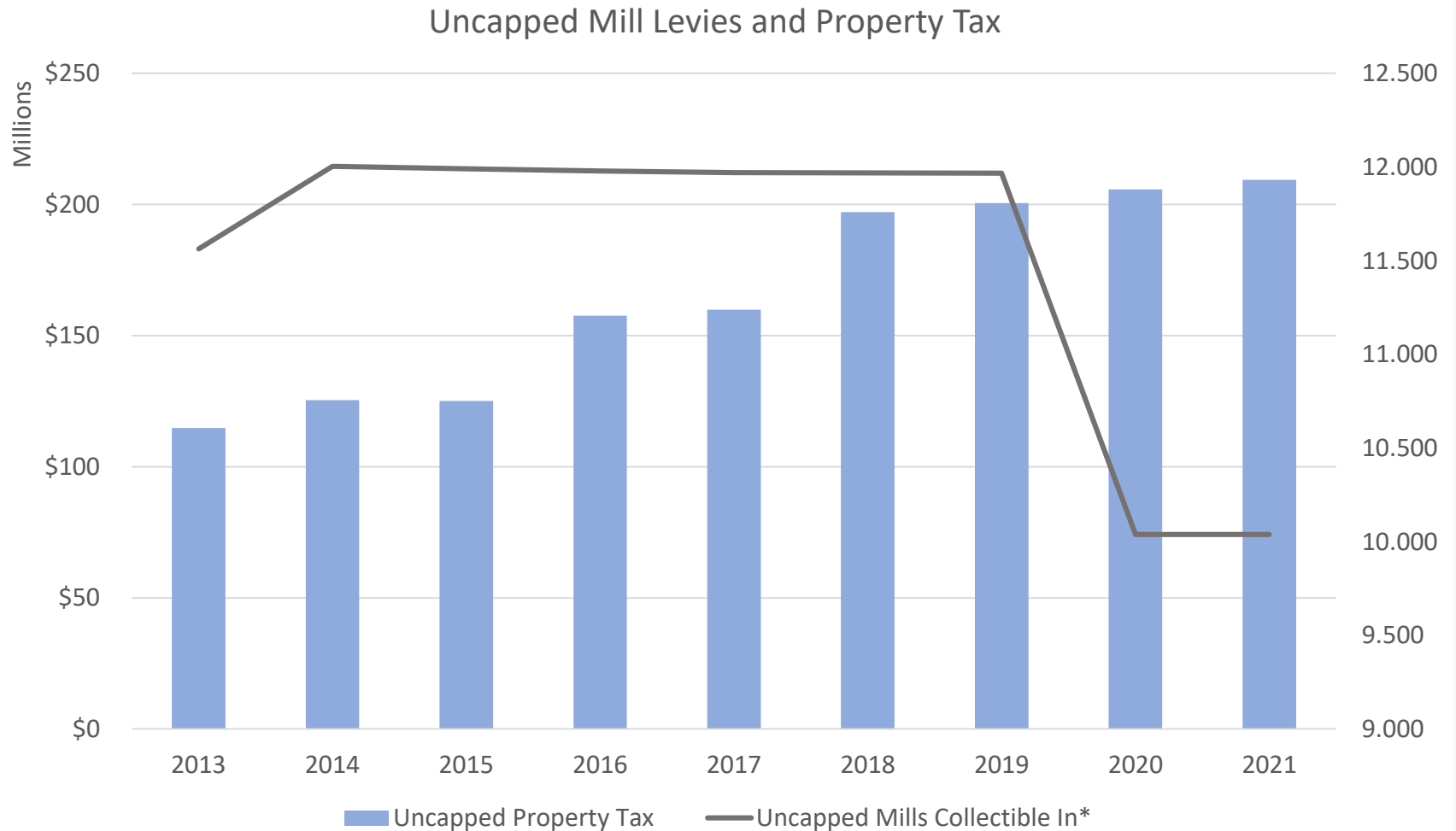
Base Property Tax Levied in 2019			\$150,604,261
	+		
6% + 2.204% Local Growth			\$9,036,256
			+ \$3,319,318
	+		
8/19-7/20 Abate./Refunds Credit			\$3,492,955
			<hr style="border: 1px solid black;"/>
2021 Total Revenue Limit	→ =		\$166,452,790

The total 2020 mill levy for the General Fund is calculated off of this \$166,452,790 using the following formula:

$$\text{Mill Levy} = (\text{Property Tax/Assessed Valuation}) * 1000$$

Reassessment Year	Credit (+)/ Restore (-)	New Credit	Notes
2012	-4.000	2.222	2A passes and we restore 4.000 of our 6.222 credited mills
2013	0.000	2.222	A.V. growth only 5.3%, so 2A cap not triggered and no mills credited
2014	0.000	2.222	Non-reassessment year
2015	2.848	5.070	25.7% A.V. growth prompts City to credit 2.848 mills
2016	-0.500	4.570	0.500 mills restored to establish Affordable Housing Fund
2017	2.178	6.748	23.1% A.V. growth prompts City to credit 2.178 mills
2018	0.000	6.748	Non-reassessment year
2019	1.944	8.692	23.2% A.V. growth prompts City to credit 1.944 mills
2020 Est.	-0.732	7.960	COVID impact prompts City to restore an ESTIMATED 0.732 mills





	Collection Year 2013-2021 % Change	Collection Year 2020-2021 % Change
Total Assessed Value	110%	2%
2A Capped Property Tax	48%	7%
General Fund Property Tax	55%	8%
Uncapped Property Tax	82%	2%
Total Property Tax	60%	5%

- Deadline for DPS and special districts to submit their mill levies is December 15
- Last possible filing date to allow for one reading by City Council is December 17
- First and only reading for all three mill levy resolutions at Council's Monday night meeting on December 21

Stephanie Karayannis Adams

Budget and Management Office

Stephanie.Adams@denvergov.org

Alyson Gawlikowski

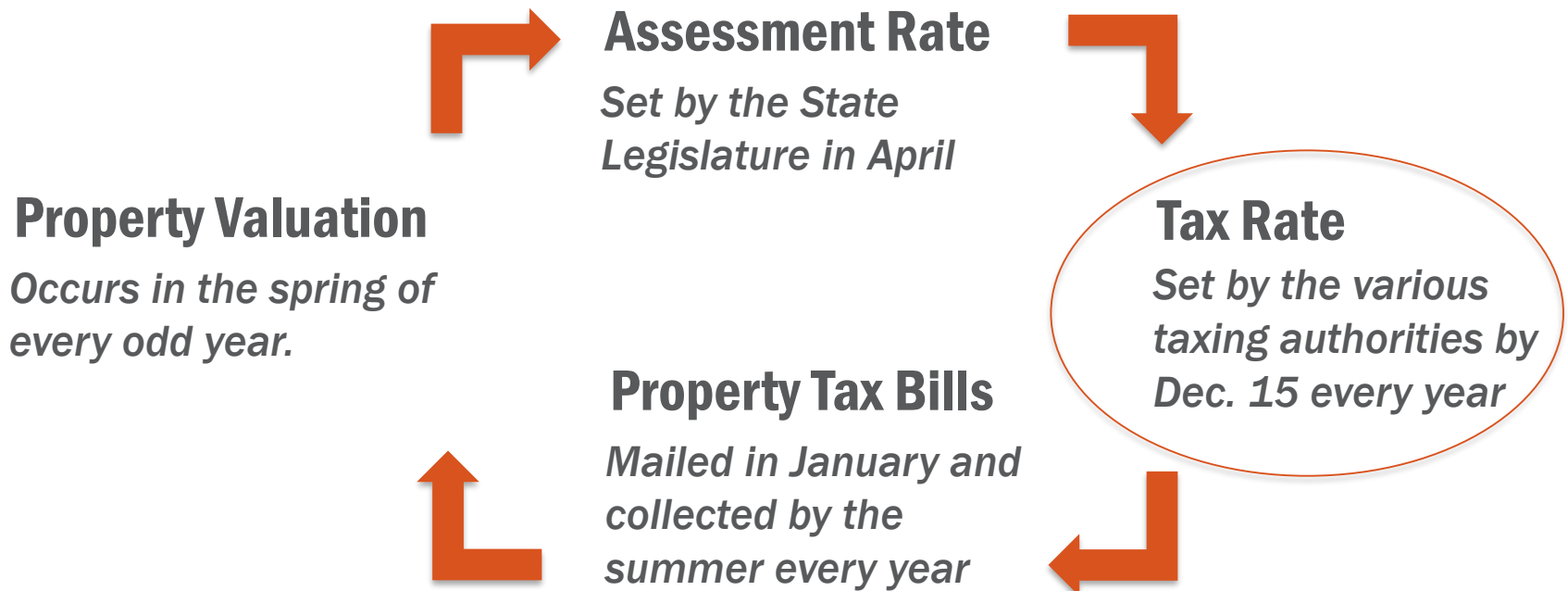
Budget and Management Office

Alyson.Gawlikowski@denvergov.org



Appendix

Property Valuation and Taxation Cycle



Property Tax Equation

ACTUAL VALUE

Determined by the county assessment process



ASSESSMENT RATE

Determined by the Gallagher Amendment



PROPERTY

TAX



MILL LEVY

Determined by the various taxing authorities

Property Tax Calculation

Residential Example:

Actual Value (determined by Assessment process)	\$460,000
x Residential Assessment Rate (Gallagher)	<u>x 7.15%</u>
= Assessed Value	\$32,890
x Mill Levy (set by taxing authorities)	<u>.072116</u>
= Property Taxes	\$2,371.90

A median single-family home (\$432,000) could expect a property tax bill of \$2,228.

Non-Residential Example:

Actual Value (determined by Assessment process)	\$1,000,000
x Residential Assessment Rate (Gallagher)	<u>x 29%</u>
= Assessed Value	\$290,000
x Mill Levy (set by taxing authorities)	<u>.072116</u>
= Property Taxes	\$20,913.64

Gallagher Amendment

- Enacted by voters in 1982, the Gallagher Amendment set forth guidelines in the Colorado Constitution for determining the **actual value** of property and the **valuation for assessment** of such property.
- Requires the statewide property tax base (taxable values) must maintain a proportional relationship between **residential** (45%) and **non-residential** property (55%).



= 45%



= 55%

Gallagher Amendment

- When residential valuation growth outpaces non-residential growth, the residential rate must adjust downward to achieve this ratio.
- The non-residential rate is fixed at 29%. The current residential rate is 7.15%
- The Division of Property Taxation (State agency under DOLA) performs this calculation based on statewide valuation data from Assessors and submits the results to the General Assembly and the State Board of Equalization.
- Per TABOR, an assessment rate cannot be adjusted upward without a statewide vote (has never been performed).

