

BY AUTHORITY

RESOLUTION NO. CR16-1213
SERIES OF 2016

COMMITTEE OF REFERENCE:
Finance & Governance

A resolution levying upon all taxable property within the City and County of Denver taxes for the year 2016, to be collected in 2017, for purposes authorized by law.

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

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

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

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

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

WHEREAS, this authorized affordable housing levy is to total one-half of one mill (0.5 mill) for 2016 property taxes due in 2017 and is to draw down on the City’s temporary property tax credit of 5.070 bringing the new credit amount to 4.570; and

1 **WHEREAS**, for 2017 taxes to be collected in 2018 and in each subsequent year
 2 thereafter, the affordable housing mill levy is subject to the same adjustment of the levies for the
 3 affected funds to the extent necessary to comply with the City property tax revenue limitation,
 4 until 2027 when the affordable housing mill levy expires or such time as the credited mills are
 5 entirely eliminated, whichever is first; and

6 **WHEREAS**, the Chief Financial Officer has estimated that the city property tax revenue
 7 limitation would allow the total property tax revenue for the affected funds to grow to
 8 \$246,084,140 in 2017, and that the levies set forth in this resolution will cause the revenue in the
 9 affected funds to total this amount, thus complying with the limitation; and

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

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

17 **WHEREAS**, the City and County of Denver has determined that Denver’s proportional
 18 share of abatements and refunds granted in the previous year totals \$4,568,364 to be
 19 apportioned as set forth in this resolution.

20
 21 **NOW, THEREFORE, BE IT RESOVED BY THE COUNCIL OF THE CITY AND COUNTY OF**
 22 **DENVER:**
 23

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

	2015	2016	2016	2016
	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	11.054	0.222	11.276
Social Services	3.791	3.791	0.044	3.835
Fire Pension	1.329	1.329	0.016	1.345
Police Pension	1.585	1.585	0.019	1.604
Affordable Housing	n/a	0.500	n/a	0.500
Total	17.759	18.259	0.301	18.560

1 **Section 2.** That the rate of City property taxation for voter-approved levies is calculated
 2 as follows:
 3

	Voter-Approved <u>Mill Levy</u>	2016 Abatements & <u>Refunds</u>	2016 <u>Net Mill Levy</u>
Developmentally Disabled	1.000	0.010	1.010
Capital Maintenance	2.500	0.028	2.528
Total	3.500	0.038	3.538

4 **Section 3.** That the rate of taxation for general obligation debt service is calculated as
 5 follows:
 6

	2016 <u>Net Mill Levy</u>
Sinking/Bond Principal	7.433
Bonded Indebtedness	1.000
Total	8.433

7
 8 **Section 4.** That there be and is hereby levied for the year 2016 collectible in 2017 upon all
 9 taxable property, real, personal, and mixed, within the City and County of Denver the taxes in mills,
 10 for each dollar of assessed valuation, set forth in the following tabulation, pursuant to which the
 11 proceeds of the several levies listed under the heading "City and County of Denver" are to be paid
 12 into the respective funds named:

FUND	TAX LEVY
City and County of Denver:	
General Fund	11.276
Social Services Special Revenue	3.835
Developmentally Disabled	1.010
Fire Pension	1.345
Police Pension	1.604
Sinking (Bond Principal)	7.433
Bonded Indebtedness Interest	1.000
Capital Maintenance	2.528
Affordable Housing	<u>0.500</u>
TOTAL	30.531

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: November 29, 2016 (Consent)
11 MAYOR/COUNCIL DATE: December 6, 2016

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 NOTICE PUBLISHED IN THE DAILY JOURNAL _____

18 PREPARED BY: Alyson Gawlikowski and Tom Migaki, Budget and Management
19 December 15, 2016.

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: _____, Assistant City Attorney, DATE: _____