



July 6, 2021

Dear District Business Official:

Congratulations on the completion of the 2020-2021 school year! We know it was a difficult and extremely busy year, full of unprecedented challenges—and also opportunities. Thank you for your ongoing service to schools and students.

We are writing to provide you with an update on the mill levy correction process that is outlined in recently signed legislation ([HB21-1164](#)), and to set expectations for what happens next. Please note that this information does not apply to every district, however we are sending it to all districts to provide awareness. We have attached to this communication the 2020-2021 mill levy spreadsheet and have highlighted the districts that have temporary tax credits in place; if your district is not highlighted, no action is required.

Background

As a reminder, the following is a summary of legislative and other activity related to mill levy correction:

- June 2020: [HB20-1418](#) signed (see Section 33). The 2020 School Finance Act required districts to levy the number of mills specified by the requirements in the bill, including the establishment of temporary tax credits, if necessary, to correct historical errors.
- December 2020: If required, districts included temporary tax credits when certifying property tax mills related to the local share of total program for the 2020 tax year.
- March 2021: [HB21-1164](#) introduced. The Total Program Mill Levy Tax Credit bill required CDE to implement a correction plan for districts with temporary tax credits. Specifically, the plan must ensure that districts incrementally reduce the temporary tax credits “as quickly as possible but by no more than one mill each property tax year,” beginning in the 2021 tax year.
- May 2021: Colorado Supreme Court ruled in an [interrogatory](#) that HB21-1164 is constitutional.
- June 2021: [HB21-1164](#) signed into law.

If your district was not required to certify any temporary tax credits in the 2020 tax year (i.e. is not highlighted in the attached spreadsheet), mill levy correction does not apply to your district, and no action is required.

Important Next Steps for Districts with Temporary Tax Credits

The passage of HB21-1164 means that districts with temporary tax credits will begin to reduce those credits, and increase their mills to fund total program, in the 2021 tax year (December 2021 certification). If your district certified temporary tax credits in the 2020 tax year (December 2020 certification), there are several



important next steps for you to be aware of:

- **Review and organize documentation:** It is critical that you have easy access to the documentation used to support the mills the district levied in 2020, including any temporary tax credits. This supporting documentation may include previous district audits; information from the local county about the mills in place at the time the district obtained voter approval to retain and spend revenue in excess of the property tax revenue limitation imposed on the district by TABOR; and other district records. If, upon review of your documentation, you have any questions or concerns about the accuracy of the mills and/or tax credits your district levied in 2020, or the district's ability to provide supporting documentation, please reach out to Tim Kahle at CDE immediately: kahle_t@cde.state.co.us. CDE will do everything possible to assist you with confirming and documenting the correct mill levy and/or tax credits for your district, if needed.
- **Provide a copy of documentation supporting temporary mill levy tax credits to CDE:** Though not required by statute, CDE strongly recommends that districts share a copy of supporting documentation for 2020 mill levy correction and temporary tax credits with the department. This supporting documentation may include previous district audits; information from the local county about the mills in place at the time the district obtained voter approval to retain and spend revenue in excess of the property tax revenue limitation imposed on the district by TABOR; and other district records. CDE will archive the information and have it available should any questions arise in the future, particularly when district and department staff may have turned over. Please submit supporting documentation for any temporary tax credits established in 2020 by emailing it to schoolfinance@cde.state.co.us, as soon as possible, but not later than October 15, 2021.
- **Prepare to communicate with stakeholders:** If your district has temporary tax credits, the district will reduce them by one mill each year until the credits are reduced to zero. This means that the district will increase its total program mill levy by a maximum of one mill, and reduce its temporary tax credits by the same amount, in the 2021 tax year (December 2021 certification). Because of this, taxpayers in your community will see a maximum one mill increase in their property tax mills for total program yearly beginning in the 2021 tax year, and occurring each year following until the tax credits are reduced to zero. CDE will be developing sample content to assist you with communicating this information to your stakeholders. In the meantime, we recommend informing your local Board of Education, as well as your county Assessor, of this required adjustment this summer.

Support for Districts

CDE will be hosting a special Office Hours for districts with temporary tax credits on **August 10, 2021 at 11 a.m. via Teams** (see login info below). Please join us to ask any questions about this important process.

Thank you!

The Public School Finance Team

Jennifer Okes
Chief Operating Officer

Kate Bartlett
Executive Director

Tim Kahle
Director

Microsoft Teams meeting: Mill Levy Correction Office Hours, August 10, 2021, 11am

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)



+1 929-341-4269,,202455086# United States, New York City
Phone Conference ID: 202 455 086#

Cc: Superintendent

Attached: 2020-2021 mill levy spreadsheet with highlights

