

Property Taxes & Mill Levy Certification Basics 11/14/22

Terms & Mill Options

- Mills & Property Taxes
- Actual Value v. Net Assessed Valuation
 - Commercial & Residential Assessment Rates
- Certification of Valuation
- General Fund
 - Abatement
 - Total Program Mills
 - Other General Fund Mill Levy Override, including Non-Voter Approved Mill Levies
- Bond Fund
- Transportation
- Special Building and Maintenance
- Supplemental Capital Construction, Technology, Maintenance Fund
- CDE website resource [link](#) 2022 Mill Levy Table

Mill Levy Certification Basics

- What are Mills? One mill is one dollar per \$1,000 of *assessed* value. Net assessed value multiplied by mills divided by 1,000 = Dollar amount generated
 - NAV \$50 Million * 27.000 mills / 1,000 = \$1,350,000
- How do Property Taxes impact the District?
 - Contributes a portion of the District's Total Program-a district's largest source of Revenue...State backfills the rest. [What is your Local/State Funding %s?](#)
 - HB20-1418 set: Total Program Mills
 - Total Program Mills = Targeted Mills (District may or not currently be at this level)
 - Temporary Tax Credit = Mills left to increase to get to targeted Total Programs Mills
 - Net Total Program Mills - Targeted LESS Credit = Actual mills applied to Net Assessed Valuation to calculate District's Local portion of Total Program.

Assessment Rates

- The Assessor takes the **Actual Valuation** and applies the **assessment rate** for the specific type of property. The result is **Net Assessed Value**. This is the Value used to apply a district's mills to produce actual dollars of property tax to be certified & collected.
- There are different assessment rates for Commercial and Residential assets. Prior to the November 2020 repeal, the Gallagher Amendment determined the rates. 29% for All Commercial & 7.15% for All Residential. *When Gallagher was adopted in 1982, the rates were 29% for Commercial & 21% for Residential.*
- Now SB22-238 determines the assessment rate until 2025
 - Residential rates are now different for Single Family & Multi Family
 - Commercial rates are now different for Oil & Gas, Agricultural, Renewable Energy, Lodging, Commercial & Vacant & Industry.

Property Taxes - How they Work Prior to SB22-238

Actual Values



×

Assessment Rate

7.2% Residential *
29% Nonresidential
87.5% Oil and Gas

=

Assessed Values



Assessed Values



×

Local
Mill Levy

=

Taxes
Owed

Property Taxes - How they Work with SB22-238

	2022 taxes Paid in FY23	2023 taxes Paid in FY24	2024 taxes Paid in FY25	2025 taxes Paid in FY26
Single Family Residential Rate	6.950%	6.765%	TBD	7.150%
Multi-Family Residential Rate	6.800%	6.765%	6.800%	7.150%
Oil & Gas	87.50%	87.50%	87.50%	87.50%
Agricultural	26.40%	26.40%	26.40%	29.00%
Renewable energy	26.40%	26.40%	26.40%	29.00%
Lodging	29.00%	27.90%	27.90%	29.00%
Commercial, Vacant, Industry	29.00%	27.90%	27.90%	29.00%

Please note that because of the differing rates within the Residential and Commercial categories the calculation will be a bit skewed

How Assessed Values Changes Affect Property Tax?

- 2 Types of Mills; Fixed Dollar or Fixed Mill Levy. Determined by Ballot Questions
 - Fixed dollar mills collects the same \$ amount regardless how AV changes. If AV decreases, the mills paid by taxpayers increases. Conversely, as AV *increases* the amount of mills need to generate the Fixed \$, the mills paid by taxpayers decreases.
 - It is possible to ask for a fixed \$ amount and ask if it can grow by CPI annually automatically.
 - Fixed mill levy, the money generated by the district changes directly as AV changes. No impact to Taxpayers.

Mill Levy Certification Basics

- **What is the Certification of Valuation? and how does a district use it?**
- Certification of Valuation- the assessor certifies to the school district the total valuation for **assessment** and the **actual value** of all taxable property and **abatements** and taxes collected on omitted property located within the district. § 39-5-128(1).
 - No Later than **August 25th** the County Assessor will produce the Preliminary Certificate of Valuation.
 - On or Before **December 10** the County Assessor will produce the FINAL Certificate of Valuation. CONTACT Assessor on when the December Final will be sent.
- Let's Look at an [Example](#)
- Abatement
 - On Certification of Valuation, there will be a dollar amount that the district needs to certify in order to receive the taxes that were abated in previous years.

- Certification to County Commissioners
 - No Later than December 15, the Board of Education(BOE) certifies to the board(s) of county commissioners.
 - A district may need to have a special December BOE meeting to meet the December 15th
 - Before the BOE certifies, contact the Assessor and ask what are the needed documents & send them after the BOE certifies. **Packet due to County Commissioners 12/15/22 by end of day.**
 - Let's Look at an [Example](#)

Total Program Mills-General Fund

- Total Program Mills *CRS 22-54-106*
 - HB20-1418 Total Program Mills-Targeted Mills
 - Temporary Tax Credit-mills left to increase to get to targeted Total Programs Mills *CRS 22-54-106(III)(2)*
 - You may or not have tax credits
 - Net Total Program Mills - Targeted LESS Credit = Actual mills applied to Net Assessed Valuation to calculate District's Local portion of Total Program.
 - *Will be included on the Mill Levy Certification Form*

Other Mills

- General Fund - **Non-Voter Approved**
 - Abatement *CRS 39-10-114(1)(a)(I)(B)*
 - 1995 Hold Harmless (row 78 on Calculation Worksheet) *CRS 22-54-108(II)(A)*
- General Fund - Voter Approved Overrides (MLOs) *CRS 22-54-108*
 - **Should have a copy of every voter approved ballot question-might take time to find**
 - Will indicate if a fixed dollar amount or a fixed mill levy amount
 - Will indicate what the money can be spent on
 - There are caps of what can be approved by taxpayers
 - 25% most 30% small rural of current year Total Program

Other Fund Mills

- Other Fund-Voter Approved Levies-Have Ballot Question
 - Bond Fund (31) - Collects the money to make the annual Interest and Principal payments. **CRS 22-42-102 & CRS 22-42-118**
 - Certify in Dec 2022 for payment in June 2023 & December 2023
 - Transportation (25) - Collects “excess” transportation costs **CRS 22-40-102 (1.7)**
 - excess means over and above the CDE-40
 - Special Building and Tech Fund (42) **CRS 22-40-102(1.5) and 22-45-103 (1)(d)**
 - maximum 3 years and 10 mills
 - Supplemental capital construction, technology, and maintenance Fund (46 or 06). **CRS 22-54-108.7**
 - No sunset requirement & no mill level maximum

Mill Levy Certification Calculation

- Choose between 2 different CDE provided worksheets.
 - https://www.cde.state.co.us/cdefinance/millevy_forms
 - File name: ***Traditional Mill Levy Certification Form without Calculation Worksheet-2022. Single page form like previous year***
 - File name is: ***NEW Mill Levy Certification WITH Calculation Worksheet - 2022***. This file includes a calculation worksheet to aid districts in calculation their mills correctly. Use as Excel, loses functionality as a Google Sheets
 - Multiple Tab file, Locked Cells, except the manual input cells.
 - A cover sheet for the BOE packet, the resolution that populates automatically from worksheet, a calculation worksheet, & the CDE Form
 - Slight format changes from last year.
 - New features are the FY22 final info
 - **August 25th Assessed valuations. Also, the HB20-1418 values, Estimated Full Funding Mill Levy, & Projected Gross Funding from State. These won't change with the Change in NAV from August 25 & December.**

Mill Levy Certification Process Change

https://www.cde.state.co.us/cdefinance/millevy_forms

Elections and Mill Levies

- [Bond Election](#)
- [Override Election History](#)
- [Mill Levies and Override Revenues](#)
- [Mill Levy Corrections](#)
- [Mill Levy Override Revenue Reports](#)
- [District Bonded Indebtedness](#)
- [December 2022 Mill Levy Certification Files](#)

Mill Levy Certification Submittal Process

SmartSheets

- Not as Smart as one would like
 - \$ values DO NOT format with commas
 - You can copy and paste from excel
 - Calculation functions, adding & subtracting, are NOT supported
 - Mills can be entered with decimal Point
- Enter info in each field, even if Zero.
- Upload Required County Cert. of Valuation
- Upload Optional Worksheet
- Highly recommended to select “Send me a copy of my Responses
- Hit Submit no later than 12/15/22 by end of day

Mill Levy Certification CDE Contacts

**Training on Mill Levy Certification Process on 11-17 OR
12-1. (Pick one to attend)**

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