

Assessed Valuation & Mill Rate Fiscal Year 2015-16



Executive Briefing for:
Board of Education
December 14, 2015

Includes a Base Mill Levy Section
Illustration of Changes for 2015-16
and Review of TABOR limit per
C.R.S. 22-54-106



CherryCreekSchools

Taxable Assessed Value by Property Type

(\$ Millions)

Year	Residential	Commercial	Industrial	Vacant Land	Other	Total
Actual 2015	\$2,729.595	\$2,155.565	\$8.761	\$114.801	\$201.470	\$5,210.192
% of Total	52.4%	41.4%	0.2%	2.2%	3.8%	100.0%
Actual 2014	\$2,191.344	\$1,907.264	\$9.394	\$103.011	\$210.477	\$4,421.490
\$ Inc(Dec)	\$538.251	\$248.301	(\$0.633)	\$11.790	(\$9.007)	\$788.702
% Inc(Dec)	24.6%	13.0%	(6.7%)	11.4%	(4.3%)	17.8%

Change in Assessed Tax Valuation

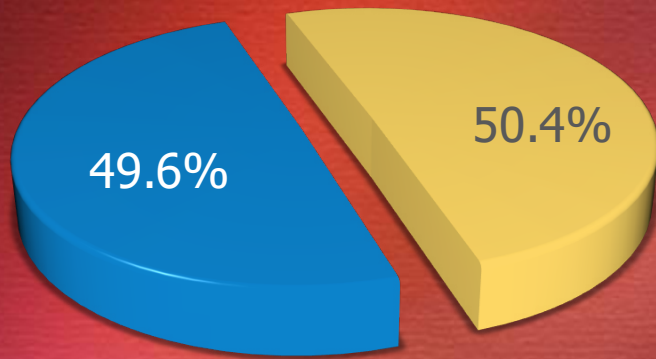
ASSESSED VALUE (\$ MILLIONS)	ACTUAL 2015	% OF TOTAL	ACTUAL 2014	% OF TOTAL	ASSESSED VALUE CHANGE	% CHANGE
Residential	\$2,729.595	52.4%	\$2,191.344	49.6%	\$538.251	24.6%
<u>All Other Categories</u>						
Vacant	114.801	2.2%	103.011	2.3%	11.790	11.4%
Commercial	2,155.565	41.4%	1,907.264	43.1%	248.301	13.0%
Industrial	8.761	0.2%	9.394	0.2%	(0.633)	(6.7%)
Agricultural	1.045	<0.1%	1.298	0.1%	(0.253)	(19.4%)
Natural Resources	0.029	<0.1%	0.030	<0.1%	(0.001)	(5.7%)
Oil and Gas	0.730	<0.1%	0.702	<0.1%	0.028	4.0%
State Assessed	<u>199.666</u>	<u>3.8%</u>	<u>208.447</u>	<u>4.7%</u>	<u>(8.781)</u>	<u>(4.2%)</u>
Total All Other	2,480.597	47.6%	2,230.146	50.4%	250.451	11.2%
ASSESSED VALUE	\$5,210.192	100.0%	\$4,421.490	100.0%	\$788.702	17.8%



Taxable Assessed Value

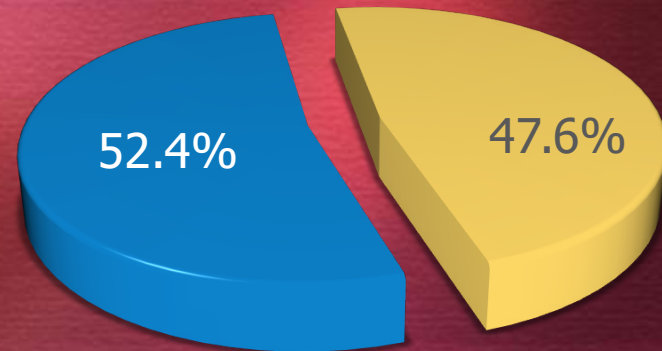
For Residential & All Other Property Types

**Actual
2014-15**



■ Residential ■ All Other

**Actual
2015-16**



■ Residential ■ All Other

Taxable Assessed Valuation History



Actual Value by Property Type

(\$ Millions)

Year	Residential	Commercial	Industrial	Vacant Land	Other	Total
Actual 2015	\$34,291.388	\$7,543.096	\$30.212	\$395.863	\$693.806	\$42,954.365
% of Total	79.8%	17.6%	0.1%	0.9%	1.6%	100.0%
Actual 2014	\$27,529.428	\$6,661.980	\$32.394	\$355.211	\$725.062	\$35,304.075
\$ Inc(Dec)	\$6,761.960	\$881.116	(\$2.182)	\$40.652	(\$31.256)	\$7,650.290
% Inc(Dec)	24.6%	13.2%	(6.7%)	11.4%	(4.3%)	21.7%

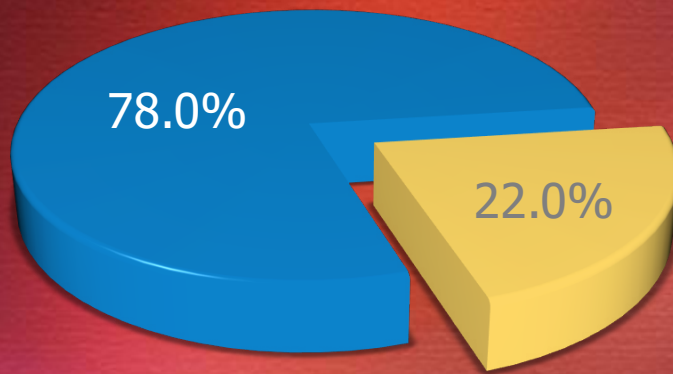
Change in Actual Tax Valuation

ACTUAL VALUE (\$ MILLIONS)	ACTUAL 2015	% OF TOTAL	ACTUAL 2014	% OF TOTAL	ACTUAL VALUE CHANGE	% CHANGE
Residential	\$34,291.388	79.8%	\$27,529.428	78.0%	\$6,761.960	24.6%
<u>All Other Categories</u>						
Vacant	395.863	0.9%	355.211	1.0%	40.652	11.4%
Commercial	7,543.096	17.6%	6,661.980	18.9%	881.116	13.2%
Industrial	30.212	0.1%	32.394	0.1%	(2.182)	(6.7%)
Agricultural	3.605	<0.1%	4.476	<0.1%	(0.871)	(19.5%)
Natural Resources	0.099	<0.1%	0.105	<0.1%	(0.006)	(5.7%)
Oil and Gas	1.608	<0.1%	1.697	<0.1%	(0.089)	(5.3%)
State Assessed	<u>688.494</u>	<u>1.6%</u>	<u>718.784</u>	<u>2.0%</u>	<u>(30.290)</u>	<u>(4.2%)</u>
Total All Other	8,662.977	20.2%	7,774.647	22.0%	888.330	11.4%
ACTUAL VALUE	\$42,954.365	100.0%	\$35,304.075	100.0%	\$7,650.290	21.7%

Actual Value

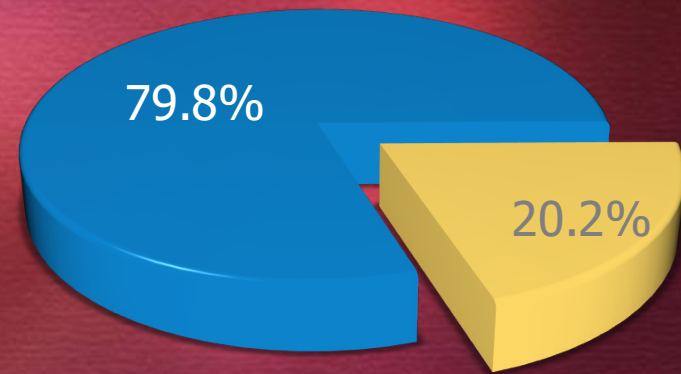
For Residential & All Other Property Types

**Actual
2014-15**



■ Residential ■ All Other

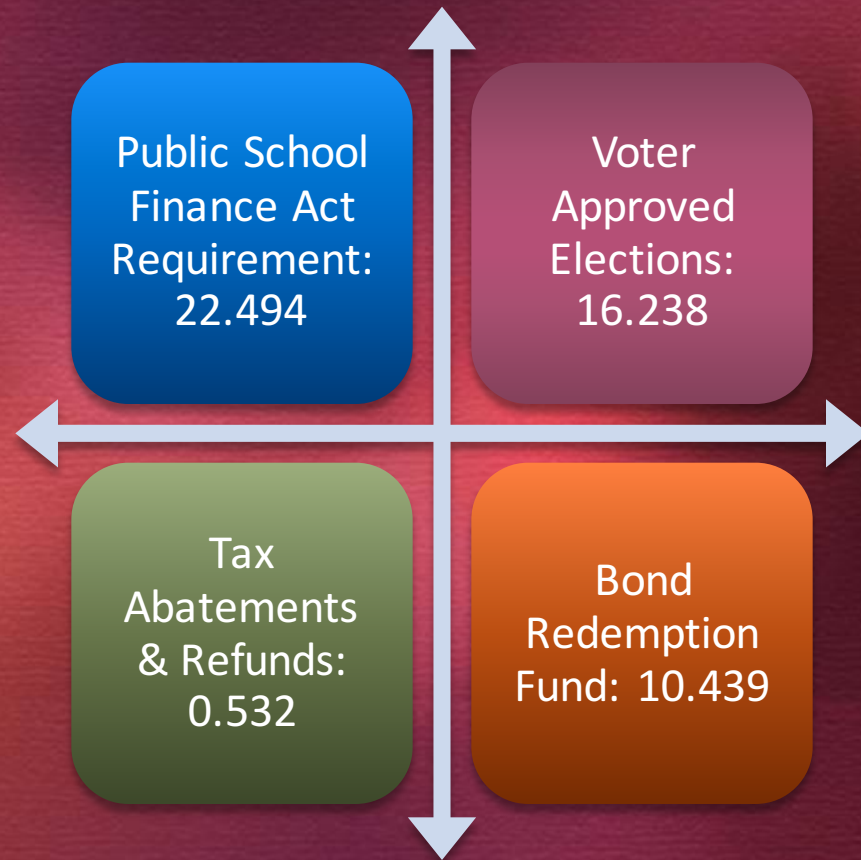
**Actual
2015-16**



■ Residential ■ All Other

2015-16 Taxable Assessed Valuation & Mill Rate

- Assessed Value:
 - \$5,210,192,144
- Mill Levy:
 - 49.703
- Total Tax Levy:
 - \$258,962,180



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"To inspire every student, to think, to learn, to achieve, to care"

Comparative Mill Rates & Tax Levies

	Actual 2015 for FY15-16	Actual 2014 for FY14-15	Mill Rate Change	Tax Levy Change (\$ In Millions)
Public School Finance Act Requirement	22.494	25.712	(3.218)	\$3.513
<u>Voter Approved</u>				
- Pre 1988 Elections	1.313	1.548	(0.235)	(0.004)
- 1991, 1998, 2003, 2008, & 2012 Elections	14.925	17.588	(2.663)	(0.003)
Tax Abatements & Refunds	<u>0.532</u>	<u>0.406</u>	<u>0.126</u>	<u>0.977</u>
General Fund Subtotal	39.264	45.254	(5.990)	4.483
Bond Redemption Fund	<u>10.439</u>	<u>11.448</u>	<u>(1.009)</u>	<u>3.772</u>
Total Mill Levy	49.703	56.702	(6.999)	\$8.255
(\$ Millions)				% Change
Total Property Tax Levy	\$258.962	\$250.707	\$8.255	3.29%

Residential Property Value & Tax

ACTUAL 2014-15

- ▶ Mill Levy 56.702
- ▶ Assessment Rate 7.96%

- Property Value \$305,901
- Property Tax \$1,381

ACTUAL 2015-16

- ▶ Mill Levy 49.703
- ▶ Assessment Rate 7.96%

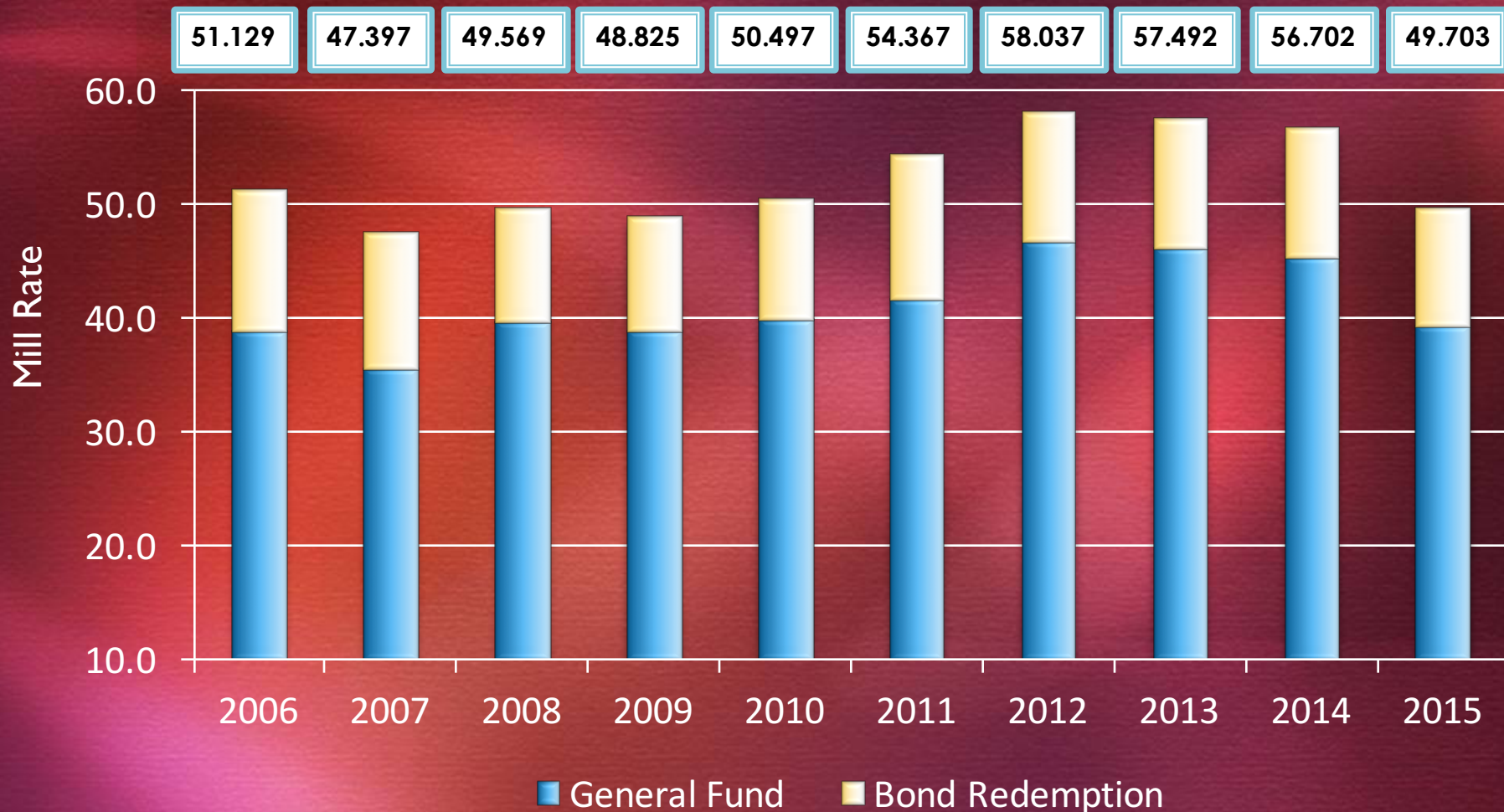
- Property Value \$350,000
- Property Tax \$1,385



Annual increase for an average residential property is \$4.

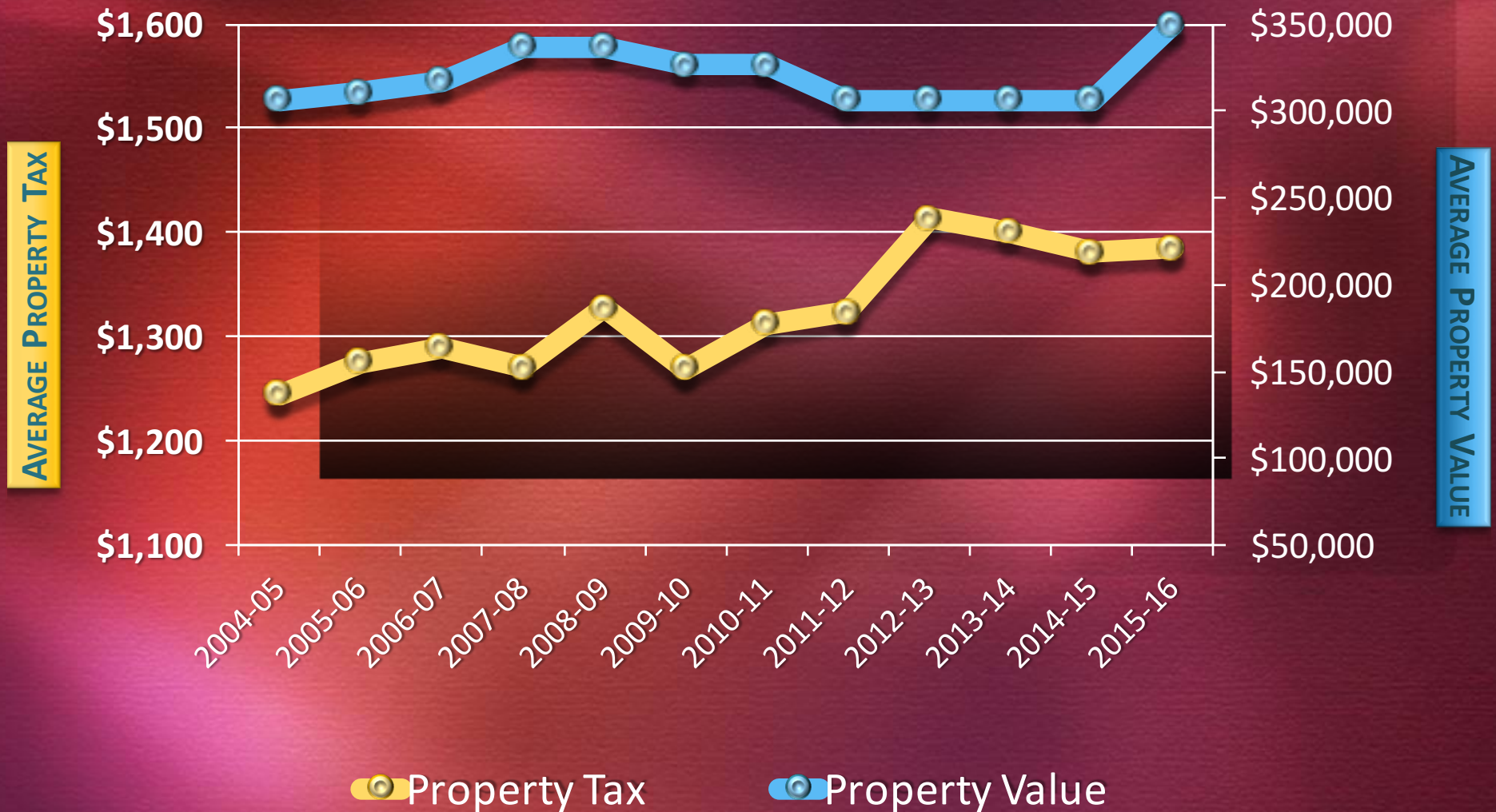


Mill Levy History by Valuation Year



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Residential Property Value & Tax History



Comparative Residential & Commercial Properties



Property Taxes Paid by Year

	ACTUAL 2015		ACTUAL 2014	
	Property Tax	# of Parcels	Property Tax	# of Parcels
Residential	\$135,669,073	90,746	\$124,253,607	90,635
	\$1,385 Avg. Tax per Parcel		\$1,381 Avg. Tax per Parcel	
Commercial	\$107,138,027	3,016	\$108,145,651	2,838
	\$35,523 Avg. Tax per Parcel		\$38,106 Avg. Tax per Parcel	
All Other Properties	\$16,155,080	5,117	\$18,308,088	4,185
	\$3,157 Avg. Tax per Parcel		\$4,375 Avg. Tax per Parcel	
TOTAL	\$258,962,180	98,879	\$250,707,346	97,658

Property tax levy *increased* from \$250.71 million to \$258.96 million, an increase of \$8.25 million, or 3.29%.

Base Mill Rate Illustrations



The following slides present information related to the Base Mill Rate in accordance with the TABOR limitations per the Colorado Revised Statutes 22-54-106 (2)(a) (I) (II) (III) (V).

Illustrations are provided to highlight benefits to the local Cherry Creek taxpayers.

Base Mill Rate

Per C.R.S. 22-54-106 (2)(a) (I) (II) (III) (V)

- The Base Mill Rate is the State required local mill levy and is the local contribution to the Total Program Contribution in the School Finance formula.
 - Since the TABOR limit sets the Base Mill Levy in accordance with the revenue limits under TABOR, *the mill levy will decline in 2015 for Cherry Creek.*
 - Although Cherry Creek assessed values with the reassessment cycle have increased 17.84% in 2015, the *Base Mill Rate is calculated so collections will not exceed 3.09% over the prior year collections* of the Base Mill Levy.
 - As specified in TABOR, *the limit is based on the 2014 CPI-U (increase in inflation of 2.8%) plus the 0.29% growth rate in student funded enrollment* in the current 2015-16 school year.

Due to the Significant increase in assessed value, the Mill Rate must drop in order for property tax collections to be within the TABOR limit.

Base Mill Rate

Per C.R.S. 22-54-106 (2)(a) (I) (II) (III) (V)

- For example, the 2014 Base Mill Rate in the previous year is 25.712, which will decline to a 2015 Base Mill Rate of 22.494.
 - This will result in the *Cherry Creek property tax collections under the Base Mill Rate to increase \$3.5 million*, or 3.09% from \$113.7 million under the 2014 levy to \$117.2 million under the 2015 levy.
- *Taxpayers* within the Cherry Creek School District *benefit from this decrease in the Mill Rate and are protected from significant increases in the Base Mill Levy*, thus stabilizing property tax rates over the long term.
- The Mill Levy freeze, enacted under Senate Bill 07-199, *required those school districts who have “deBruced”* to freeze their Base Mill Rate at 27 mills, or whatever rate is in effect for the 2006-07 fiscal year, if less than 27 mills.

Base Mill Rate

Per C.R.S. 22-54-106 (2)(a) (I) (II) (III) (V)

- The *Base Mill Rate is the State required mill levy for the local contribution to the Total Program Funding* in the School Finance formula for General Fund operations.
- If Cherry Creek had “deBruced”, the Base Mill Rate under SB07-199 would currently be 27 mills.
- Since Cherry Creek did not “deBruce”, the Base Mill Rate adjusted for TABOR limits is currently 22.494.

THE SAVINGS TO CHERRY CREEK TAXPAYERS IN THE CURRENT YEAR IS
\$23.5 MILLION AS ILLUSTRATED BELOW:

Base Mill Rate for Cherry Creek		
Base Mill Levy TABOR Limit (2015 Actual)	Base Mill Levy if “deBruced” (For Illustration Only)	Property Tax Savings (For Illustration Only)
\$117,198,062	\$140,675,187	(\$23,477,125)
22.494 Mills	27 Mills	(4.506) Mills

Base Mill Rate

Per C.R.S. 22-54-106 (2)(a) (I) (II) (III) (V)

TO ILLUSTRATE THIS BENEFIT TO THE LOCAL CHERRY CREEK TAXPAYER:

- If Cherry Creek had “deBruced” and the Base Mill Rate was frozen at 27 mills under Senate Bill 07-199, *the current annual property tax cost for an average home would be \$126 higher on an annual basis*, using a mill rate cost of 4.506 mills.

The following table shows the estimated Base Mill Rate under the School Finance formula for selected large school districts in Colorado.

For selected districts **subject** to the mill rate freeze, base mill tax rate collections for FY2015-16 are increasing at a minimum range of 11%-15%.

The districts **not subject** to the freeze are only increasing at inflation of 2.8%, plus the rate of funded enrollment growth.

Estimated Change in Property Tax

From State Required Mill Levy for Selected School Districts

(\$ in Millions)

Colorado School District	Projected Funded Enrollment	2014 Mills	2015 Mills Estimated	Estimated Mills Decrease	2014 Amount	Estimated 2015 Amount	\$ Change	% Change
Denver	87,012.8	25.541	25.541	0.000	\$268.6	\$310.0	\$41.4	15.4%
Jefferson	81,234.6	26.252	26.252	0.000	185.4	210.0	24.6	13.3%
Douglas	63,274.0	25.440	25.440	0.000	122.2	136.4	14.2	11.6%
Cherry Creek *	51,581.7	25.712	22.494	(3.218)	113.7	117.2	3.5	3.1%
Boulder	29,712.1	25.023	25.023	0.000	123.3	139.9	16.6	13.5%

*** Among the Selected School Districts, Cherry Creek has not “deBruced.”**

CHERRY CREEK SCHOOL DISTRICT

OUR MISSION

- To Inspire Every Student
To Think, To Learn,
To Achieve, To Care

OUR VISION

- Dedicated To Excellence



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