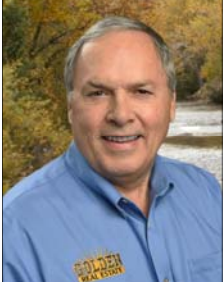


## Higher Property Values Mean Higher Property Taxes, But What About TABOR?

Some homeowners have asked me why their property taxes have increased as much as they have. Isn't TABOR (the Taxpayer's Bill of Rights) supposed to limit revenues to growth plus inflation?

### REAL ESTATE TODAY



By **JIM SMITH**,  
Realtor®

I asked Rep. Max Tyler how he would respond to this question, and he got me an explanation from Larson Silbaugh, senior economist with the Colorado Legislative Council, which provides research assistance to legislators.

Yes, TABOR does limit how much revenue a taxing district can collect, unless that district's voters have passed a ballot measure exempting the taxing district from that requirement.

The Jeffco School District, which has the single largest mill levy in our county — currently 48.721 mills — did succeed in passing such a measure, so it can enjoy the windfall from increased property values. (Only three of 178 school districts in the state have not obtained voter approval for exemption from TABOR's revenue limitation requirements.)

When voters were asked to let the school district keep tax revenues that exceed TABOR limits, it didn't occur to me that the increased revenue would come from me as much as from the growth of the economy as a whole. I didn't realize that when my home's value increased by 20% that my tax bill would increase by nearly the same percentage!

As a voter, I also thought that this provision of TABOR was implemented through the refund process, which is not the case with property taxes. Instead, since property tax revenue is easily predicted based on biennial valuations by the county assessors, the taxing districts are able to adjust their mill levies downward so they only collect the amount of revenue allowed by TABOR.

For example, Lakewood's mill levy has gone down from 4.711 mills in 2011 to 2.03 mills in 2015. The Jeffco Sheriff's mill levy has gone down from 3.2 mills in 2011 to 2.928 mills in 2015. The West Metro Fire District's mill levy has gone down from 13.774 mills in 2011 to 13.55 mills in 2015.

Neither Golden's nor Arvada's mill levies have changed from 2011 to 2015, indicating that those jurisdictions must have passed a ballot measure exempting them from that provision of TABOR.

Investigating other taxing districts, I was intrigued to discover that Edgewater's mill levy was 5.03 mills in 2011, but went to zero in 2013 and is still zero. According to the City's finance director, this had nothing to do with TABOR. Rather it had to

do with ending the city's volunteer fire department and shifting that responsibility to neighboring Wheat Ridge Fire Dept.

Looking at the figures above, I'm sure you've noticed that the mill levy reductions are nowhere near enough to offset the increase in assessed valuations. If your mill levy dropped by 3 or 4 percent, but your valuation increased by 20 percent, it's easy to question whether growth plus inflation justifies your increased property tax.

However, as Larson Silbaugh pointed out in his Legislative Council report to Max Tyler, "The revenue limits in TABOR are calculated on a district-wide basis rather than for individual taxpayers. When the taxable value of an individual property increases, property taxes can increase faster than district-wide revenue limits."

*Today's Denver editions of YourHub feature a different column by Jim Smith regarding 5280 Five Star Professionals. Read it at [www.JimSmithColumns.com](http://www.JimSmithColumns.com).*

### This Week's Featured Listings from Golden Real Estate

#### Beautiful Lakewood Home on 1/2-Acre Lot with Creek

This home at 825 Crescent Lane is just one block from the Lakewood Country Club. Lakewood Gulch, the year-round stream that runs through the Country Club, also runs through this home's half-acre lot, making for a terrific backyard environment. As you'll see from the still photos and narrated video tour (including drone footage) at [www.LakewoodHome.info](http://www.LakewoodHome.info), the gulch has been beautifully rebuilt by the City of Lakewood, and your mortgage lender will not require you to purchase flood insurance. Among the stand-out features of this home is its magnificently updated country kitchen, extra large formal dining room, radiant floor heating, second master suite in the walk-out basement, and an amazing model train room in which the full-room train layout raises to the ceiling when you want to use the room for other purposes. (This is demonstrated on the video tour mentioned above.) Another feature not found in many homes is a fully equipped workshop, also shown on the video tour. The stone-coated steel shingles on the roof are hail-resistant. Built in 1945, this home has been beautifully updated, is in a great location, and will probably sell quickly. I'm holding it open this Saturday, 1 to 4 p.m. Come and see what I mean!



#### Home Combines Quiet Location With Access to Amenities



This home at 12095 W. 35th Avenue is located in the Applewood area of Wheat Ridge, a few blocks east of the Applewood Shopping Center on Youngfield Street. Despite its ready access of I-70 and the mountains, it's a quiet neighborhood with little through traffic. It's a traditional bi-level home with an oversized 2-car garage and two bedrooms/one bath on the lower level and three bedrooms plus living room, dining room and kitchen on the upper level. It's on a corner lot measuring nearly a quarter acre. You'll get a sense of its location and lot size when you view the narrated video tour (including drone footage) at its website, [www.ApplewoodHome.info](http://www.ApplewoodHome.info). There are no HOA dues. Lewis Meadows Park with Lena Gulch running through it is only a block away. Open house this Saturday, 1-4 pm.



All Agents Are Certified EcoBrokers®

**Jim Smith**

Broker/Owner

**Golden Real Estate, Inc.**

DIRECT: 303-525-1851

EMAIL: [Jim@GoldenRealEstate.com](mailto:Jim@GoldenRealEstate.com)

17695 South Golden Road, Golden 80401

WEBSITE: [www.GoldenRealEstate.com](http://www.GoldenRealEstate.com)



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