



# CITY AND COUNTY OF DENVER

## DEPARTMENT OF FINANCE

TREASURY DIVISION  
WELLINGTON WEBB MUNICIPAL BLDG  
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DENVER, CO 80202

### IMPORTANT MESSAGE REGARDING PROPERTY TAXES AND VALUES \*

This year some Denver property owners will find that their overall tax bills went up. However, many of these same taxpayers received property value reduction notices from the Assessor's Office in the spring of 2011. Listed below are the key reasons why.

- Colorado Assessors are required by law to reappraise all property in their counties every two years. In 2011, the Denver Assessor completed a reappraisal resulting in a -8.6% reduction of all taxable real property.
- In 1992 Colorado voters approved legislation known as the Taxpayer's Bill of Rights (TABOR). TABOR allows property tax revenues to increase annually by the percentage of local physical growth (example: new construction) plus inflation as measured by the regional Consumer Price Index (CPI).
- Additionally, the law provides a mechanism to recover previous years' tax refunds, and tax abatements by adding them to the next annual levy.
- Between 1996 and 2009, Denver's property value base annually expanded beyond the level TABOR allowed to be taxed. What resulted in those years was a series of temporary tax rate credits (millage reductions) and lower tax bills. Some of the accumulated un-used mills were added to this year's tax rates for TABOR-allowed tax growth.
- If last year's tax rates had been left unchanged and used again in 2011, a substantial and permanent revenue loss would result (TABOR's "ratchet down" effect) not only this year but for all future years.

In order for the City and County of Denver to receive all current property tax revenue and growth allowable under TABOR and to prevent future revenues from being permanently reduced, millage (tax rates) increased in 2011 (see the enclosed tax bill).

How tax rates are calculated:

$$\frac{\text{Revenue (levy)}}{\text{Taxable Assessed Value (base)}} = \text{Millage (rate)}$$

***Revenue (levy) divided by taxable assessed value (base) determines millage (rate) for each tax. When taxable assessed value decreases and revenue stays constant or increases, millage increases as do most tax bills.***

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***\* To determine if this situation applies to your property, compare your 2010 tax bill (paid in 2011) to your 2011 tax bill due in 2012.***