

FINANCE MEMORANDUM
#1-2024

DATE: Jan. 8, 2024
TO: Honorable Mayor Meredith Leighty and City Council Members
THROUGH: Heather Geyer, City Manager *Hmg*
FROM: Jason Loveland, Interim Deputy City Manager *AL*
SUBJECT: Senate Bill 23B-001 Budget Impact

PURPOSE

To provide City Council with an update on the impact of Senate Bill 23B-001 to estimated 2024 property tax collections for the City.

BACKGROUND

After the failure of Proposition HH in the November election, Governor Polis called for a special session to address tax relief for Coloradoans. On Nov. 20, 2023, the Governor signed SB23B-001 to temporarily reduce assessment rates of residential property from 6.765% to 6.70% and reduce the actual value of residential properties by \$55,000 (previously \$15,000).

The City's net revenue reduction caused by SB23B-001 was \$342,001. Due to tax protests, or other adjustments made by county assessors between their preliminary and final assessed value amounts, the budget impact is different than the impact of the bill.

The signing of the bill extended the timing for local governments to certify the mill levy to the county to Jan. 10, 2024.

Staff is providing a summary of the impact to the estimated property tax for 2023, to be collected in 2024. The 2024 Budget was created based upon preliminary assessed valuations provided by county assessors in August. It is not unusual to have some change between the preliminary and final valuations each year. The change this year is larger due to the changes made by SB23B-001.

BUDGET/TIME IMPLICATIONS

As mentioned above, the impact of SB23B-001 differs slightly from the actual estimated impact to the budget.

Summary of City preliminary and final assessed valuations:

Source	Preliminary	Final	Change
Assessed Valuation (Adams & Weld)	\$ 569,329,800	\$ 536,881,240	-5.70%
General Fund - 7.597 Mills	\$ 4,325,198	\$ 4,078,686	\$ (246,512)
Capital Projects Fund - 4.000 Mills	\$ 2,277,319	\$ 2,147,525	\$ (129,794)
Total Property Tax Revenue – 11.597 Mills	\$ 6,602,517	\$ 6,226,211	\$ (376,306)

The table above shows the forecasted revenue reduction to the 2024 Budget being \$246,512 in the General Fund, and \$129,794 in the Capital Projects Fund. While these amounts are not insignificant in balancing the General Fund budget, it is only a 0.65% reduction of the forecasted revenue of \$37.7M. The revenue forecasts for each annual budget are prepared in July and August of the preceding year

based upon information known at that time. These forecasts are reviewed monthly to determine what, if any, changes are occurring that would warrant changes to budgeted expenditures. Based on the impacts of Senate Bill 23B-001, staff does not recommend making any changes to the 2024 Budget at this time.

History of City final assessed valuations:

Year	Assessed Valuation	% Change
2018	\$343,237,201	0.02%
2019	\$429,164,560	25.00%
2020	\$426,846,410	-0.01%
2021	\$466,615,770	9.32%
2022	\$455,325,140	-2.42%
2023	\$536,881,240	17.91%

Staff will certify the 11.597 mill levy, as approved by Council on Oct. 23, by Jan. 10 with Adams and Weld Counties.

RECOMMENDATION

This item is for informational purposes only.

STAFF REFERENCE

If Council Members have any questions, please contact Jason Loveland, Interim Deputy City Manager, at jloveland@northglenn.org or 303.450.8817.