

# Property Tax Commission

## February 9, 2024

Kelly Flenniken, CCI Executive Director

Don Suppes, CCI Board President (Delta County)

Dylan Peper, CCI Staff

Thomas Davidson, CCAT Executive Director

George Marlin, CCAT Board Chair (Clear Creek County)



## Agenda

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I. Introduction of Panelists

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II. Purpose

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III. Role of counties

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IV. Recommendations

## Guiding Principles

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One size does NOT fit all –

*“If you’ve been to one county, you’ve been to one county.”*

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Impacts to services should be considered –

*“How will OUR constituents be impacted?”*

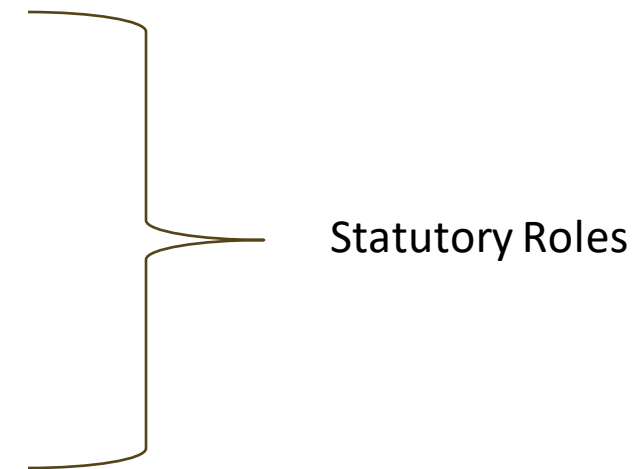
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Local voices at the table –

*“Not about us without us.”*

# County History, Background, and Facts

- Constitutional subdivisions of state government – originally created to carry out the policies and programs of the state
  - a LOT has changed in the last 145 years
- Counties possess only those powers that are expressly set forth (or necessarily implied) in state statute.
- Commissioners are responsible for running the administrative, **budgetary**, and policy-making functions of the entire county.
- County Elected Officials:
  - Commissioners
  - Sheriff
  - Clerk & Recorder
  - Treasurer
  - Assessor
  - Coroner
  - Surveyor
  - District Attorney



# Role of County Government



Elections



Property assessment and taxation



Human services and public health



Law enforcement and public safety



Courthouses and district attorneys



Motor vehicle - license plates and registration



Road and bridge construction/maintenance



Emergency Management (wildfire, flood, etc.)

# Where do counties get their funding?



PROPERTY TAX is a main revenue source for counties



Sales and excise tax authority (general and marijuana)



Fees (Clerk's Office, Land Use & Development, etc.)



State funding (including HUTF {Highway Users Tax Fund} shareback, human services pass-through and severance tax)



Grants from state and federal agencies (DOLA, CDOT, USDA – Rural Development, etc.)



Federal funds including PILT (payment in lieu of taxes) and SRS (secure rural schools) payments

# Responsibilities of Local Governments (A-H)

<b>Agricultural Research &amp; Protection</b> CSU Extension Right to Farm Blowing soils, weeds, and brush Irrigation Districts Predator Control Pest Control Prairie Dog & Rodent Control Noxious Weed Mgmt	<b>Debt for Construction &amp; Maintenance</b> Public Buildings Roads & Bridges
<b>Airports</b>	<b>Drainage Structures &amp; Facilities</b>
<b>Ambulance Service</b>	<b>Emergency Telephone Services (911)</b>
<b>Budgeting &amp; Finance</b>	<b>Employment Issues</b> Policies & Management Insurance Overtime Leave Retirement
<b>Cemeteries</b>	<b>Fire Codes</b>
<b>County Property</b> Management Acquisition Eminent Domain Joint Use w/ Munis	<b>Firearm Regulation</b>
	<b>Hazardous Waste Incinerator Siting</b>
	<b>Housing Authorities</b>

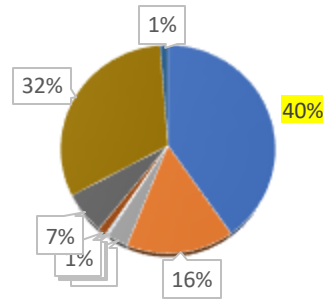
# Responsibilities of Local Governments (I-Z)

<b>Improvement Districts</b> Local Improvement Districts Public Improvement Districts	<b>Purchasing</b>
<b>Land Use Management</b>	<b>Roads/Bridges/Transportation</b>
<b>Law Enforcement</b>	<b>Sewage Treatment &amp; Sewers</b>
<b>Libraries</b>	<b>Social / Health &amp; Human Services</b>
<b>Licensing / Regulation</b> Adult Entertainment Auctions Dance Halls Dogs & Pets Escort Services Flea Markets Liquor Marijuana Massage Parlors Pawn Brokers Trash Haulers	<b>Streetlights</b>
<b>Oil &amp; Mineral Rights &amp; Operations</b>	<b>Solid Waste Disposal</b> Siting Dumping/Trash Removal
<b>Parks &amp; Recreation</b>	<b>Underground Utilities</b>
<b>Police Powers (generally)</b>	<b>Water Service</b>
<b>Property Valuation Appeals</b>	<b>Wildfire Planning &amp; Response</b>
<b>Public Health</b>	



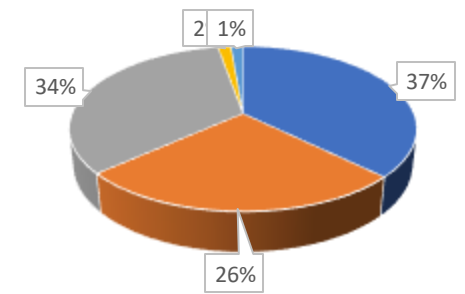
# Revenues vs. Expenditures (county snapshots: Adams & Jefferson)

### Adams County - REVENUE



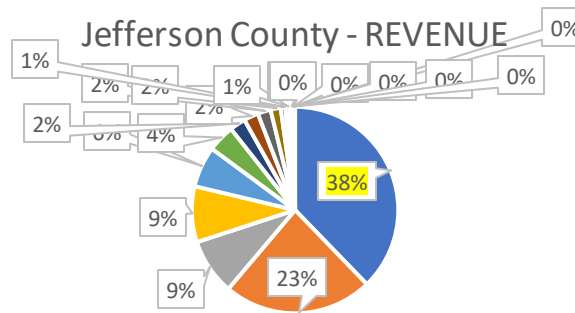
- property taxes
- all other taxes
- sale of assets
- operating grants
- sales tax
- unrestricted grants
- misc
- capital grants
- specific ownership tax
- investment earning
- charges for services

### Adams County - EXPENSES



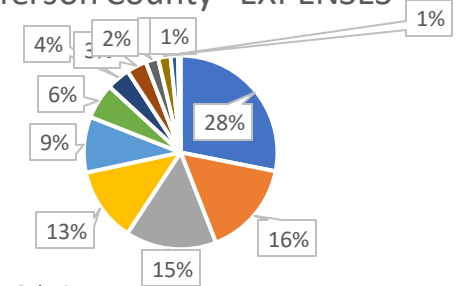
- General Government
- Health & Welfare
- Interest Expense
- Public Safety
- Economic Opportunity

### Jefferson County - REVENUE



- Property Taxes
- Sales Tax
- Vehicle Ownership Taxes
- Insurance Charges
- Investment Income
- Other Income
- Claims & Judgments
- Intergovernmental
- Transfer Revenue
- Indirect Internal Revenue
- License & Permits
- Donations & Contributions
- Fines & Forfeiture
- Direct Internal Revenue
- Charges for Service
- Fuel Taxes
- Rental Income
- Sales of Capital Assets
- Other Income

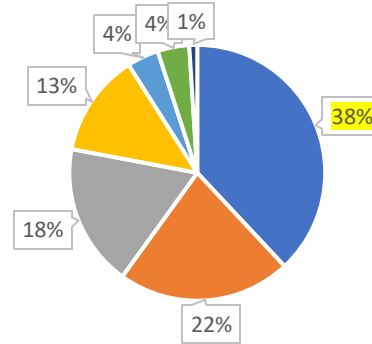
### Jefferson County - EXPENSES



- Salaries
- Other Services & Charges
- Capital Outlay
- Intergovernmental Expenditures
- Taxes & Benefits
- Transfer Expenditures
- Supplies
- Interdepartmental Direct Charges
- Interdepartmental Indirect Charges
- Assistance Payments
- Debt Service Expense

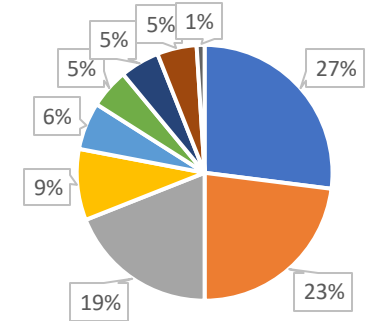
# Revenues vs. Expenditures (county snapshots: Summit & Mesa)

Summit County - REVENUE



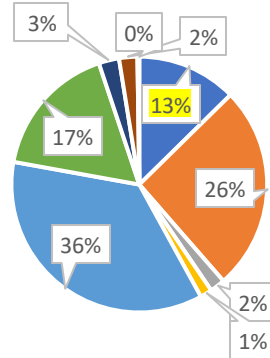
- property taxes
- sales and online taxes
- charges for services
- grant revenue
- license & permits
- misc
- investment earning

Summit County - EXPENSES



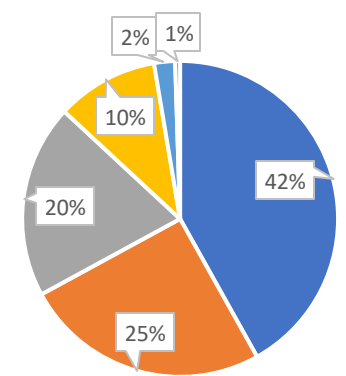
- Public Safety
- Operations
- Strong Future (1A)
- Human Services
- Community Development
- Nicotine Tax Program
- Auxillary Services
- Public Works
- Intrafund Transfers

Mesa County - REVENUE



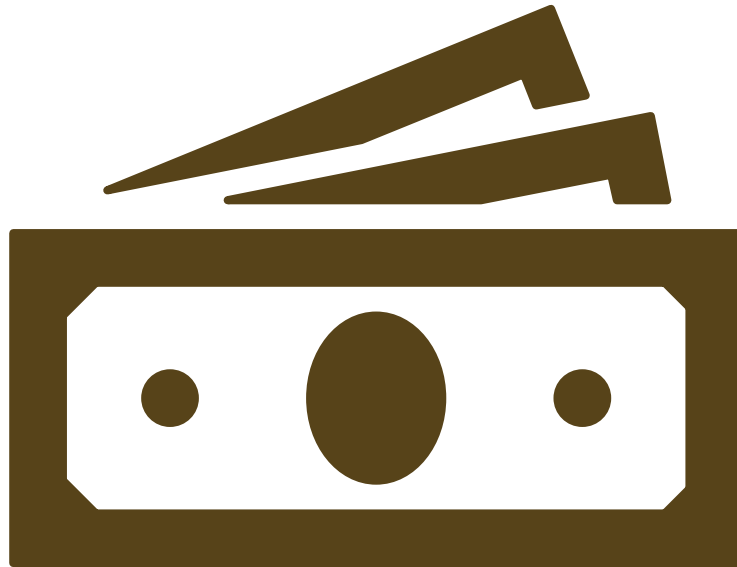
- Property Taxes
- Sales Taxes
- Use Taxes
- Specific Ownership Taxes
- Intergovernmental Funds
- User Charges & Fees
- Other Sources
- Transfers
- Interest

Mesa County - EXPENSES



- Personnel
- Capital
- Operating
- Other
- Transfers
- Debt Service

# Inflationary Pressure



## Construction Costs

2019 – 2023: costs increased on average 40-60%.  
Asphalt Cement increased 43.25% since 2020

## Employee Compensation

### Salaries:

2022: 4.4% increase YOY  
2023: 4.8% increase YOY

### Benefits:

2022: 5% increase YOY  
2023: 4.7% increase YOY

## Jail Costs

Inmate medical service and food contract costs have increased by an average of 32%

## Annual Levy Law (CRS § 29-1-301)

- Applies to most statutory local governments (not to home rule munis) and restricts the amount of property taxes a local government can collect each year
  - Restricts to the previous year's total property tax revenue plus 5.5% and plus allowances for growth
- Limit is calculated with information found on the Certification of Valuation (CV) send by the Assessor by August 25 of each year
- Not a TABOR limit

## County Recommendations

### Smoothing

- Minimize the “peaks & valleys”
- Market reflective tax rolls
- Consistent
- Similar in form to PPR (Schools average enrollment over 5 years)

### Circuit Breakers

- Challenging in TABOR limited counties
- More targeted relief available to taxpayers
- Counties to develop their respective “triggers”



**Thank You**