

CITY OF LONGMONT

Mill Levy and Sales Tax Increases

The Longmont City Council is proposing three ballot issues for the 2023 November election. All three ballot measures are asking voters for increases in mill levy and sales taxes. These increases are to fund construction and maintenance of a new branch library, Arts and Entertainment Center, affordable housing and a new recreation center. If any or all of these measures are passed it will mean a huge increase in property and sales taxes.

Property taxes are calculated based on three components: the **home value**, the **assessment rate**, and the **mill levy**. The **current property tax assessment rate is 6.765%** set by the Colorado General Assembly. **Mill levies** are local taxes set by the county, towns, and school districts. They can be lowered to help alleviate property tax increases. Except for Colorado School Districts that were frozen during Democrat Gov. Bill Ritter's administration in 2007 to prevent them from lowering.

The formula used to calculate property taxes is as follows:

Actual Home Value x Assessment Rate = Assessed Value x Mill Levy = Taxes Due.

Example: \$450,000 x .06765=30,442.5 x .092 (92 Mills) = 2,800.71

What is a Mill Levy?

Each taxing entity determines what revenues will be required to operate during the coming fiscal year. The required revenues are then divided by the total assessed value to determine the tax rate/mill levy for each entity. The Tax Rate is expressed as a percentage, while the Mill Levy is expressed in mills (1 mill = \$1 of property tax for every \$1,000 of assessed value or 1/1000 or .001).

2023 Mill Levy rates:

City of Longmont = 13.42 mills.

Boulder County = 24.746 mills.

St. Vrain Valley School District = 46.285 mills. **It cannot be decreased per law.**

Sales Taxes:

The minimum combined 2023 sales tax rate for the **Longmont tax region is 8.715%**. This is the total of state 2.90%, county 1.19%, city 1.19% and special taxes 1.1% (Cultural District .1% and RTD 1%). There is an additional city sales tax district for the zip code **80503**. The combined sales tax for **that district totals 9.045%** because the Longmont city tax is higher at 3.86%.

<https://www.salestaxhandbook.com/colorado/rates/longmont>

SB22-238:

Last year the Colorado General Assembly passed SB22-238 - **2023 And 2024 Property Tax**. This bill reduced the assessment rate to 6.765% and also provided a **one-time value adjustment to residential (\$15,000 adjustment) and commercial (\$30,000 adjustment) for tax year 2023 that is paid in 2024**. (Actual Home Value – Value Adjustment) X Assessment Rate = Assessed Value X Mill Levy = Taxes

The Three City of Longmont Ballot Issues

Ballot Issue 3C

Shall the City of Longmont taxes be increased to \$7.4 million to fund from a Mill Levy Tax the acquisition or construction of a **new branch library** and the operation and maintenances of all city libraries. Residents will be asked to approve a **mill levy increase of 1 mill** and a **sales tax increase of .15%** spent for a new library branch. In total, the project is estimated to cost \$27.7 million and the tax increases would sunset after 20 years. If approved by voters, those whose homes are appraised at \$500,000 would pay \$35.75 a year.

Ballot Issue 3D

Shall the City of Longmont taxes be increased to \$12.5 million annually to fund from a mill levy the **construction and maintenance of the Arts and Entertainment Center**. The mill levy would increase by 1.9 mills over 20 years. **Beginning with the year in which \$35 Mil in private funding for construction has been made** available to the city, an **additional city sales and use tax rate of .09%** to fund the operation and maintenance of the Arts and Entertainment Center. The proposed ballot issue would cost Longmont residents \$45 million with a combined increase in sales taxes and a mill levy increase. The mill levy would increase property taxes on a \$500,000 by \$67.93 annually.

Ballot Issue 3E

Shall the City of Longmont increase mill levy, sales and use taxes to fund recreational facilities and affordable housing? Shall the city be authorized to convey the portion of Centennial Park needed to construct these facilities to the YMCA? Shall the proceeds of such taxes and investment income be collected and spent without regard to any limitation contained within Article X, Section 20 (The Taxpayer's Bill of Rights) of the Colorado Constitution or any other law? Details of the measure are as follows:

- For construction of a **Recreation Center** at Dry Creek Community Park an **increase of \$20.7 Million** annually in the first year and any additional amounts needed in subsequent years, mill levy not to exceed 2.78 mills over 20 years.
- To fund in **partnership with the YMCA** the **construction of a recreation facility with pool and ice rink and affordable housing**, mill levy not to exceed 2 mills over three years. The tax will not be levied until the **YMCA** has received a low-income housing tax credit award.
- To fund the operation and maintenance of the recreational center at Dry Creek Community Park an **additional city sales and use tax rate increase of .11%**.