

Assuming there are no changes to the CO law beginning in 2021....

1. Can a district levy more than \$2800 per student?

No, with the exception involving irrevocably pledged taxes explained immediately below.

2. If our district has irrevocably pledged taxes that were entered into prior to July 1, 2016, can we levy above the cap of \$2800 per student?

Yes. You can levy above the \$2800 to cover your obligation, but never above a mill levy of \$3.00. Below is the statute that explains the process.

13-16-7.2. Maximum taxes--Pledge of taxes. Starting with taxes payable in 2021, a school district is limited to the maximum taxes allowed pursuant to § 13-16-7 or two thousand eight hundred dollars for each enrolled student as determined in the fall enrollment count set forth in § 13-13-10.1 for the prior school year, whichever is less. For 2022 and subsequent years, the maximum amount for each enrolled student shall increase by the lesser of three percent or the index factor, as defined in § 10-13-38.

If a school district has irrevocably pledged taxes collected to the payment of principal and interest on installment purchase contracts or capital outlay certificates entered into or issued pursuant to § 13-16-6 or 13-16-6.2 or lease-purchase agreements or other arrangements with the Health and Educational Facilities Authority prior to July 1, 2016, that school district may raise taxes allowed pursuant to § 13-16-7 and this section in an amount necessary to fund those payments and obligations and to provide additional funding of up to two thousand eight hundred dollars for each enrolled student as determined in the fall enrollment count set forth in § 13-13-10.1. In no year may the annual tax levy provided in this section exceed the levy authorized under § 13-16-7.

3. Is our district “frozen” at our current levy (i.e., total dollar amount of Capital Outlay taxes levied by the district, not mill levy)?

Yes- If you are at the \$2800 cap, you cannot increase the levy other than CPIw or 3% whichever is less, which is how much the \$2,800 cap will grow each year, plus or minus the change in student enrollment.

4. If the valuation of our district increases, does our CO grow accordingly?

No. You will only realize the growth amount based on new construction in your district.

5. If our district’s current levy is 3.00 per \$1,000, can we stay there?

This is difficult to answer as we believe the levy will be driven down as the valuation and new growth go up. That calculation is the prior year’s maximum levy inflated by the lesser of 3% or inflation, plus increased valuation due to new construction

- 6. If our district's maximum mill_levy is currently at 1.00, and we are nowhere near the 2,800 cap, how much can we increase our levy in a year?**

You could increase your levy by the CPIw or 3%, whichever is less each year plus new construction.

- 7. If I can currently raise 2.0 million with my existing valuation, and after the cap goes into place, what is the maximum I can raise with an enrollment of 500 students?**

The maximum you could levy once the 2,800 cap comes into play is 1.4 million.

$$500 \times 2,800 = 1,400,000$$

- 8. Will I still request an "amount" from the auditor versus a levy?**

Yes, as you have been required due to since 2016 (pay 2017).

SB 67 was killed in Senate Taxation yesterday, but we will have at least two more options to discuss CO with bills we know are coming. We do not have bill numbers yet but will share them as soon as we do.