



**Accounting Division**  
Department of Administrative Services

To: Honorable Don Rosier, Chairman, Board of County Commissioners  
Honorable John Odom, Board of County Commissioners  
Honorable Faye Griffin, Board of County Commissioners  
Ralph Schell, County Administrator  
Todd Leopold, Director of Administrative Services

From: Andrea Amundson, CPA  
Director of Accounting

Date: July 24, 2012

Subject: Fiscal Year 2011 Schedule of Compliance with TABOR

Please find attached the audited Schedules of Compliance with Article X, Section 20 of the Colorado Constitution (TABOR) for Jefferson County and the Jefferson County Law Enforcement Authority (LEA).

The requirements of TABOR are legal and are subject to interpretation. The County has made certain interpretations of the amendment, statutes, and case law in order to prepare this schedule. The County's financial activity for 2010 and 2011 provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

The Amendment excludes from its provisions "enterprises." Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the amendment. The County is of the opinion that the Jefferson County Airport qualifies for this exclusion. Additionally, the County has also excluded the Jefferson County Law Enforcement Authority and all joint ventures in which it participates from its compliance calculation. A separate calculation is prepared for the Jefferson County Law Enforcement Authority and is included with this report.

Fiscal year spending and property tax revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue at the next general election. State statute defines inflation as the Denver-Boulder-Greeley Consumer Price Index (CPI). Local growth is determined by the County Assessor in compliance with state statute and guidelines from the Colorado Department of Local Affairs.

The County is subject to two limitations by TABOR pertaining to the County's year-to-year revenue growth. The first is a limitation on the growth of property tax and the second is the limitation on growth of fiscal year spending (FYS). Property tax revenue is a subset of FYS since FYS includes all revenues of the County, except those revenues specifically excluded by TABOR, such as Federal moneys.

The allowable growth for the County's property taxes and other non-exempt revenues was 2.160 percent for 2011 over 2010. This amount consisted of 1.870 percent inflation and 0.290 percent for local growth.

The County's property tax collections for 2011 were \$174,067,900 which was \$12,280,433 below the TABOR limit of \$185,824,935. This was primarily due to a temporary mill reduction of 1.632 mills, which has kept the County property tax revenues below the TABOR limit by \$8.6 million and \$12.3 million for 2010 and 2011, respectively.

The County's Fiscal Year Spending limitation was \$281,121,228. Actual TABOR non-exempt revenues were \$271,308,915. This was \$9,812,313 below the TABOR FYS limitation. Thus, the County is in compliance with both TABOR limitations and a refund, or an election to retain, is not required for Fiscal Year 2011.

Please note that the LEA exceeded their property tax limitation by \$259,556. The constitution requires that the \$259,556 be refunded in the following fiscal year unless an election is held and the voters approve of retaining that amount.

Due primarily to inflation in 2011 the County's TABOR limitations for 2012 will increase by 4.100 percent for 2012 from the 2011 base amounts. However, since there was no change in the mill levy for 2012 over 2011, actual property tax revenues will be approximately \$27.9 million less than the TABOR limitation as the chart following the schedule exhibits.

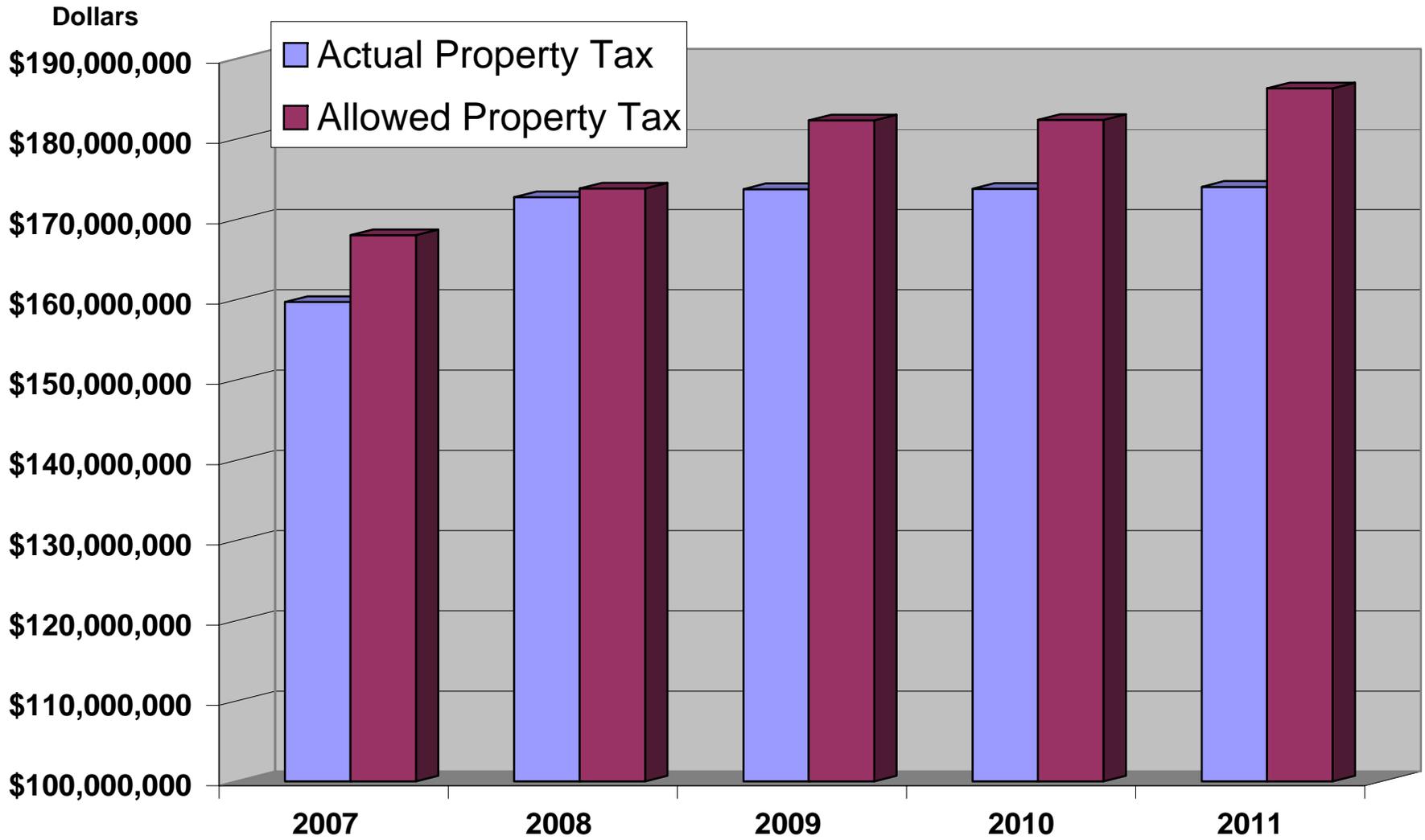
If there are any questions regarding this report please feel free to contact me at 303 271-8546.

cc: Ellen Wakeman, County Attorney  
Accounting Division Web Page

**JEFFERSON COUNTY**  
**SCHEDULE OF COMPLIANCE WITH ARTICLE X, SECTION 20**  
**OF THE COLORADO CONSTITUTION**  
**For the Year Ended December 31, 2011**

	Actual 2010	Actual 2011
	<u>                    </u>	<u>                    </u>
<u>Revenues:</u>		
General property tax excluding LEA property tax	\$ 173,833,686	\$ 174,067,900
All other revenues including LEA property tax	334,809,943	291,996,202
Less voter approved revenues:		
Open Space	(45,027,563)	(34,919,195)
Southeast Jefferson County Improvement District	(7,255,562)	(9,195,479)
Conservation Trust Fund	(984,425)	(1,007,586)
Less exempt enterprise (Airport)	(4,644,322)	(4,701,788)
Less exempt revenues:		
Federal grants and contracts	(48,748,175)	(35,039,482)
Adjustment for Federal grants and contracts-HS		
U.S. Marshal's Office payments for detentions	(4,063,250)	(2,718,758)
(Increase) decrease in fair value of investments	452,589	(494,070)
Employee insurance premiums and donations	(8,010,510)	(6,738,175)
Sale of assets	(1,523,189)	(681,096)
Damage awards and recoveries	(365,351)	(1,140,652)
Prior year reimbursements	(175,432)	(242,412)
Proceeds of debt issuance	(22,162,091)	-
Intra-county transactions	(99,909,863)	(98,273,018)
Add back intra-county transactions from:		
Airport	376,284	396,524
Fiscal year spending	<u>\$ 266,602,769</u>	<u>\$ 271,308,915</u>
<u>Property tax limitation computation</u>		
Allowable growth		
Prior year Inflation		1.870%
Prior year local growth		<u>0.290%</u>
Total allowable growth		<u>2.160%</u>
Property tax base times allowable growth	\$ 182,408,314	\$ 186,348,333
Actual property taxes	173,833,686	174,067,900
<b>(Over) under TABOR limitation</b>	<u><b>\$ 8,574,628</b></u>	<u><b>\$ 12,280,433</b></u>
Temporary mill levy reduction (Res 10-381)	1.632	1.632
Value of temporary mill levy reduction	\$ 11,825,649	\$ 11,757,035
Actual property taxes	173,833,686	174,067,900
Property taxes without reduction	<u>\$ 185,659,335</u>	<u>\$ 185,824,935</u>
Base for following year limit computation equals lower of TABOR limit or property taxes without reduction	<b>\$ 182,408,314</b>	<b>\$ 185,824,935</b>
<u>Fiscal year spending limitation computation</u>		
FYS limitation (base * allowable growth)	280,379,236	281,121,228
Less fiscal year spending	266,602,769	271,308,915
<b>(Over) under TABOR limitation</b>	<u><b>\$ 13,776,467</b></u>	<u><b>\$ 9,812,313</b></u>
Value of temporary mill levy reduction	\$ 8,574,628	\$ 11,757,035
Fiscal year spending	266,602,769	271,308,915
Fiscal year spending without property tax reduction	<u>\$ 275,177,397</u>	<u>\$ 283,065,950</u>
Base for 2010 and 2011 limit computation equals lower of TABOR FYS limit or actuals without reduction	<b>\$ 275,177,397</b>	<b>\$ 281,121,228</b>

# TABOR ALLOWED GROWTH VS. ACTUAL PROPERTY TAX



**JEFFERSON COUNTY LAW ENFORCEMENT AUTHORITY  
 SCHEDULE OF COMPLIANCE WITH ARTICLE X, SECTION 20  
 OF THE COLORADO CONSTITUTION  
 For the Year Ended December 31, 2011**

	Actuals 2010	Actuals 2011
General property tax	\$ 9,368,396	\$ 9,416,064
Auto ownership tax	631,950	607,113
Penalties and interest	15,828	13,515
Fiscal year spending	<u>\$ 10,016,174</u>	<u>\$ 10,036,692</u>
 <u>Property tax limitation computation</u>		
Allowable growth		
Inflation		1.870%
Local growth		0.330%
Total allowable growth		<u>2.200%</u>
Property tax times allowable growth	8,959,401	9,156,508
Actual property taxes	9,368,396	9,416,064
(Over) under TABOR limitation	<u>\$ (408,995)</u>	<u>\$ (259,556)</u>
Temporary mill levy reduction	0.023	0.023
Value of temporary mill levy reduction	\$ 68,255	\$ 68,049
Actual property taxes	9,368,396	9,416,064
Property taxes without reduction	<u>\$ 9,436,651</u>	<u>\$ 9,484,113</u>
Base for computation equals lower of TABOR limit or property taxes without reduction	 <b>\$ 8,959,401</b>	 <b>\$ 9,156,508</b>
 <u>Fiscal year spending limitation computation</u>		
FYS limitation (prior year base * allowable growth)	9,945,555	10,164,357
Fiscal year spending	10,016,174	10,036,692
(Over) under TABOR limitation	<u>\$ (70,619)</u>	<u>\$ 127,665</u>
Value of temporary mill levy reduction	\$ 68,255	\$ 68,049
Fiscal year spending	10,016,174	10,036,692
Fiscal year spending without property tax reduction	<u>\$ 10,084,429</u>	<u>\$ 10,104,741</u>
Base for limit computation equals lower of TABOR FYS limit or actuals without reduction	 <b>\$ 9,945,555</b>	 <b>\$ 10,104,741</b>