



Mill Levy	Fiscal Year (FY)	Property Tax
De-Bruce	Ratchet Down Effect	Debt Service
TABOR	Gross Valuation	Home Rule
TABOR limit	Assessed Valuation	Temporary Tax Credit

**Mill Levy** – the tax rate that is applied to the assessed value of a property. This rate is used to generate revenue to cover expenses for local area services. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation.

*In Basalt, a mill levy rate is set for general operations, bond and interest previously approved by voters, and abatements to recollect for property tax reductions or exemptions approved by the County. The rate for each of these mill levies for the 2019 collection year is as follows:*

<i>General Operating Expenses</i>	<i>5.957</i>
<i>Bonds and Interest</i>	<i>5.593</i>
<i>Refunds/Abatements, Pitkin County</i>	<i>.006</i>
<i>Refunds/Abatements, Eagle County</i>	<i>.013</i>
<i>Total Pitkin County Basalt Mill levy</i>	<i>11.556</i>
<i>Total Eagle County Basalt Mill Levy</i>	<i>11.563</i>

**De-Bruce** - A voter-approved revenue change ballot question that allows a government to collect and spend revenue in excess of TABOR's limitations.

*In 1994, Basalt voters approved a de-Bruce question that permanently changed revenue and spending limitations.*

**TABOR (Taxpayer's Bill of Rights)** – In 1992, the Colorado voters approved a measure which amended Article X of the Colorado Constitution that restricts revenues for all levels of government (state, local, and schools). Under TABOR, state and local governments cannot raise tax rates without voter approval and cannot spend revenues collected under existing tax rates if revenues grow faster than the rate of inflation and population growth, without voter approval.

**TABOR limit** – TABOR limits the amount of revenue that governments are permitted to retain and spend or save. Revenue collected in excess of the limit may not be spent or saved and must be refunded to taxpayers.

**Fiscal Year (FY or budget year)** – a twelve-month period used by governments for accounting and budget purposes.

*Basalt's fiscal year is January 1 through December 31.*



**Ratchet Down Effect** – The effect of TABOR’s revenue and spending limitations that reduces the revenue the government can collect over time. The ratchet down effect can be due to a reduction in property valuation, an economic recession, or other Colorado constitutional amendments, when combined with TABOR, reduce the ability of the government to collect and retain revenue.

**Gross Valuation** – The total value of real estate and certain personal property, as determined by the County.

**Assessed Valuation** - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes. Assessed Valuation is the gross value of the property multiplied by the assessment rate. The assessment rate is determined by the Colorado constitution, and fluctuates according to constitutional spending limitations.

**Property Tax** – Taxes on all real and personal property that is calculated by multiplying the mill levy rate by the assessed valuation of the real and personal property divided by 1,000.

**Debt Service** – Annual repayments of principal and interest on bonded debt for a voter approved project.

**Home Rule** – Home rule is the power of a local city or county to set up its own system of self-government. Home rule status changes the effect of some state legal requirements, but does not preclude the home rule entity from following the state law/constitution in most instances. Basalt is a home rule entity.

**Temporary Tax Credit** – Allows a municipality to temporarily lower its mill levy rate, and gives the municipality the ability to raise its mill levy rate by the amount of the temporary tax credit.