



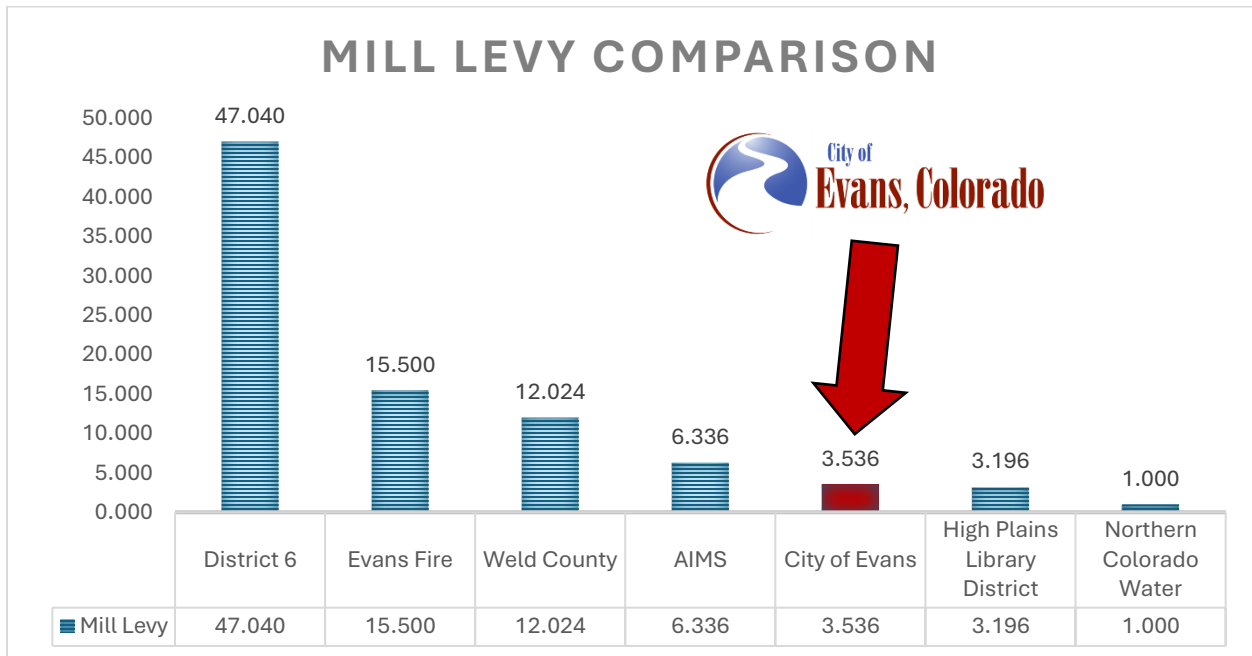
City Manager’s Message

September 2024 – City Mill Levy

Dear Evans Residents,

Did you know **less than 4%** of your annual property tax payment actually goes to the City of Evans? That’s right, **less than 4%** of the property taxes you pay go to fund the critical city services you depend on each day, such as police protection, parks and recreation, and various community programs. This means approximately **96%** of your property tax payment is allocated to other entities, such as schools, county services, and special districts.

If you examine your annual property tax statement, you will see the following taxing entities: 1). Greeley – Evans School District 6; 2). Evans Fire Protection District; 3). Weld County; 4). AIMS Community College; 5). City of Evans; 6). High Plains Library District; and 7). Northern Colorado Water. Together, these seven (7) taxing entities establish a total mill levy rate of 88.632 mills¹.



¹ Please note the total mill levy may fluctuate depending on where you live in Evans. For example, if you live west of 23rd Avenue, there may be an additional taxing entity – *West Greeley Conservation District* – which adds 0.414 mills to the mill levy, for a total mill levy of 89.046 mills. This additional taxing entity further lowers the proportion of property tax revenue allocated to the City of Evans. Furthermore, residential properties located in a metro district are levied an additional 60 mills for a total mill levy of 149.046 mills. Under this scenario, the percentage of tax dollars to support city services drops even further to 2.37%.

As illustrated in the Mill Levy Comparison graph, Evans ranks **fifth lowest**, almost sixth lowest, out of the seven taxing entities with a mill levy rate of **3.536 mills**. From a county-wide perspective, Evans has the lowest mill levy amongst *all* Weld County municipalities, making it increasingly challenging to meet the growing demands of our city.

How is property tax calculated?

Expressed in terms of **mills** – in which one mill is equal to \$1 of property tax for every \$1,000 of *assessed valuation* – the property tax is a tax based on the value of real property. This **does not** mean property owners are taxed on the total value of their real property, but rather on a percentage of the total value. This is referred to as the **assessment ratio**. The assessment ratio is established by the State of Colorado and varies depending on the classification of property (i.e., residential, commercial, industrial, agricultural, etc.). For example, in Evans, the median house value is \$372,000. This value (which represents the property's **actual value** or *appraised value* as determined by the county appraisal) is multiplied by the assessment ratio to determine the **taxable value** or *assessed value*. For Tax Year 2023 (taxes paid in 2024), the assessment ratio for residential property was 6.7%; therefore, the taxable value for the median house value was:

$$\begin{aligned} \$372,000 \times 0.067 &= \mathbf{\$24,924} \\ (\text{Actual Value} \times \text{Residential Assessment Ratio} &= \text{Taxable Value}) \end{aligned}$$

This means for a \$372,000 residential property, the property tax is calculated on the first 6.7% or \$24,924. To determine the total tax obligation (i.e., the amount of property taxes owed by the property owner), the taxable value of the property is multiplied by the mill levy. For example, when evaluating a mill levy of 88.632 mills (expressed as $88.632/1000 = \mathbf{0.088632}$) the total *annual* tax obligation for a \$372,000 residential property was:

$$\begin{aligned} \$24,924 \times 0.088632 &= \mathbf{\$2,209.06} \\ (\text{Taxable Value} \times \text{Total Mill Levy} &= \text{Total Annual Tax Obligation}) \end{aligned}$$

A residential property valued at \$372,000 generates **\$2,209.06 per year** in property tax revenue at 88.632 mills; however, the City's share of that revenue is **\$88.13 per year**. This equates to **\$7.34 per month** to help pay for full city services. The unfortunate reality we face is that it costs substantially more to eat at a fast-food restaurant or even stop for a coffee on the way to work once per month than it does to pay a monthly share of city services that our citizens rely upon each day. This is financially unsustainable and does not support a level of service needed to address the demands of a growing city.

Remember, the total annual tax revenue is not allocated entirely to the City of Evans, but rather is divided amongst multiple taxing entities based on that jurisdiction's mill levy. Excluding any legislative exceptions to the property tax formula, in Evans the annual property tax is broken down as follows:

| <i>Tax Authority</i> | <i>Mill Levy</i> | <i>Annual Tax Amount</i> |
|--------------------------------|------------------|--------------------------------------|
| Greeley – Evans District 6 | 47.040 | \$24,924 x 0.047040 = \$1,172.42 |
| Evans Fire Protection District | 15.500 | \$24,924 x 0.015500 = \$386.32 |
| Weld County | 12.024 | \$24,924 x 0.012024 = \$299.69 |
| AIMS Community College | 6.336 | \$24,924 x 0.006336 = \$157.92 |
| City of Evans | 3.536 | \$24,924 x 0.003536 = \$88.13 |
| High Plains Library District | 3.196 | \$24,924 x 0.003196 = \$79.66 |
| Northern Colorado Water | 1.000 | \$24,924 x 0.001000 = \$24.92 |
| TOTAL | 88.632 | \$2,209.06 |

With our extremely low mill levy rate in Evans, a growing reliance is being put on the backs of our retailers by way of increased dependence on revenue generated by sales tax in order to provide the critical city government services our community relies upon each day. In fact, half of the general fund operating revenue currently comes from sales taxes. This means any bump in the economy (whether national or local) can easily lead to disruptions in the availability of city services if retail activity slips for any length of time. The next time you pull through the drive-thru lane for lunch, I encourage you to think about how that cost compares to the monthly cost of city services as we work to transform Evans into *the* community of choice in Northern Colorado.

Most Sincerely,

Cody R. Sims, ICMA-CM, MPA, CPM
Evans City Manager