

RESOLUTION NO. 2023-10-05

**RESOLUTION OF THE BOARD OF DIRECTORS OF MUEGGE FARMS
METROPOLITAN DISTRICT NO. 1 AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN**

A. Muegge Farms Metropolitan District No. 1 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Amended and Restated Service Plan approved by the Town of Bennett, on March 24, 2020 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.

C. The Service Plan authorizes a maximum mill levy of 55.277 mills for Debt Service (the “**Maximum Debt Mill Levy**”), a maximum mill levy of 11.056 mills for Operation and Maintenance (the “**Maximum Operation and Maintenance Mill Levy**”), and a maximum mill levy of 1.106 mills for Bennett Regional Improvements (the “**BRI Mill Levy**”).

D. Sections VII.C.1, VII.C.2 and II.D of the Service Plan authorize adjustment of the Maximum Debt Mill Levy, Maximum Operation and Maintenance Mill Levy, and BRI Mill Levy, respectively, in the event that the method of calculating assessed valuation is changed after January 1, 2018 (the “**Baseline Year**”), by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The Maximum Debt Mill Levy, Maximum Operation and Maintenance Mill Levy, and BRI Mill Levy, respectively, may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board of Directors (the “**Board**”) in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

E. The Service Plan provides that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

F. The history of the residential assessment ratio in Colorado since property tax assessment year 1995, as set by the Colorado General Assembly (the “**General Assembly**”), or as voted by the electors of the State of Colorado, is set forth in Exhibit A, attached hereto and incorporated herein by this reference.

G. At the time of the Baseline Year, the residential assessment ratio set by the General Assembly was 7.2%.

H. In 2022, the Colorado General Assembly (the “**General Assembly**”) passed Senate Bill 22-238, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for:

1. Multi-family residential real property at 6.80% for property tax assessment years 2022 and 2024;
2. Multi-family residential real property at 6.765% for property tax assessment year 2023;
3. Residential real property other than multi-family residential real property at 6.95% for property tax assessment year 2022; and
4. Residential real property other than multi-family residential real property at 6.765% for property tax assessment year 2023.

I. In 2023, the General Assembly passed Senate Bill 23-303, which referred a ballot issue, known as Proposition HH, to the electors of the State of Colorado for the November 7, 2023 election. Proposition HH did not pass at the November 7, 2023 election.

J. Following the November 7, 2023 election, the General Assembly convened in special session and passed Senate Bill 23B-001, which further amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for:

1. Multi-family residential real property at 6.80% for property tax assessment years 2022 and 2024;
2. Multi-family residential real property at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2023;
3. Residential real property other than multi-family residential real property at 6.95% for property tax assessment year 2022; and
4. Residential real property other than multi-family residential real property at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2023.

K. In compliance with the Service Plan, in order to mitigate the effect of the reduction in the ratio of valuation for residential real property set by Senate Bill 23B-001 for property tax assessment year 2023, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to adjust the Maximum Debt Mill Levy, Maximum Operation and Maintenance Mill Levy, and BRI Mill Levy, respectively, so that the actual tax revenues to be received by the District are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment since the Baseline Year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Muegge Farms Metropolitan District No. 1, Town of Bennett, Adams County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Debt Mill Levy, Maximum Operation and Maintenance Mill Levy, and BRI Mill Levy, respectively, to reflect

that Senate Bill 23B-001 set the residential assessment rate for both multi-family residential real property and residential real property other than multi-family residential real property at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2023, which is a change from the 7.2% ratio of valuation for assessment of residential property as of the Baseline Year.

2. The Service Plan allows for a total mill levy imposition of up to 57.456 mills for Debt Service, 11.492 mills for Operation and Maintenance, and 1.150 mills for Bennett Regional Improvements (collectively, the “**Adjusted Mill Levies**” so that District revenues shall be neither diminished nor enhanced as a result of the ratio of valuation for assessment being set at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2023.

3. The Adjusted Mill Levies shall be reflected in the District’s Certification of Tax Levies to be submitted to the Board of County Commissioners on or before January 10, 2024, for collection in 2024.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN]

RESOLUTION APPROVED AND ADOPTED ON October 26, 2023.

MUEGGE FARMS METROPOLITAN DISTRICT NO. 1

DocuSigned by:
James Marshall

President 5F8A6A2080B446F...

Attest:

DocuSigned by:
A.J. Beckman

Secretary 27E8D8C9E2764CB...

EXHIBIT A
History of Residential Assessment Ratio

<u>Tax Levy/Assessment Year</u>	<u>Tax Collection Year</u>	<u>Residential Assessment Ratio</u>
1995	1996	10.36%
1996	1997	
1997	1998	9.74%
1998	1999	
1999	2000	
2000	2001	
2001	2002	9.15%
2002	2003	
2003	2004	7.96%
2004	2005	
2005	2006	
2006	2007	
2007	2008	
2008	2009	
2009	2010	
2010	2011	
2011	2012	
2012	2013	
2013	2014	
2014	2015	
2015	2016	

2016	2017	
2017	2018	7.20%
2018	2019	
2019	2020	7.15%
2020	2021	
2021	2022	
2022	2023	6.95% (other than multi-family) 6.80% (multi-family)
2023	2024	6.700%, after a deduction from the actual value of the lesser of either \$55,000 or the amount that causes assessed valuation to be \$1,000