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Metropolitan Tax Districts Add Hidden Cost to the Price of Many Homes

REAL ESTATE TODAY

By JIM SMITH, Realtor®

Everyone loves new homes — indeed, I love new homes! Everything's new and better, it seems. And the prices of new homes often compare favorably to the price of existing homes.

But there's often a hidden cost — higher property taxes.

County Assessor Jim Everson explained the history and use of "Metropolitan Tax Districts" to me, and here's what I learned from him.

Back in the 1970's there was a surge of anti-growth sentiment, typified by the Poundstone Amendment, which prevented any further annexation by Denver. Until then, developers would get cities like Denver to annex land for new developments and build the infrastructure — water, sewer, streets, etc. — knowing that future property taxes would cover that investment.

Once annexation ended, developers started creating tax districts which would issue 20- to 30-year bonds (which the developer would often purchase) to pay for this infrastructure work.

These bonds would be paid off by an increased mill levy for the life of the bonds. There are already 86 such tax districts in Jefferson County and more are being created every year. Thirty-five have levies over 30 mills. The highest five have levies of 75, 70, 62, 60 and 55.78 mills. When you realize that the total mill levy in the City of Golden is under 88 mills (and Denver is under 70 mills), such mill levies are a huge additional and hidden cost of purchasing a home in such a tax district.

There's an irony in the explosion of such tax districts. They resulted from the anti-growth sentiment of the 1970's, but nothing has done more to stimulate development in all those unincorporated areas.

Two Very Different Homes Just Listed by Golden Real Estate

This 1979 home was designed and built by the famous architect Jim Bradburn, best known for designing DIA and Jeffco's government center, the "Taj Mahal." It is one of only three residences built by this now-retired architect and is offered by its third owners. Features include an in-ground swimming pool in excellent condition that is heated by the sun, as is the house itself. If you work at home, you'll love the study (bottom left in picture) which opens to the garden. Take a narrated video tour at www.SixthAveWestHome.com. Open Sat. 1-4pm.

This 1972 home sits atop a hill near Kipling & Coal Mine. It, too, was built by its owner for his own family, who is only now selling it. Originally on 28 acres, it now sits on just 3 acres, but is still zoned to allow for horses, if you wish. In addition to the 3-bedroom, 3-bath home, there's a 2-level barn and a shed, but it is not equipped or fenced for horses.. The panoramic view of the mountains alone will make you want to buy it! Take a narrated tour of it and two other horse properties at www.JeffcoHorseProperties.com.

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