

RESOLUTION NO. 2022-10-04

RESOLUTION OF THE BOARD OF DIRECTORS OF RITORO METROPOLITAN DISTRICT AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN

A. Ritoro Metropolitan District (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 Board of Trustees for the Town of Elizabeth, on September 27, 2016 (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 50 mills for the repayment of District debt (“**Maximum Mill Levy**”)

D. Section IV.C.1 of the Service Plan authorizes adjustment of the Maximum Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2008 (the “**Baseline Date**”), 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 Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board of Directors of the District (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 shall be deemed to be a change in the method of calculating assessed valuation.

F. At the time of the Baseline Date, the residential assessment ratio set by the Colorado General Assembly was 7.96%.

G. In 2017, the Colorado General Assembly (the “**General Assembly**”) passed House Bill 17-1349, which amended Section 39-1-104.2, C.R.S., by setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property tax years commencing on and after January 1, 2017, until the next property tax year that the General Assembly determined to adjust the ratio of valuation for assessment for residential real property.

H. In 2019, the General Assembly passed Senate Bill 19-255, further amending Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%) for property tax years commencing on or after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.

I. In 2020, the voters of the State of Colorado passed Amendment B, which repealed Article X, Section 3 of the Colorado Constitution such that the ratio of valuation for assessment of real property for 2021 and thereafter, unless further amended by the General Assembly or voters of the State, is 7.15%.

J. In 2021, the General Assembly passed Senate Bill 21-293, further amending Section 39-1-104.2, C.R.S. by, among other things: (i) creating two classes of residential real property, being single family residential real property and multifamily residential real property, and (ii) for property tax year 2023, setting the ratio of valuation for assessment for single family residential real property at 6.95% (decreased from 7.15%) and setting the ratio of valuation for assessment for multifamily residential real property at 6.80% (decreased from 7.15%).

K. The real property within the District is categorized for the tax year 2023 as single family residential real property and shall therefore have a ratio of valuation for assessment for residential real property at 6.95% (decreased from 7.15%).

L. In compliance with the Service plan, in order to mitigate the effect of the reduction in the ratio of valuation for residential real property as set by the General Assembly for property tax year 2022, 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 Mill Levy, 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 Date.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Ritoro Metropolitan District, Town of Elizabeth, Elbert County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Mill Levy to reflect that Senate Bill 21-293 set the ratio of valuation for assessment for residential real property to 6.95%, which is a change from the 7.96% ratio of valuation for assessment of residential property as of the Baseline Date.

2. The Service Plan allows for a total mill levy imposition of 57.266 mills for the repayment of District debt (the “**Adjusted Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the ratio of valuation for assessment being set at 6.95% for collection year 2023.

3. The Adjusted Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the Elbert County Board of County Commissioners on or before December 15, 2022, for collection in 2023.

[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 28, 2022.

RITORO METROPOLITAN DISTRICT

DocuSigned by:

Jim Marshall

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James E. Marshall

President

Attest:

DocuSigned by:

Kurt Schlegel

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Secretary