Assessment Overview

Property Tax Task Force

January 5, 2024

Brenda Dones (Weld County Assessor)
Keith Erffmeyer (Denver County Assessor)
“... an assessor is charged with the administration of justice. Fixing values which determine the amount of the taxpayers’ contribution to the support of government is a delicate business, and one that demands most careful discrimination and the keenest appreciation of the rights of individuals.”

First Annual Report of the Colorado Tax Commission to the Governor, Treasurer, and Legislature
December 14, 1912
Real Property Values are established every two years – predictable and transparent

- **Base Period**: 7/1/2020– 6/30/2022
  - Notice of Value to taxpayers: 5/1/2023
  - Certification to tax authorities: 12/10/2023*

- **Base Period**: 7/1/2022– 6/30/2024
  - Notice of Value to taxpayers: 5/1/2025
  - Certification to tax authorities: 12/10/2025

*2023 certification date temporarily moved to 1/3/2024
2023 Assessment Cycle

For Real Property

- **24-Month Base Period**
  - 7/1/2020 to 6/30/2022

- **Appraisal Date (market conditions)**
  - 6/30/2022

- **Assessment Date (physical status)**
  - 1/1/2023

- **NOVs mailed**
  - 5/1/2023

- **Appeals to Assessor**
  - Due 6/8/2023

- **NODs mailed**
  - 8/15/2023

- **Appeals to CBOE**
  - Due 9/15/2023

- **NODs mailed**
  - 11/1/2023

- **Certification**
  - 12/10/2023 (changed to 1/10/2024)

- **State Level Appeals**
Actual Value: The market value as of a given date (June 30th of the even year) for most property types. The taxpayer receives this value on the Notice of Value.

Assessed Value: The result of the actual value multiplied by the assessment rate. The taxing authority receives this value on the Certification form.

Assessment Rates: The percentage of the property that is taxed.

2022 Rates (not all rates are included):

<table>
<thead>
<tr>
<th>Rate Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>6.95%</td>
</tr>
<tr>
<td>Commercial</td>
<td>29%</td>
</tr>
<tr>
<td>Agricultural</td>
<td>26.4%</td>
</tr>
<tr>
<td>Oil and Gas</td>
<td>87.5%</td>
</tr>
</tbody>
</table>

\[
\text{Actual Value} \times \text{Assessment Rate} = \text{Assessed Value}
\]
Assessment Rate Impact (Weld)

**2022 Actual Value Percentages**
- Residential: 56%
- Oil and Gas: 22%
- Industrial: 6%
- Commercial: 7%
- State Assessed: 7%

**2022 Assessed Value Percentages**
- Residential: 15%
- Oil and Gas: 61%
- Commercial: 7%
- Industrial: 7%
- State Assessed: 8%

**2022 Assessment Rates**
- Residential: 6.95%
- Commercial: 29%
- Agricultural: 26.4%
- Oil and Gas: 87.5%
Assessment Rate Impact (Phillips)

### 2022 Actual Value Percentages
- Residential: 54%
- Commercial: 12%
- Agricultural: 29%
- State Assessed: 4%

### 2022 Assessed Value Percentages
- Residential: 22%
- Commercial: 21%
- Agricultural: 47%
- Oil & Gas: 2%
- State Assessed: 7%

### 2022 Assessment Rates
<table>
<thead>
<tr>
<th>Category</th>
<th>Residential</th>
<th>Commercial</th>
<th>Agricultural</th>
<th>Oil and Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>6.95%</td>
<td>29%</td>
<td>26.4%</td>
<td>87.5%</td>
</tr>
</tbody>
</table>
Assessment Rate Impact
(Denver)

2022 Actual Value Percentages

- Residential: 76%
- Commercial: 20%
- State assessed: 2%
- Vacant land: 1%

2022 Assessed Value Percentages

- Residential: 42%
- Commercial: 47%
- State assessed: 4%
- Vacant land: 2%
- Industrial: 1%

<table>
<thead>
<tr>
<th>2022 Assessment Rates</th>
<th>Residential</th>
<th>Commercial</th>
<th>Agricultural</th>
<th>Oil and Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6.95%</td>
<td>29%</td>
<td>26.4%</td>
<td>87.5%</td>
</tr>
</tbody>
</table>
Weld County assessed value trend in billions

Values fluctuate for a variety of reasons
Assessed Valuation Changes
(Denver)

Non-TIF A.V. Growth

- 2013: 5.3%
- 2014: 0.6%
- 2015: 25.7%
- 2016: 1.8%
- 2017: 23.1%
- 2018: 1.5%
- 2019: 23.2%
- 2020: 1.8%
- 2021: 4.4%
- 2022: -1.3%
- 2023: 19.6%
Assessed Value Variation by District

- GREELEY
- GREELEY SCHOOL DISTRICT
- EATON
- EATON PARK & REC
- WELD

- STATE ASSESSED
- OIL & GAS
- AGRICULTURAL
- INDUSTRIAL
- COMMERCIAL
- RESIDENTIAL
- VACANT LAND
Mill Levies Established by Local Taxing Authorities

Assessor Tax Districts – Weld County

585 unique tax authorities resulting in over 4,000 tax district combinations

Note: Many colors repeated due to software limitations
Colorado Local Taxing Authorities

Total Local Governments: 4,953

- 62 Counties
- 205 School Districts
- 262 Cities/Towns
- 309 Fire Districts
- 2,468 Metro Districts
- 1,647 Other

Source: 2022 Fifty-Second Annual Report to the Governor and General Assembly
<table>
<thead>
<tr>
<th>Property</th>
<th>Property 1</th>
<th>Property 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIMS JUNIOR COLLEGE</td>
<td>6.307</td>
<td>6.307</td>
</tr>
<tr>
<td>CLEARVIEW LIBRARY</td>
<td>3.553</td>
<td>3.553</td>
</tr>
<tr>
<td>GREELEY CITY</td>
<td>11.274</td>
<td>11.274</td>
</tr>
<tr>
<td>NORTHERN COLORADO WATER (NCW)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>SCHOOL DIST RE4-WINDSOR</td>
<td>50.879</td>
<td>50.879</td>
</tr>
<tr>
<td>TRI-POINT RESIDENTIAL METRO</td>
<td>49.92</td>
<td></td>
</tr>
<tr>
<td>WELD COUNTY</td>
<td>15.038</td>
<td>15.038</td>
</tr>
<tr>
<td><strong>TOTAL LEVY</strong></td>
<td><strong>88.051</strong></td>
<td><strong>137.971</strong></td>
</tr>
</tbody>
</table>
Actual Value X Assessment Rate = Assessed Value X Mill Levy = Taxes Due

Impact of Different Levy

<table>
<thead>
<tr>
<th>Actual Value</th>
<th>Assessment Rate</th>
<th>Assessed Value</th>
<th>Mill Levy</th>
<th>Taxes Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000</td>
<td>6.7%</td>
<td>$33,500</td>
<td>.137971</td>
<td>$4,622</td>
</tr>
<tr>
<td>$500,000</td>
<td>6.7%</td>
<td>$33,500</td>
<td>.088051</td>
<td>$2,949</td>
</tr>
</tbody>
</table>

$1,673 Difference

Impact of Different Value

<table>
<thead>
<tr>
<th>Actual Value</th>
<th>Assessment Rate</th>
<th>Assessed Value</th>
<th>Mill Levy</th>
<th>Taxes Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000</td>
<td>6.7%</td>
<td>$33,500</td>
<td>.088051</td>
<td>$2,949</td>
</tr>
<tr>
<td>$445,000</td>
<td>6.7%</td>
<td>$29,815</td>
<td>.088051</td>
<td>$2,625</td>
</tr>
</tbody>
</table>

$324 Difference

Impact of Different Assessment Rate

<table>
<thead>
<tr>
<th>Actual Value</th>
<th>Assessment Rate</th>
<th>Assessed Value</th>
<th>Mill Levy</th>
<th>Taxes Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000</td>
<td>27.9%</td>
<td>$26,800</td>
<td>.088051</td>
<td>$12,283</td>
</tr>
<tr>
<td>$500,000</td>
<td>6.7%</td>
<td>$33,500</td>
<td>.088051</td>
<td>$2,949</td>
</tr>
</tbody>
</table>

$9,334 Difference
Where does Colorado rank in Residential Property Taxes?

Source: Lincoln Land Institute
Where does Colorado rank in Commercial-Residential Ratio?

Source: Lincoln Land Institute
Fixed Levies – The levy is constant regardless of changes to assessed value

Floating Levies - The levy adjusts based on the assessed value to calculate needed revenue

Example of Calculation:
Budgeted Revenue divided by Total Assessed Value equals Mill Levy

$ 175,000 / $3,500,000 = .050 or 50 mills

Depending on the authority organization, levies might be fixed or they might float
Example: “Floating” mills versus “Fixed” mills

2022 Value = $500,000
x 6.95% = $34,750 (AV)

2023 Value = $750,000
less $55k = $695,000
x 6.7% = $46,565 (AV)

50% Actual value increase

34% Assessed value increase

<table>
<thead>
<tr>
<th>District</th>
<th>Type</th>
<th>Mills</th>
<th>Taxes</th>
<th>Mills</th>
<th>Taxes</th>
<th>% change (year over year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>School (program)</td>
<td>Fixed</td>
<td>27.00</td>
<td>$938.25</td>
<td>27.00</td>
<td>$1,257.26</td>
<td>34%</td>
</tr>
<tr>
<td>School (other)</td>
<td>Fixed</td>
<td>15.00</td>
<td>$521.25</td>
<td>15.00</td>
<td>$698.48</td>
<td>34%</td>
</tr>
<tr>
<td>School (other)</td>
<td>Float</td>
<td>7.00</td>
<td>$243.25</td>
<td>5.60</td>
<td>$260.76</td>
<td>7%</td>
</tr>
<tr>
<td>County</td>
<td>Float</td>
<td>15.00</td>
<td>$521.25</td>
<td>12.00</td>
<td>$558.78</td>
<td>7%</td>
</tr>
<tr>
<td>City</td>
<td>Float</td>
<td>5.00</td>
<td>$173.75</td>
<td>4.00</td>
<td>$186.26</td>
<td>7%</td>
</tr>
<tr>
<td>Dev. Dis.</td>
<td>Fixed</td>
<td>1.00</td>
<td>$34.75</td>
<td>1.00</td>
<td>$46.57</td>
<td>34%</td>
</tr>
<tr>
<td>Library</td>
<td>Fixed</td>
<td>1.50</td>
<td>$52.13</td>
<td>1.50</td>
<td>$69.85</td>
<td>34%</td>
</tr>
<tr>
<td>Fire</td>
<td>Fixed</td>
<td>4.00</td>
<td>$139.00</td>
<td>4.00</td>
<td>$186.26</td>
<td>34%</td>
</tr>
<tr>
<td>Social Serv.</td>
<td>Fixed</td>
<td>2.50</td>
<td>$86.88</td>
<td>2.50</td>
<td>$116.41</td>
<td>34%</td>
</tr>
<tr>
<td>UDFC</td>
<td>Fixed</td>
<td>1.00</td>
<td>$34.75</td>
<td>1.00</td>
<td>$46.57</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>79.00</td>
<td>$2,745.25</td>
<td>73.60</td>
<td>$3,427.18</td>
<td>25% Property tax increase</td>
</tr>
</tbody>
</table>
Actual Value adjustments cause vastly different impacts across the state due to differences in the composition of the taxing authority. The adjustments create confusion and limit transparency.

Assessment Rate modifications or restrictions also cause vastly different impacts across the state due differences in the composition of the taxing authority. Caution should be used with this approach.

Mill levies are designed to stabilize (floating), not proportionally increase revenue (locked when values increase) or cause risk (locked when values decrease).

If the revenue “pie” is defined and mill levies float to fit the “pie”, values and assessment rates determine each property’s share of the “pie”.

Consistency  Predictability  Uniformity
Transparency  Stability  Implementable
Questions?