

# Property Taxes in Colorado

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# Agenda

## — Brief History

- Gallagher Amendment
- Tabor Amendment
- Amendment B
- Legislation: 2021-2023

## —Property Valuation Terminology

## —Classification

## —Assessment Rates

## —Appeals

## —How Taxes Are Established



# Colorado Property Tax



- Constitution
- Statutory Law
- Case Law



# Gallagher Amendment - 1982

- Amendment One, Constitutional
- Addressed Equalization & Stabilization
- 45%/55% split between residential and nonresidential
  - Stabilize taxable value of Residential Property
- Non-residential assessment rate set at 29%



# Gallagher Amendment - 1982

- Audit
- SBOE - restructured
  - PTA into constitution under supervision of SBOE
  - Sets statistical measures for audit
  - Reviews county audit reports / findings
    - If not in compliance, issue a reappraisal order
    - Does not review individual properties

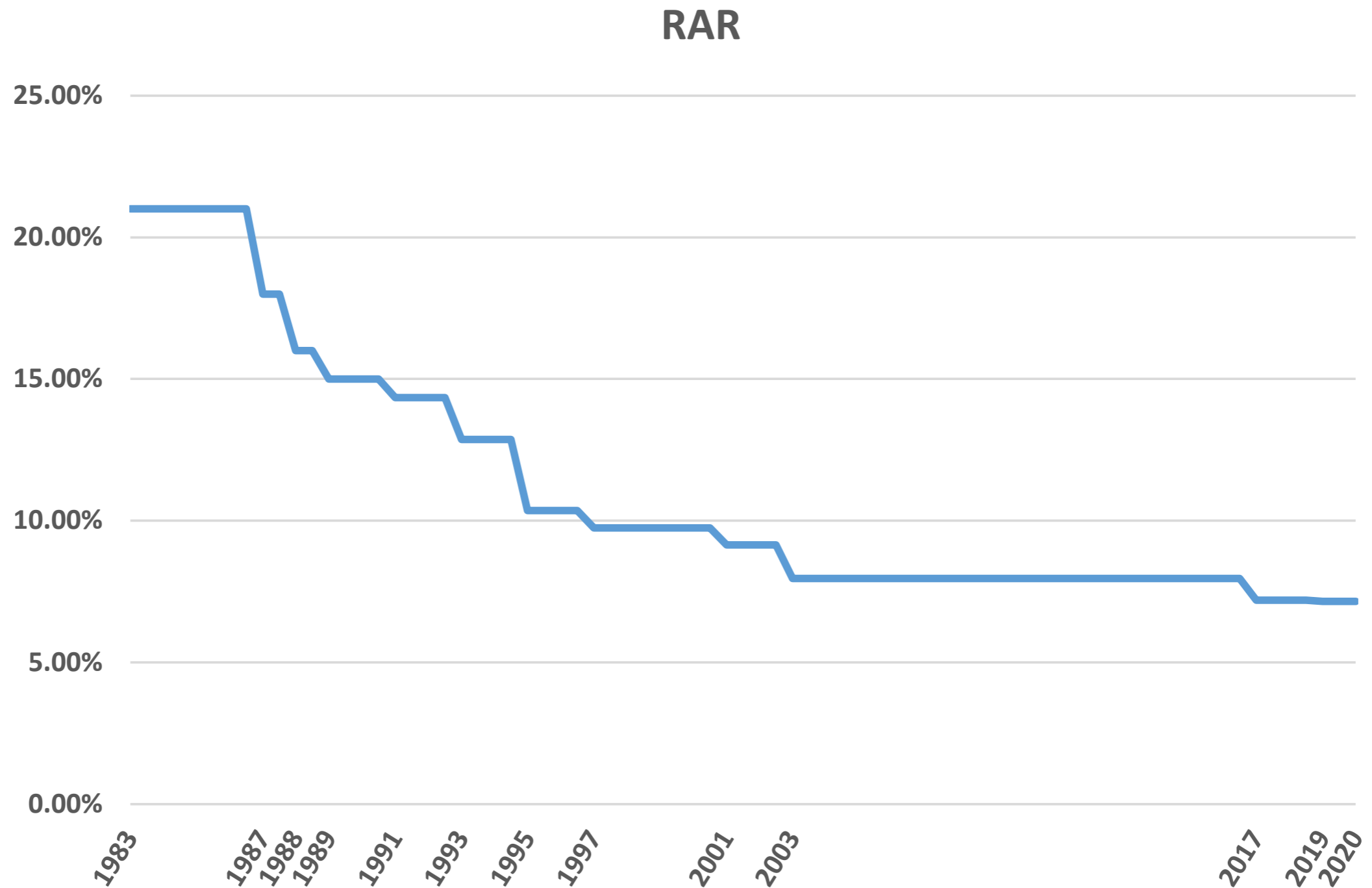


# Property Tax Exemptions - Constitutional

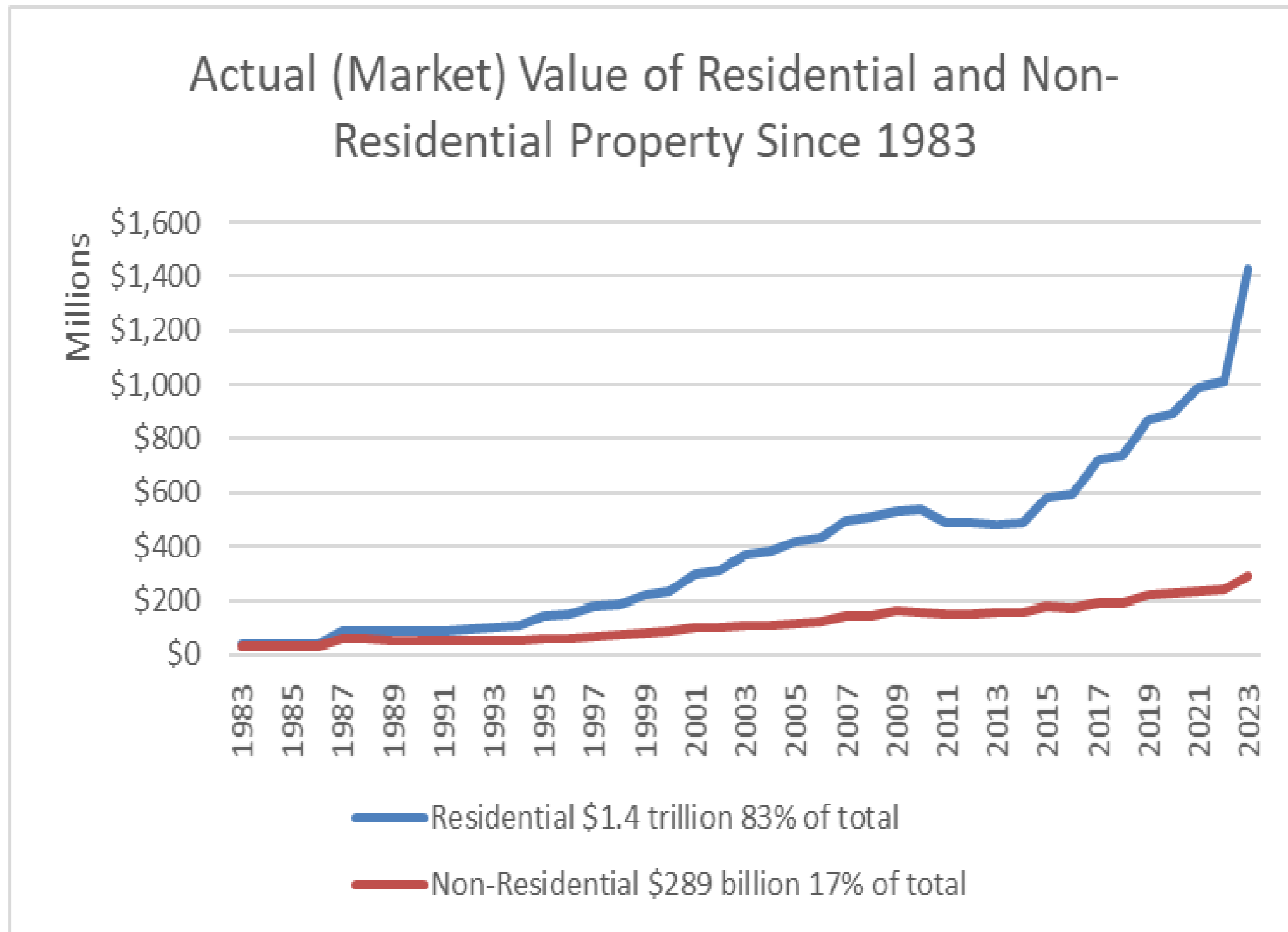
- Household furnishings not used for production of income
- Inventories held for consumption/sale
- Livestock and AG equipment used in production of products
- Charitable, Religious, Private non-profit schools
  - Approved by PTA/Division of Property Taxation
- Senior/Veteran Homestead Exemptions
- Certain Business Personal Property (Allowed under TABOR)



# Residential Assessment Rate History



# Actual Property Value History



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# Taxpayer Bill of Rights (TABOR) - 1992

- Restricts revenue for government
- No tax increase without voter approval
  - Including increasing assessment rates
- Restrict spending revenue based on existing tax rates along with inflation and population growth
- Residential valuation
  - Market approach only

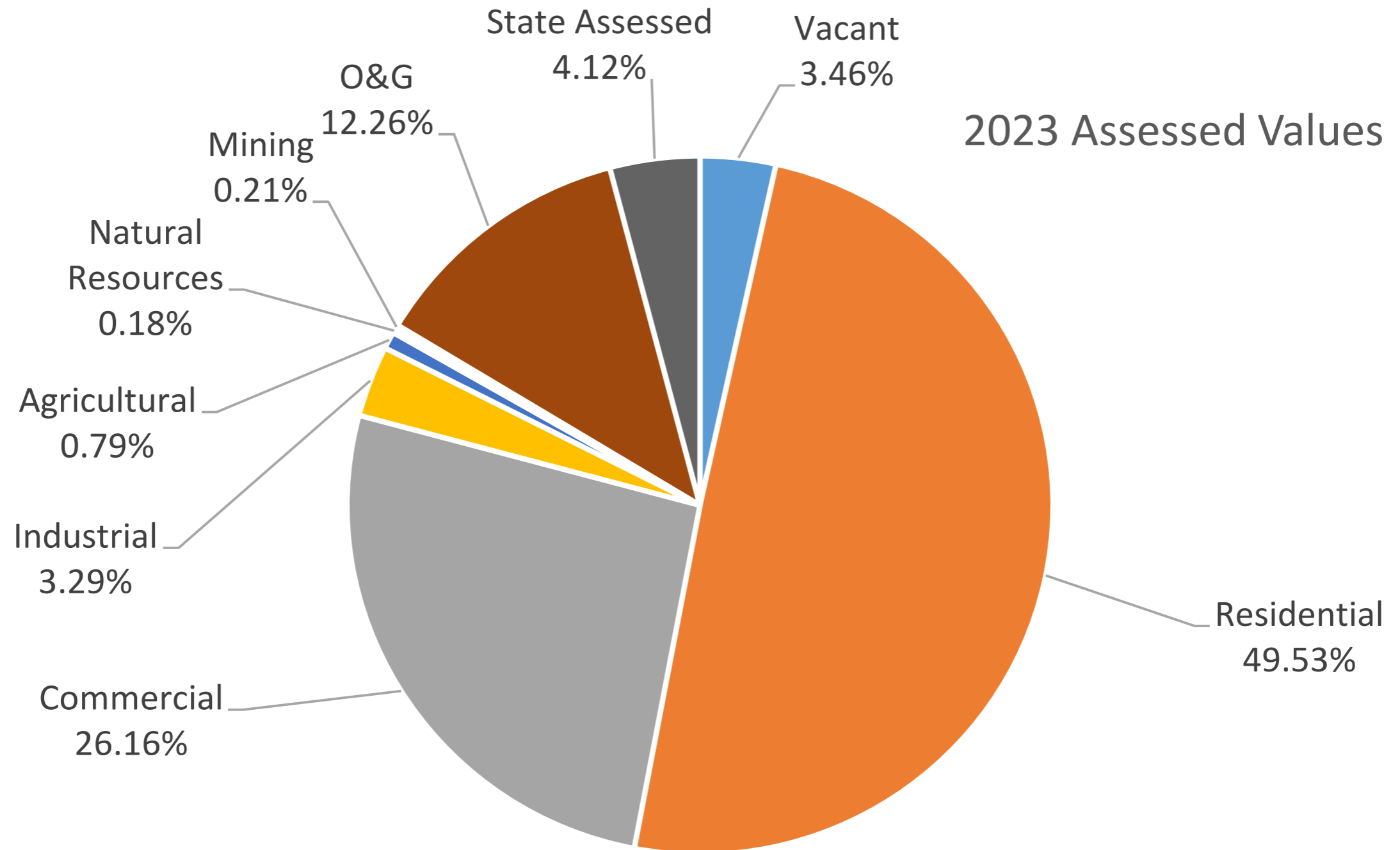


# Amendment B - 2020

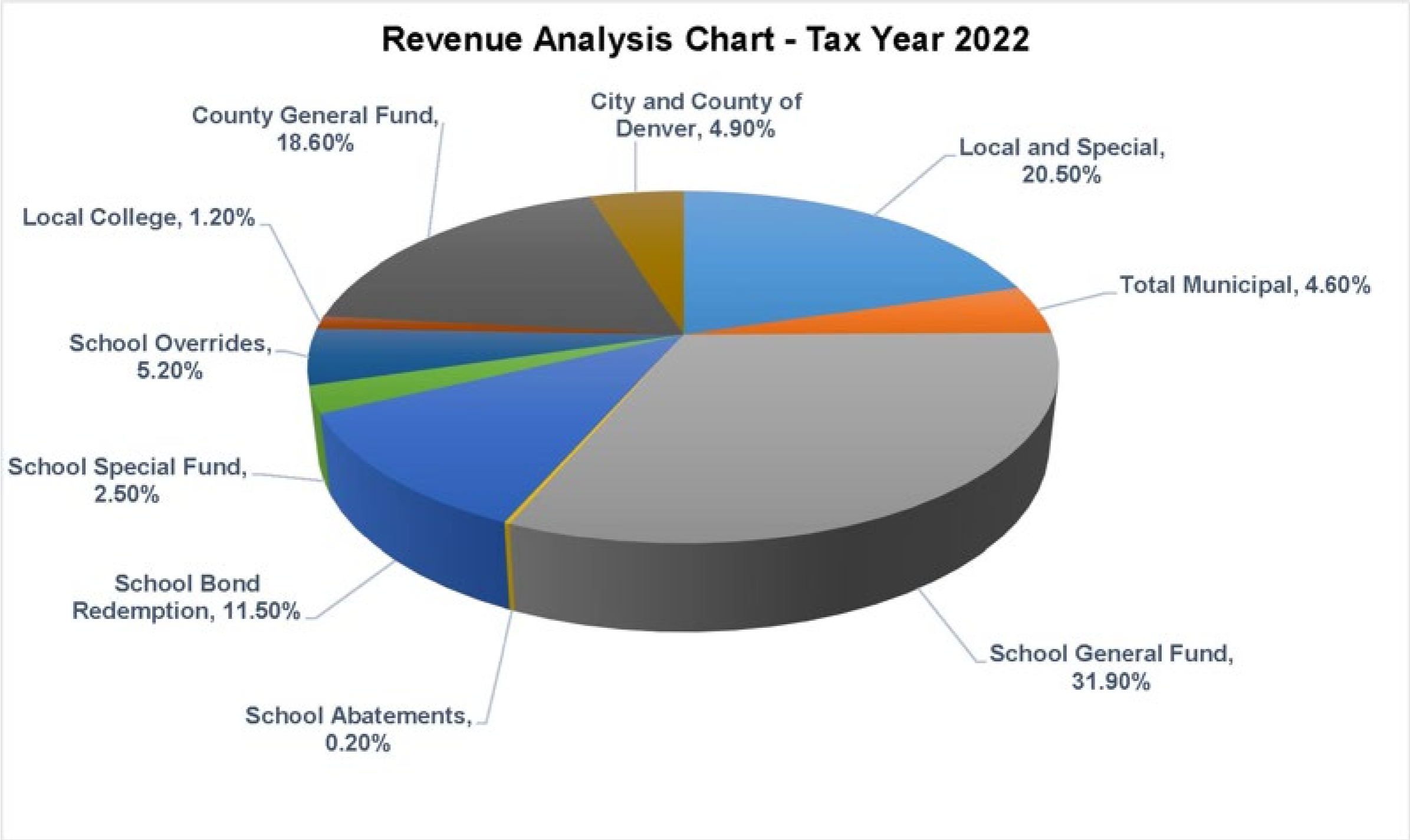
- Eliminate 45%/55% split between residential and non-residential properties
- Remove all references to assessment rates, both residential and the 29% non-residential assessment rate from the constitution



# 2023 Assessed Value Distribution



# 2022 Property Tax Revenue Distribution



# Legislation: 2021 -2023

- SB21-293

- Modifies assessment rates by subclasses
- Temporarily reduces assessment rates

- SB22-238

- Temporarily lowers assessment rates for classes/subclasses
- Introduces actual value adjustments
- Introduces backfill for local governments



# Legislation: 2021 -2023

- SB23B-001
  - Lowers residential assessment rates
  - Increases actual value adjustment for residential
  - Adds additional backfill mechanism
  - Changes the property tax calendar
- HB23B-1003
  - Tax Commission creation



# Property Valuation Terminology

- **Assessment Date: January 1 - every year**
- **Appraisal Date: June 30 - every even year**
- **Data Collection Period - 18 months leading up to Appraisal Date**  
(May go back 5 years if necessary, most counties use 24 months.)
- **2023/2024 valuations based on market conditions as of the Appraisal Date - June 30, 2022**



# Property Classification

- Classification is determined on the Assessment Date each year
- Classification determines which appraisal approach(es) can be used
- 10 classes of property





# 10 Property Classes

Vacant Land

Residential

Commercial

Industrial

Agricultural

Natural Resources

Producing Mines

Oil and Gas

State Assessed

Exempt



# Assessment Rates

- Statutorily established
  - Residential 7.15%
  - Non-residential 29%
- Legislation, beginning in 2021 has created temporary assessment rates



# Recent Assessment Rates

	2021	2022	2023	2024
<b>Residential</b>	7.15	6.95	6.7	TBD
<b>Multi-Family</b>	7.15	6.8	6.7	6.8
<b>Commercial</b>	29	29	27.9	29
<b>Agriculture/Renewable</b>	29	26.4	26.4	26.4



# Property Valuation Calculation

Actual Value × Assessment Rate = Assessed Value

Assessed Value × Mill Levy = Property Taxes



# Appeal Process

## ● Assessor

- Notice of Valuation (NOV) mailed by May 1
  - Even years - NOV can be included with tax bill
- Protests heard/received May 2 - June 8th
- Notice of Determination mailed by last working day in June
- Alternate counties have adjusted dates
  - All counties over 300,000 required to use alternate schedule for reappraisal year 2025



# Appeal Process (continued)

- **County Board of Equalization (CBOE)**
  - Hear appeals when taxpayers were not satisfied with the Assessor decision
  - Appeals are filed by July 15th
  - Hearings conclude August 5th
    - Alternate reporting counties have different deadlines



# Appeal Process (continued)

- Board of Assessment Appeals
- District Court
- Binding Arbitration
  
- Court of Appeals
- Supreme Court



# How Taxes are Established/2023 timeline

- **Assessor sends Final Certification of Values to all taxing jurisdictions (January 3, 2024)**
- **All taxing jurisdictions submit levies to commissioners (January 10, 2024)**
- **Commissioners certify levies. (January 17, 2024)**
- **Assessor delivers tax roll to treasurer (January 24, 2024)**
- **ASAP Treasurers send out tax bills.**







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