

# 2011 Reappraisal

**All real property is re-assessed every two years, per State Statute, on the odd years with the appraisal date being six months earlier (the even years).**

**Properties are assessed according to their *condition*\* as of January 1<sup>st</sup> of each year. There are two assessment dates in each reappraisal cycle, using the same appraisal date and market conditions/sales to establish value.**

**Routt County Property Values are determined from market conditions and sales data collected from July 1, 2008 through June 30, 2010**

\* Condition refers to how the property existed as of January 1 of each year (i.e., vacant vs. developed, partially completed construction, etc.)

# Data Collection Dates

- **The previous reappraisal (2009): the sales data collection period was July 1, 2006 through June 30, 2008**
- **The current reappraisal (2011): the sales data collection period is July 1, 2008 through June 30, 2010**
- **Sales occurring after June 30, 2010 cannot be considered in appealing your 2011 valuation**

# Changes in Market Conditions Between Reappraisals

- Per state statute, all sales are required to be adjusted for changing market conditions over the course of the 24-month collection period, adjusting each sale to the effective appraisal date (as if all the sales occurred on June 30, 2010).

*This is called a time-trend.*

- For this 2011 reappraisal, the measured time trends were negative, meaning a *depreciating market over time*.
- Depreciation rates can vary widely throughout the county

# Routt County Economic Areas

For the purposes of data collection and analysis, the Assessor's Office divides the County into 9 economic areas:

- **Econ 1: All SFR/Duplex properties within Steamboat city limits.**
- **Econ 2: Residential properties within a 10-12 mile radius outside SS city limits, known as the "RES 10MILE".**
- **Econ 3: The 3 South Routt towns: Oak Creek, Pburg & Yampa**
- **Econ 4: The Town of Hayden**
- **Econ 5: The rural outlying areas of the County**
- **Econ 6: All Condominiums & Townhomes within SS city limits**
- **Econ 7: All Commercial properties in the County**
- **Econ 8: A sub-market of the Res 10Mile: the 3 west-end subdivisions of Steamboat II, Heritage Park & Silverview.**
- **Econ 9: The Stagecoach Area**

**Vacant land is included in each of these econ areas.**

# Average Vacant Land Depreciation Since 2009 Reappraisal

Countywide average decrease is 38.4%

## Average vacant land decreases by economic area:

- Econ 1: SS City limits 36%
- Econ 2: Res 10Mile 44%
- Econ 3: South Routt towns 35%
- Econ 4: Hayden 43%
- Econ 5: Res Outlying 20%
- Econ 7: Commercial properties 37-47%
- Econ 8: 3 West-end Subs 37%
- Econ 9: Stagecoach 70%

# A County Comparison of Average Vacant Land Depreciation Rates

- **Routt** - **38%**
- **Eagle** - **33%** (Vail)
- **Grand** - **25%** (Winter Park)
- **Moffat\*** - **2%**
- **Pitkin** - **28%** (Aspen)
- **San Miguel** - **10 -13%** (Telluride)
- **Summit** - **36%** (4 Ski Resorts)

**\*non-resort county**

**Note: These are county-wide averages for all types of vacant land**

# Average Single-Family Residences Depreciation Since the 2009 Reappraisal

Average single-family residential decreases by economic area:

• Econ 1: SS City limits	21%
• Econ 2: Res 10Mile	23%
• Econ 3: Oak Creek	34%
Phippsburg	34%
Yampa	28%
• Econ 4: Hayden	18%
• Econ 5: Rural North	16%
Rural West	11%
Rural South	21%
• Econ 8: West-end Subs	26%
• Econ 9: Stagecoach	40%

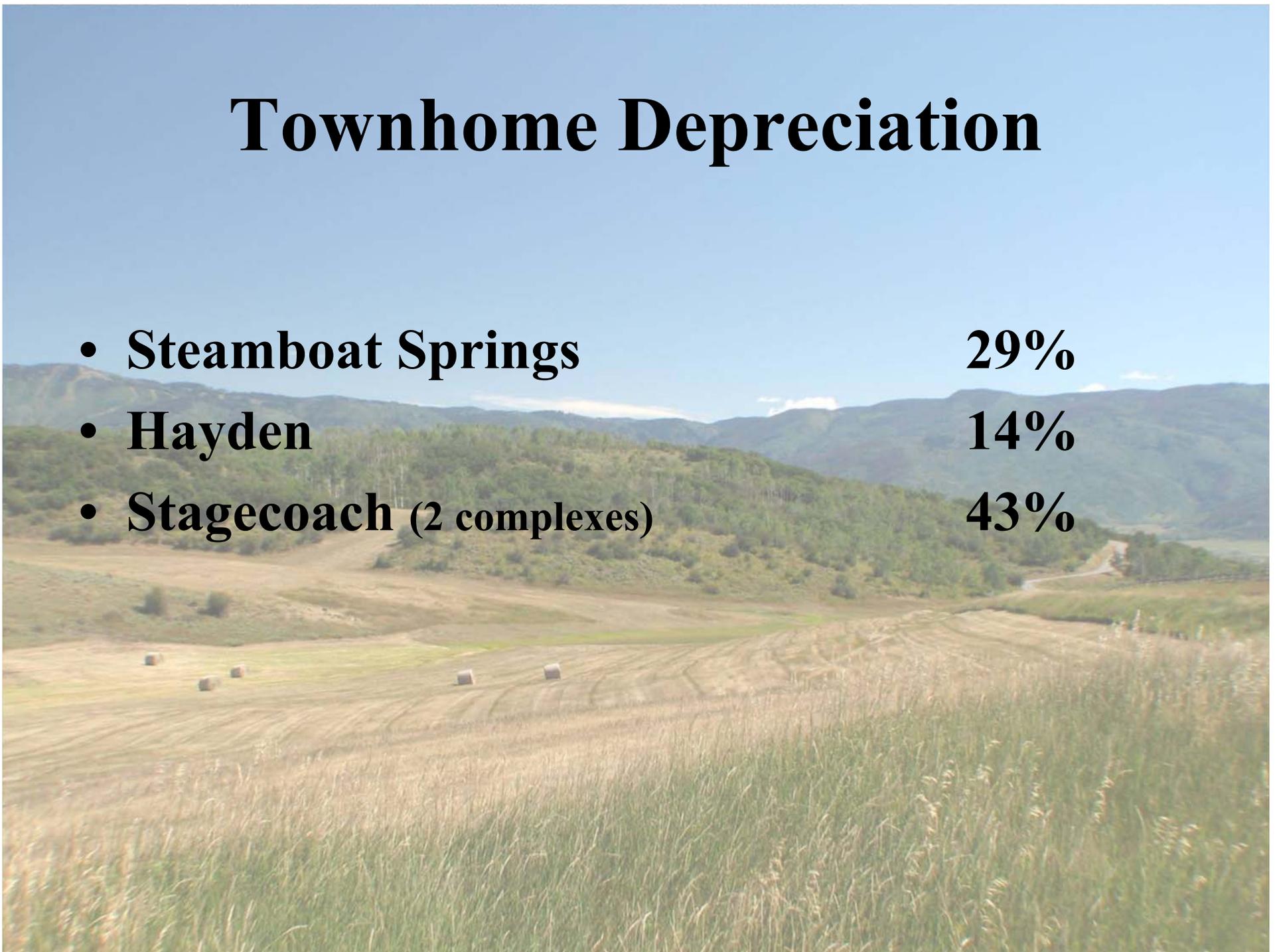
Countywide average decrease in SFR's is 22%

# Residential Condo Depreciation

- **Steamboat Springs (Old Town)** **25%**
- **Steamboat Springs (Mountain)**
  - At or very close to Ski Base** **21%**
  - North of Walton Creek Rd** **23%**
  - South of Walton Creek Rd** **29%**
  - Timbers on Rabbit Ears Pass** **37%**
- **Hayden** **17%**
- **Oak Creek (1 complex)** **39%**
- **Stagecoach (1 complex -Wagon Wheel)** **31%**

# Townhome Depreciation

- **Steamboat Springs** **29%**
- **Hayden** **14%**
- **Stagecoach (2 complexes)** **43%**



# Average Residential Depreciation: Includes Single Family, Condo, Duplex, Townhome By County Comparison

- **Routt** - **23%**
- **Eagle** - **31%** (Vail)
- **Grand** - **10-15%** (Winter Park)
- **Moffat\*** - **5%**
- **Pitkin** - **25%** (Aspen)
- **San Miguel** - **13%** (Telluride)
- **Summit** - **22%** (4 Ski Resorts)

\* non-resort county

Note: These are county-wide averages

# **Million Dollar Home Sales Comparison 2011RA to 2009RA**

## **2011 Reappraisal**

- **1,124 total residential sales**
- **140 sales above one million**
- **130 sales above two million**

## **2009 Reappraisal**

- **3,272 total residential sales**
- **265 sales above one million**
- **259 sales above two million**

# Average Commercial Property Depreciation Rates

- Steamboat Springs - 15.3%
- Hayden - 21.1%
- North Routt\* - 16.2%
- Oak Creek - 24.7%
- Phippsburg - 24.9%
- Yampa - 19.9%

\*includes Clark, Hahn's Peak & Guest Ranches

# **Agricultural Classified Land: Valuation Changes Since the 2009RA**

- **Countywide average Ag Land valuation increase is 7 percent**
- **Parcels receiving the agricultural classification are valued using a 10-year average of commodity prices (expenses) weighed against a 10-year average of market prices of Ag products (income) be they wheat, grain, beef, hay, soybeans, etc. Current downward trends in real estate prices have no bearing on the Ag valuations, which are determined by a state-wide survey done by the Division of Property Taxation.**
- **Ag land is classified into 4 sub-classes: Dry Farm Land, Meadow Hay Land, Grazing Land, Forest Land. These four classes are further defined by a soil-type grade of I to IV – typically.**
- **Ag land values for the 2011 reappraisal for Routt County increased anywhere from 4% to 26% depending on Ag class and soil type.**
- **Comparing your Ag land value increase while real estate prices are decreasing is comparing apples to oranges; they are two very different animals.**

# **Routt County Foreclosures**

- **2006 - 53 foreclosures**
- **2007 - 47 foreclosures**
- **2008 - 55 foreclosures**
- **2009 - 195 foreclosures**
- **2010 - 303 foreclosures**
- **2011 - 300+ foreclosures (projected)**

# The Appeal Process

- **First level of appeal is made with the Assessor's office. Taxpayers can appeal by mail, email, fax or by dropping the appeal form off at our office**
- **Appeals must be filed by June 1st**
- **The Assessor reviews the appeal request and sends a response no later than June 30th**
- **If a taxpayer wishes to appeal the Assessor's decision, an appeal can be filed with the County Board of Equalization (CBOE)**
- **In Routt County, the Board of County Commissioners sits as the CBOE**

# **Appealing the Assessor's Decision on Your Protest**

- **If you do not like the decision made by the Assessor on your filed protest, you may further your appeal to the CBOE level.**
- **The CBOE is an informal hearing where the petitioner has the opportunity to argue their protest in front of the Board of County Commissioners who are sitting as the County Board of Equalization.**
- **The CBOE will render a decision after hearing both sides (petitioner and assessor) present their arguments.**
- **If you do not like the CBOE's decision, your protest can be appealed to one of three third level appeal venues:**
  - BAA (Board of Assessment Appeals in Denver)**
  - Arbitration (Decision made is final)**
  - District Court**

# **How are Mill Levies Determined?**

- **The Assessor sends a Certification of Value to each of the taxing entities in August after the majority of appeals are completed. Taxing entities include school districts, fire districts, W&S districts, local governments (county and towns), hospitals, libraries and special districts – 39 districts in all. Each district has a revenue target limited by state statutes; mill levies are calculated to reach that revenue target.**
- **They do this with help from the State so they do not violate constitutional taxation statutes.**

# **Mill Levies Determined....(continued)**

- **When their budgets are completed, the taxing entities send their tax rate (mill levy) information to the Routt County Board of Commissioners to be certified.**
- **Once approved by the BOCC, the Assessor delivers the tax warrant to the Treasurer who then prepares and mails the tax notices by mid-January.**

# Calculating an Individual Tax Bill

- There are only two assessment rates in the State of Colorado for all property (exception being producing mines).
- These assessment rates are 7.96% of actual value for residential property and 29% for all non-residential property (vacant residential lots included).
- Your actual value as determined by the Assessor is multiplied by the assessment rate to derive an assessed value. This assessed value is multiplied by the mill levy for your tax area.

**Actual Value x Assessment Rate x Mill Levy = Tax Owed**

# Gallagher Amendment

- **In 1982 Colorado Citizens approved this amendment to the State Constitution**
- **Gallagher states that the property tax burden must be shared by a 45/55 split on a statewide basis between the two property types**
- **Residential property owners pay 45%, all others, (commercial, vacant, mining claims, and industrial) pay 55% of the statewide tax burden**

# Gallagher Amendment (continued)

- Before Gallagher, all properties were assessed at 30% of actual value.
- First year of Gallagher (1983) the two assessment rates were 25% residential and 29% non-residential to reach the mandated 45/55 ratio of tax burden on a state-wide basis.
- With all the residential growth and development in Colorado since 1983, the residential assessment rate has dropped every couple of years to maintain the 45/55 Gallagher mandate.
- The non-residential rate of 29% is fixed by Gallagher and only the residential rate can be adjusted. The current residential rate of 7.96% has been in place since 2003 though it is out of equilibrium with the 45/55 mandate because of TABOR.

# TABOR vs. Gallagher

- **Beginning with the 2005 reassessment, the evaluation of statewide data for all 64 Counties concluded that to retain the 45/55 split of the tax burden as required by Gallagher, the residential assessment rate should have been raised from the 7.96% level to 8.17%. However, the 1992 TABOR amendment requires that any increase in the assessment rate requires a vote of the people. This vote was never put on the ballot by the State legislature.**
- **This same scenario has occurred in each of the next three reassessment cycles ('07, '09 and 2011) where the residential assessment rate should have moved upwards for that year, if not for TABOR.**
- **This means that roughly \$5 billion in taxes that should be paid by residential owners through the higher assessment rates, has been passed on to commercial, vacant and industrial property owners - because of TABOR.**

# How are taxes calculated?



**1.4m home x 7.96 x 72.375 (.072375) = \$8,065**

# Tax on Vacant Parcel

- 1.4 million vacant land parcel, same value as preceding home. Let's use a Catamount Ranch land parcel as an example; tax is calculated

this way:

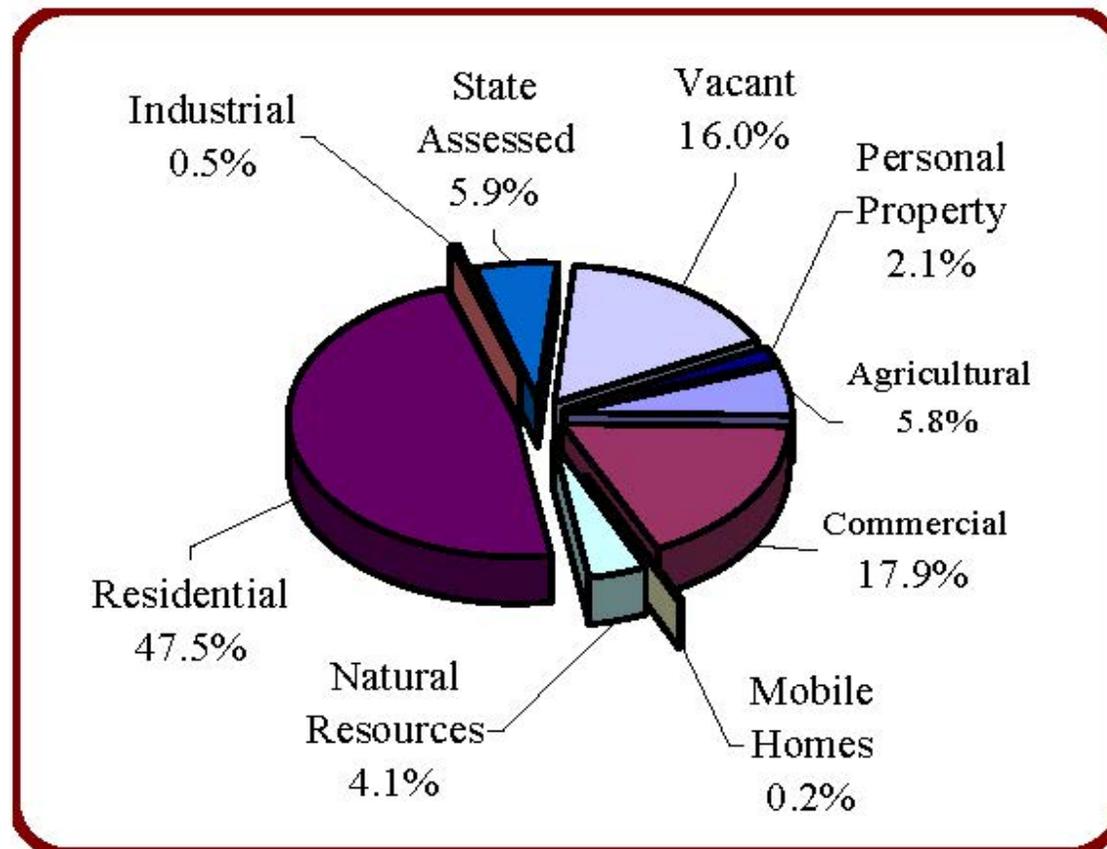
$1.4m \times 29\%$  (instead of 7.96% for residential)  $\times$   
72.375 mills = \$29,384

- Residential tax was \$8,065, vacant tax \$29,384
- 1.4m actual value for both property accounts
- This is the result of Gallagher!

# Routt Property Tax Statistics

## 2010 Assessments for 2011 Revenue

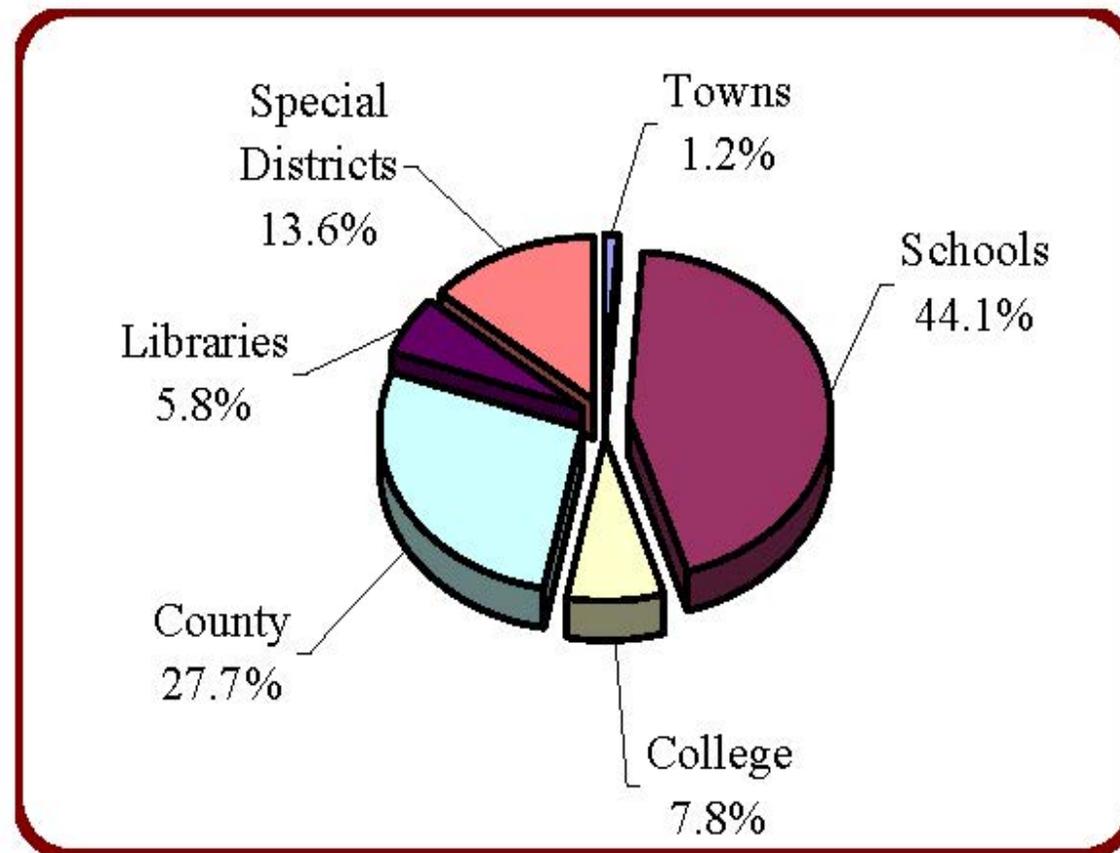
### Where Revenue is Generated



# Routt Property Tax Statistics

## 2010 Assessments for 2011 Revenue

### How Revenue is Dispersed

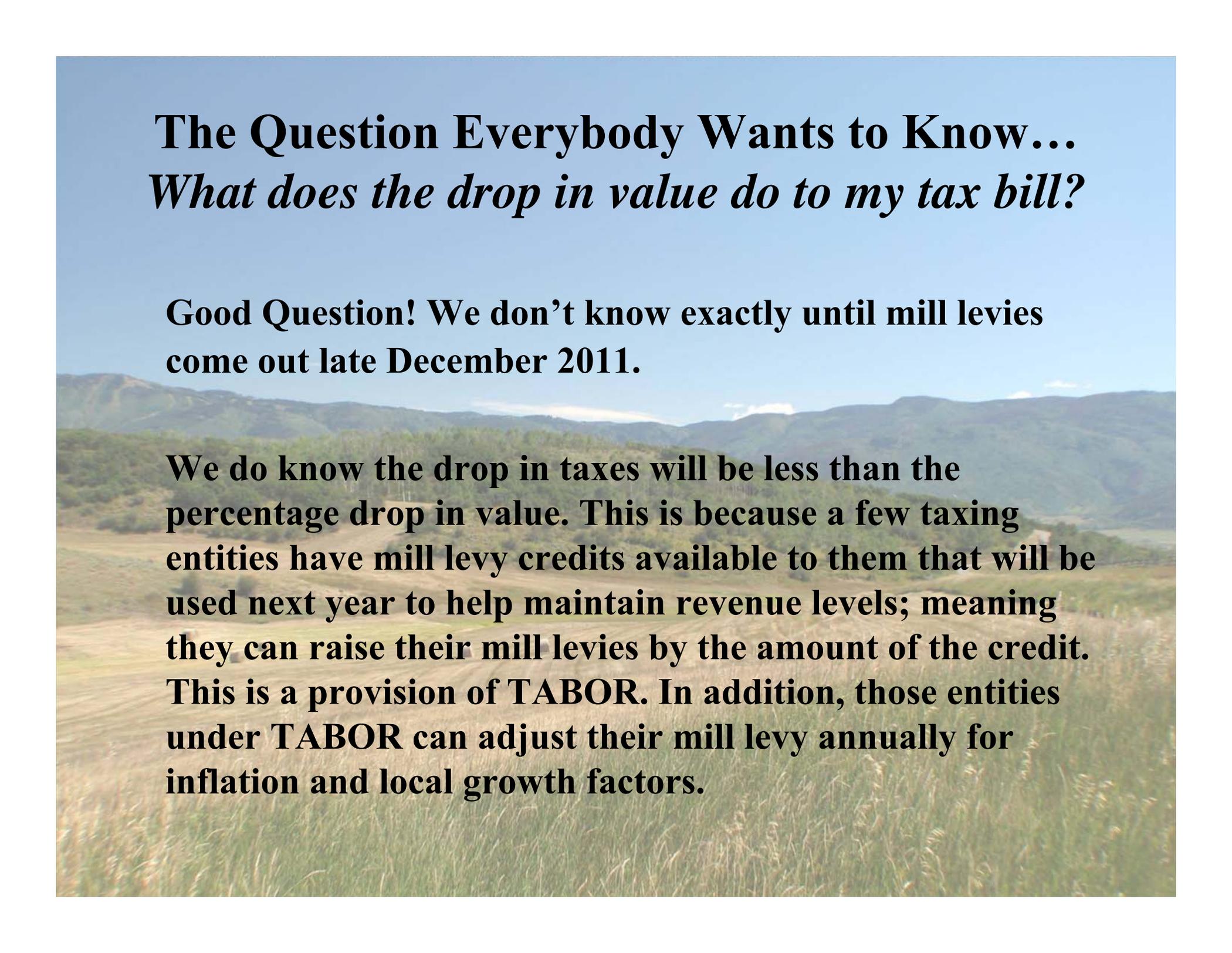


# **Role of The Assessor**

- **The role of the Assessor is set by the State Constitution, Title 39. There are many statutes within Title 39 that define the obligation and the rules that govern the Office of the Assessor (nearly 2,000 pages of rules and statutes!)**
- **There are four core functions or duties of the Assessor's Office:**  
**Discover, Classify, List and Value all property**

# Oversight of the Assessor

- **The State Division of Property Taxation provides guidance to all 64 County Assessors in carrying out their core functions**
- **All County Assessors are audited annually by an independent audit firm hired by the Division of Property Taxation. The auditor's function is to confirm that our procedures and calculations are done according to statute. Sales time-trends are critically examined to confirm that each class of property falls within its own statistically compliant parameter.**
- **In addition, our sales confirmation data and records are critically reviewed by the auditor.**



**The Question Everybody Wants to Know...**  
***What does the drop in value do to my tax bill?***

**Good Question! We don't know exactly until mill levies come out late December 2011.**

**We do know the drop in taxes will be less than the percentage drop in value. This is because a few taxing entities have mill levy credits available to them that will be used next year to help maintain revenue levels; meaning they can raise their mill levies by the amount of the credit. This is a provision of TABOR. In addition, those entities under TABOR can adjust their mill levy annually for inflation and local growth factors.**

# Public vs. Private Land Ownership

<u>Ownership</u>	<u>Total Acres</u>	<u>% of Total</u>
BLM	78,225	4.66%
State	53,525	3.19%
USFS	635,507	37.87%
CO Div Wildlife	12,389	0.74%
Private	898,268	53.53%
<hr/>		
<b>Grand Total</b>	<b>1,677,913 acres</b>	<b>100%</b>

**Public Land 46.47%**

**Private Land 53.53%**

# Ownership Stats

- A 2011 scan of our data base shows that property owners with Routt County mailing addresses make up slightly more than 50% of the total properties in the County; meaning that just under half of all Routt County properties are owned by someone outside the County.
- Roughly 32% of the non-Routt ownership is from outside Colorado:

## Ownership by State

TX	1,091	CA	924
IL	785	WY	310
NY	248	MI	196

All these stats exclude severed mineral rights.

# Assessor Team



# Assessor Contact Information

- **Office**            970-870-5544 (M-F 8:30-4:30)
- **Fax**                970-870-5461
- **Mailing:**        PO Box 773210,  
Steamboat Springs, CO 80477-3210
  
- **Web Site:**       [www.co.routt.co.us/assessor](http://www.co.routt.co.us/assessor)
- **Email:**            [assessor@co.routt.co.us](mailto:assessor@co.routt.co.us)

**We are here to help. If you believe the value or classification of your property is inaccurate as to the effective appraisal date of June 30, 2010, we welcome you to contact our office and speak to the appraiser assigned to your area. They can give you the sales relevant to your property valuation from which you can decide if filing an appeal is warranted. If so, fill out the back of your Notice of Value, listing the comparable sales you believe your property should be judged against and return it to our office by June 1, 2011.**