



Department of Local Affairs

Division of Property Taxation

A Report to the State Board of Equalization
and the General Assembly

ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR

2013-2014

Pursuant to § 39-1-104.2(6), C.R.S.

April 19, 2013

FINAL ANALYSIS – CORRECTED REPORT

The final residential assessment rate estimate for property tax years 2013-2014 is **9.13 percent**. This figure replaces the preliminary estimate of 9.09 percent found in the attached report dated January 14, 2013, and the original Final Report dated April 15, 2013. Upon review of the original Final Report it was discovered that there was data corruption that resulted in a few significant data errors. All data has subsequently been rechecked. The adjustments resulted in a net increase to the non-residential projected value thereby influencing the recommended residential assessment rate. The residential target percentage of **45.86 percent** remains unchanged from the preliminary report.

The Division of Property Taxation (Division) would not have been able to conduct either the preliminary or this final report without the cooperation of the county assessors throughout the state at arguably their busiest time during the two year assessment cycle. Their cooperation and attention to the gathering of this information is critical to the accuracy of this evaluation. The residential assessment rate estimate was revised upon receiving updated value estimates from all sixty-four county assessors for the following property classes: vacant land, residential, commercial, industrial, agricultural, natural resources and producing mines. The estimates do not include new construction because 2013 new construction (built during 2012) will be used to adjust the 2015-2016 target percentage. The statewide estimates developed by the Division for the oil and gas and state assessed property classes were also updated.

The following table lists the preliminary percentage change estimates reported on January 14 and the final percentage change estimates found in this report.

<u>Property Class</u>	<u>Preliminary 2013 Estimates</u>	<u>Final 2013 Estimates</u>	<u>\$ Difference</u>
Residential	- 2.2%	- 2.5%	\$ (92,916,924)
Non-Residential:			
Vacant	- 8.6%	- 10.0%	\$ (59,415,792)
Commercial	+ 1.9%	+ 3.1%	\$ 299,970,830
Industrial	+ 0.4%	+ 3.1%	\$ 90,654,042
Agricultural	+ 9.6%	+ 8.6%	\$ (10,099,623)
Natural Resources	- 1.3%	- 0.2%	\$ 4,311,586
Producing Mines	+ 20.6%	+ 7.7%	\$ (87,287,815)
Oil and Gas	+ 9.2%	+ 7.7%	\$ (140,759,034)
State Assessed	+ 4.0%	+ 4.0%	\$ 0
Non-Residential Total			\$ 51,740,609,476

Although the final estimates are generally more accurate than the figures shown in the preliminary report, they are still estimates, and in some cases they may be significantly different from the values that will be reported later this year on county Abstracts of Assessment. This is particularly true for the oil and gas, producing mines, and natural resource classes. The property in these classes is valued by county assessors after they receive the annual declaration statements from producers. Those statements are due on April 15.

The attached addenda show the calculations of the target percentage and residential assessment rate, as well as much of the data used in the calculations. The addenda are described as follows:

Addendum A: 2013 Residential Target Percentage Calculation

The target percentage from the 2011 residential rate study, 46.53 percent, is adjusted to account for the relative additions of residential and non-residential new construction and changes in natural resource production. The new residential target percentage is 45.86 percent. The new construction and production change figures are calculated on Addenda G through O, which are available upon request.

Unlike the calculation of the residential rate itself, the adjustment to the target percentage is based on known prior year values as reported on county Abstracts of Assessment.

Addendum B: 2013 Residential Assessment Rate Calculation

The residential assessment rate shown on Addendum B is our estimate of the residential assessment rate that would achieve a statewide total assessed value consisting of 45.86 percent residential property value and 54.14 percent non-residential property value.

Addendum C: Totals from 2012 Abstracts

Addendum C shows the assessed values reported last year by county assessors on their 2012 Abstracts of Assessment.

Addendum D: 2013 Estimated Values

Addendum D displays 2013 value estimates provided by county assessors and those estimated by the Division.

By early April, most assessors had nearly completed their reappraisals of real property and were able to provide the Division with new estimated real property values in dollar amounts. Counties that had not yet completed their reappraisals provided new value estimates as percentage figures, which were converted into dollar amounts. For the commercial and industrial classes, the real property estimates were combined with personal property estimates to produce the values shown on this addendum. Because counties do not yet have the information they need to value personal property, the Division used a two percent reduction estimate unless the county provided a different figure.

Counties also do not yet have the information they need to revalue the real and personal property classified as natural resources, producing mines and oil and gas. They generally provided percentage change estimates for natural resources and producing mines, and the Division estimated a statewide increase of 7.7 percent for oil and gas. The oil and gas estimate was developed using data obtained from the Colorado Oil and Gas Conservation Commission and the Colorado Department of Revenue after consulting with oil and gas experts and county assessors. The Division also updated its estimate of state assessed property, calculating a statewide increase of 4.0 percent for the state assessed property class.

Addendum E: Projected Rates of Change

This addendum shows the percentage change between the 2012 abstract values shown on addendum C and the 2013 projected values shown on addendum D.

2013 RESIDENTIAL TARGET PERCENTAGE CALCULATION

ADDENDUM A

STEP #1: Calculate the 2011 residential assessed value that would have achieved the 2011 target percentage.

ESTIMATED 2011 RESIDENTIAL ASSESSED	X	0.465259629
	-----	= -----
ACTUAL 2011 NON-RESIDENTIAL ASSESSED	48,927,105,631	0.534740371
		1.000000000
ESTIMATED 2011 RESIDENTIAL ASSESSED X =	42,569,830,625	

The target percentages shown in step #1 are the non-rounded versions of the target percentages enacted into law in 2011.

The figure \$48,927,105,631 in cell E8 is the total non-residential taxable value reported on county abstracts in 2011.

The figure \$42,559,830,625 in cell E11 is the hypothetical residential assessed value that would have exactly achieved the 2011 target percentage.

STEP #2: Add 2011 + 2012 net new construction and increased production to the 2011 res. and non-res. totals.

2011 Net Residential New Construction	370,341,019	Addendum G
<u>2012 Net Residential New Construction</u>	<u>306,171,769</u>	Addendum G
TOTAL RESIDENTIAL NEW CONSTRUCTION	676,512,788	
ESTIMATED 2011 RESIDENTIAL	42,569,830,625	
ADJUSTED TOTAL RESIDENTIAL	43,246,343,413	
2011 Net Other New Construction	529,938,369	Addendum G
2012 Net Other New Construction	532,876,783	Addendum G
2012 - 2010 Net Mines	189,181,327	Addendum H
2012 - 2010 Net Coal	5,084,681	Addendum I
2012 - 2010 Net Earth & Stone	-2,511,920	Addendum J
<u>2012 - 2010 Net Oil & Gas</u>	<u>869,564,256</u>	Sum of Addenda K - O
TOTAL NON-RESIDENTIAL NEW CONST. & PROD.	2,124,133,496	
ACTUAL 2011 NON-RESIDENTIAL	48,927,105,631	
		92,173,449,044
ADJUSTED TOTAL NON-RESIDENTIAL	51,051,239,127	

STEP #3: Calculate the 2013 target percentages from 2011 values adjusted for new construction and production.

ADJ 2011 RES ASSESSED	43,246,343,413	45.86156108%	OR	45.86%
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ADJ 2011 OTHER ASSESSED	51,051,239,127	54.13843892%		54.14%

2013 RESIDENTIAL ASSESSMENT RATE CALCULATION

ADDENDUM B

Estimated 2013 Non-Residential Assessed \$51,740,609,476 Addendum F	÷	Non-Res Target % 54.13843892% Addendum A	=	Total Assessed Target Value \$95,570,929,838
Total Assessed Target Value \$95,570,929,838	X	Residential Target % 45.86156108% Addendum A	=	Residential Assessed Target Value \$43,830,320,362
Residential Assessed Target Value \$43,830,320,362	÷	Estimated 2013 Residential Actual Value \$480,205,364,234 Addendum F	=	Residential Assessment Rate 9.127411650590% 9.13% rounded

TOTALS FROM 2012 COUNTY ABSTRACTS OF ASSESSMENT

ADDENDUM C

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	125,037,700	1,983,416,840	1,679,186,270	297,521,960	21,558,550	8,358,190	-	63,920,720	443,808,600	4,622,808,830
Alamosa	14,627,821	51,319,469	49,116,275	2,013,838	16,296,013	134,713	-	-	17,127,300	150,635,429
Arapahoe	207,018,570	3,794,965,820	2,987,918,207	32,586,470	11,859,870	634,320	-	8,542,386	418,212,900	7,461,738,443
Archuleta	80,319,090	142,763,050	47,761,520	1,533,640	6,483,000	399,380	-	28,615,670	9,142,000	317,017,350
Baca	339,320	6,263,699	5,589,079	76,279	17,587,920	1,229,536	-	8,433,734	36,739,900	74,259,467
Bent	426,996	7,611,589	19,042,034	257,255	16,653,699	672,516	-	940,378	28,864,200	74,468,657
Boulder	153,339,612	3,115,642,561	1,706,655,455	441,952,398	12,364,638	1,822,625	37,616	34,184,868	175,000,800	5,641,000,573
Broomfield	38,540,310	438,500,572	430,853,370	76,062,610	416,030	9,310	-	21,970,690	55,198,600	1,061,569,492
Chaffee	63,011,510	174,145,820	93,329,810	9,212,680	4,915,180	4,410,970	-	-	19,039,200	368,065,170
Cheyenne	262,959	4,125,742	3,521,309	302,213	18,306,548	1,888,172	-	111,906,421	18,069,175	158,365,539
Clear Creek	23,030,290	98,225,980	26,364,880	711,720	113,990	6,944,630	415,562,400	-	19,755,700	590,709,590
Conejos	9,454,206	29,780,934	5,163,625	829,581	11,016,735	66,228	-	-	4,889,300	81,209,609
Costilla	93,909,895	14,441,880	4,210,554	206,073	9,122,180	310,100	-	-	7,340,300	129,540,982
Crowley	330,844	6,066,137	21,193,021	92,545	4,176,345	394,728	-	-	4,369,800	36,623,420
Custer	26,153,890	54,911,420	7,535,980	242,540	5,864,500	605,840	-	-	4,158,200	99,472,370
Delta	25,355,106	164,560,680	61,129,040	4,280,110	13,142,230	18,991,660	-	1,457,660	31,337,400	320,253,880
Denver	189,457,930	4,351,170,550	5,183,682,440	218,458,870	54,780	-	-	-	882,995,100	10,605,619,670
Dolores	7,176,354	13,266,239	3,653,668	1,676,688	2,883,134	616,302	-	60,940,790	13,009,600	103,223,775
Douglas	231,199,150	2,635,364,110	1,361,585,780	107,508,080	16,851,740	435,350	-	-	209,659,400	4,562,603,610
Eagle	174,330,120	1,913,674,330	593,343,460	11,570,700	6,324,440	893,620	55,420	-	75,581,300	2,775,773,390
El Paso	301,058,930	3,507,345,120	2,002,738,130	236,666,950	13,208,430	5,757,760	-	-	260,801,400	6,327,576,720
Elbert	17,264,740	173,416,690	22,902,430	1,117,320	15,514,060	1,187,030	-	5,242,870	23,308,600	259,953,740
Fremont	48,966,870	194,644,660	79,949,010	65,080,070	6,951,000	4,641,780	-	19,535,560	33,098,200	452,866,150
Garfield	133,988,820	471,369,050	341,560,760	12,580,330	11,600,370	2,691,730	334,040	2,870,914,810	86,893,100	3,931,933,010
Gilpin	46,161,830	57,716,510	229,291,460	156,780	239,860	10,213,750	283,330	-	7,834,300	351,897,840
Grand	144,737,570	357,702,110	90,917,870	97,593,550	7,730,830	325,050	74,465,050	-	35,616,100	809,088,130
Gunnison	162,751,730	298,487,580	100,615,170	3,786,800	7,908,740	94,510,990	234,710	9,077,480	11,800,600	689,173,800
Hinsdale	19,643,920	32,341,500	7,595,930	135,300	533,000	570,170	84,440	-	727,700	81,631,960
Huerfano	16,401,582	38,558,675	16,021,353	216,731	6,935,855	440,356	-	7,262,387	28,661,000	114,497,399
Jackson	1,865,433	9,421,867	3,890,903	2,278,964	10,420,910	133,833	-	11,661,171	2,662,490	42,335,152
Jefferson	182,096,923	4,126,025,665	2,130,590,653	241,104,597	13,208,898	3,486,871	176,534	-	296,941,300	6,993,631,431
Kiowa	73,230	2,093,150	1,091,340	-	15,274,090	1,222,800	-	18,857,100	4,407,000	43,016,710
Kit Carson	962,421	23,535,001	31,520,295	1,191,853	37,453,055	1,014,158	-	1,253,899	36,908,200	133,839,882
La Plata	165,008,240	582,113,590	370,909,320	16,025,990	13,064,170	10,449,900	-	1,045,070,690	75,630,300	2,278,272,200
Lake	23,438,766	53,353,134	11,380,398	594,352	217,937	1,519,141	36,562,670	-	12,519,500	139,585,918
Larimer	202,000,540	2,207,936,500	1,297,017,780	273,963,630	19,085,030	4,331,210	-	12,239,922	108,915,200	4,125,490,062
Las Animas	16,628,470	56,689,680	34,664,280	3,238,580	17,631,660	12,433,300	-	251,466,080	80,779,500	473,531,550
Lincoln	1,436,010	11,567,032	13,468,496	320,744	17,489,382	1,656,898	-	33,464,457	28,219,605	107,622,624
Logan	2,603,560	58,773,520	39,632,750	14,418,370	35,981,100	333,550	-	18,126,360	101,262,700	271,131,910
Mesa	123,879,130	852,717,370	564,689,060	110,355,610	25,694,660	1,994,050	204,960	222,885,640	120,084,700	2,022,495,180
Mineral	9,428,070	18,077,120	6,325,630	116,170	1,031,820	321,580	-	-	1,764,600	37,064,990
Moffat	10,637,462	62,770,639	40,185,960	1,766,720	7,969,857	43,097,351	-	102,298,452	215,323,357	484,072,798
Montezuma	24,842,120	138,415,490	66,958,010	10,921,550	13,335,600	820,870	-	357,327,970	43,021,250	654,742,820
Montrose	52,485,630	246,511,490	158,345,250	24,590,980	20,616,100	4,660,870	386,840	-	57,664,900	565,262,060
Morgan	4,933,520	87,518,200	62,029,910	46,316,150	37,866,450	81,380	-	9,895,050	181,051,300	429,691,960
Otero	1,434,357	42,397,504	26,727,560	4,567,613	18,405,974	196,145	-	-	33,417,400	127,146,553
Ouray	59,396,220	81,059,850	30,604,340	152,610	3,250,950	2,659,090	13,790	-	6,991,600	183,828,450
Park	161,679,630	221,841,630	26,425,904	820,990	7,115,100	4,376,490	22,860	-	22,956,100	445,238,704
Phillips	328,080	14,880,970	12,590,620	171,240	21,412,420	354,940	-	6,679,460	3,891,900	60,309,630
Pitkin	261,525,610	1,917,257,270	547,583,800	744,690	7,090,680	3,847,160	-	-	26,076,100	2,764,225,310
Prowers	723,601	24,853,319	24,497,247	3,893,530	28,382,198	1,483,809	-	2,994,001	37,486,400	124,320,105
Pueblo	62,929,731	596,036,622	300,580,438	228,406,271	11,220,637	2,886,175	-	-	471,620,601	1,671,480,675
Rio Blanco	5,880,050	43,655,240	27,553,500	313,752,600	13,251,740	35,733,260	-	835,502,410	107,996,700	1,383,325,500
Rio Grande	30,715,001	64,316,010	45,428,562	2,180,466	20,859,371	311,447	-	-	12,404,300	176,215,157
Routt	137,983,140	604,356,140	234,540,650	5,754,990	23,507,320	48,373,000	-	5,601,410	97,961,800	1,158,078,450
Saguache	18,444,220	19,426,630	5,990,050	266,400	13,901,640	1,235,980	-	-	5,837,298	65,122,418
San Juan	14,977,670	11,938,060	9,160,955	611,063	1,684	8,904,648	-	-	2,773,199	48,367,279
San Miguel	215,774,060	480,681,170	105,641,920	3,965,620	7,666,920	2,733,060	-	25,437,910	15,128,600	857,023,260
Sedgwick	291,870	5,208,110	3,543,860	135,450	14,721,310	103,740	-	362,370	31,827,500	56,294,210
Summit	176,012,680	1,052,991,108	326,686,015	11,559,036	1,388,600	906,801	-	-	32,767,300	1,602,311,540
Teller	75,504,090	182,107,890	101,113,360	4,770,360	1,607,020	2,876,780	143,902,660	-	19,772,300	531,654,460
Washington	209,214	10,722,433	4,057,015	562,497	30,113,551	1,134,961	-	41,176,473	38,814,900	126,791,044
Weld	77,121,290	1,126,180,660	742,391,710	404,068,460	120,061,360	12,302,820	-	3,383,487,090	650,106,300	6,515,719,690
Yuma	1,160,810	28,990,550	25,488,170	8,293,550	55,103,660	776,890	-	108,845,430	51,269,800	280,828,860
TOTALS	4,478,806,528	39,198,222,341	24,614,936,601	3,364,377,877	952,016,102	387,701,764	672,327,320	9,746,582,769	5,979,002,875	89,393,974,177

2013 ESTIMATED VALUES
 (With Residential at 7.96 percent)

ADDENDUM D

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	123,787,323	1,943,748,503	1,692,691,513	299,086,865	25,970,260	8,358,190	0	68,852,830	461,660,944	4,623,956,428
Alamosa	14,550,535	51,952,062	50,240,782	2,003,426	15,846,643	136,575	0	0	17,812,392	152,542,415
Arapahoe	206,580,790	3,786,650,210	3,116,011,342	31,256,911	13,478,285	626,194	0	9,201,515	434,941,312	7,598,746,559
Archuleta	68,172,180	142,519,340	46,965,250	1,454,280	6,766,880	379,900	0	30,823,649	9,507,680	306,589,159
Baca	368,251	7,165,185	5,083,496	74,038	21,072,703	1,231,415	0	6,930,160	38,209,496	80,134,744
Bent	427,763	7,456,185	18,997,010	258,020	16,817,730	695,270	0	1,012,937	30,018,768	75,683,683
Boulder	156,717,373	3,172,088,653	1,957,733,453	570,129,796	13,466,330	1,910,455	39,095	36,822,566	182,000,832	6,090,908,553
Broomfield	40,000,000	449,680,217	549,908,517	73,710,236	913,880	9,310	0	23,665,944	57,404,464	1,195,292,568
Chaffee	51,670,701	167,980,640	91,640,676	9,096,275	5,233,940	3,827,230	0	0	19,800,768	349,250,230
Cheyenne	276,752	4,815,212	3,573,433	367,417	21,374,269	5,171,709	0	120,544,330	18,791,942	174,915,064
Clear Creek	21,878,800	98,225,980	24,089,541	690,804	113,990	6,844,307	417,387,784	0	20,545,928	589,767,134
Conejos	9,643,290	30,376,000	5,060,349	812,983	13,220,000	23,000	0	0	5,094,232	64,229,654
Costilla	93,846,644	14,685,155	5,144,992	367,766	8,955,999	310,000	0	0	7,833,912	130,954,468
Crowley	327,264	6,066,137	22,549,395	90,998	3,517,957	411,707	0	0	4,544,592	37,508,050
Custer	26,546,200	53,813,200	7,637,466	242,445	6,216,370	600,320	0	0	4,324,528	99,380,529
Delta	21,551,840	139,876,600	51,958,690	3,850,700	14,456,006	18,011,947	0	1,570,133	32,590,896	283,867,812
Denver	192,411,710	4,515,137,170	5,434,222,750	226,836,940	55,360	0	0	0	897,514,904	11,266,178,834
Dolores	7,175,350	13,000,000	3,652,396	1,668,531	3,000,000	616,302	0	65,642,999	13,529,984	108,285,532
Douglas	221,000,000	2,675,000,000	1,410,000,000	110,600,000	17,000,000	428,080	0	0	218,045,776	4,652,073,656
Eagle	144,694,000	1,530,939,464	514,273,053	11,449,584	5,691,996	886,230	54,312	0	78,604,552	2,286,593,191
El Paso	303,244,270	3,516,730,770	2,034,539,966	233,418,241	14,009,700	5,680,277	0	0	271,233,466	6,378,856,680
Ebert	17,206,240	173,361,380	22,906,110	1,122,180	15,452,830	1,230,390	0	5,647,409	24,240,944	261,167,483
Fremont	48,226,000	194,494,500	78,855,000	50,236,900	6,932,200	4,645,207	0	21,042,920	34,422,128	438,854,855
Garfield	84,836,570	361,098,490	300,095,546	11,076,698	11,908,940	2,664,636	327,359	3,092,434,024	90,368,824	3,954,810,987
Glipin	46,162,970	57,730,780	228,680,440	156,790	243,623	10,012,380	277,663	0	8,147,672	351,412,308
Grand	108,356,410	326,299,130	86,069,720	83,475,680	7,700,790	300,140	57,384,640	0	37,040,744	706,627,254
Gunnison	108,459,870	245,796,300	103,022,585	3,390,699	8,960,640	92,327,908	230,016	9,777,897	12,272,624	584,238,539
Hinsdale	19,785,040	29,535,440	7,518,266	119,943	754,910	562,770	187,309	0	756,808	59,220,476
Huerfano	16,150,997	36,451,390	15,706,240	216,731	9,824,435	439,730	0	7,822,761	29,807,440	116,519,714
Jackson	1,865,433	9,421,867	3,890,903	2,278,964	10,420,491	133,833	0	12,560,945	2,768,990	43,341,425
Jefferson	204,085,523	4,179,818,408	2,104,190,125	238,488,850	12,942,450	3,400,000	173,003	0	308,818,952	7,051,917,311
Kiowa	87,180	2,162,720	1,089,232	0	17,120,044	1,242,380	0	20,312,110	4,583,984	46,566,946
Kit Carson	942,500	23,118,700	36,024,275	1,181,470	38,278,545	1,018,200	0	1,350,650	38,384,528	140,298,868
La Plata	142,252,050	547,633,230	385,600,938	16,945,247	0	10,311,058	0	1,125,708,136	78,655,512	2,307,006,171
Lake	18,644,090	49,745,488	11,492,099	644,501	262,748	1,530,746	134,727,015	0	13,020,280	230,066,967
Larimer	188,431,680	2,256,753,715	1,310,803,681	287,433,211	19,470,969	4,943,617	0	13,184,352	113,271,808	4,194,293,033
Las Animas	13,346,420	56,811,770	39,397,136	4,007,103	18,042,060	12,487,171	0	270,869,153	84,010,680	498,971,513
Lincoln	1,423,890	11,534,400	1,321,834	537,626	20,272,747	1,787,031	0	36,046,568	29,348,389	102,272,485
Logan	2,312,970	58,479,650	39,867,388	14,291,514	43,036,245	329,250	0	19,524,986	105,312,208	283,155,211
Mesa	99,233,230	735,001,990	556,798,070	104,903,349	27,237,980	2,804,567	200,861	240,083,451	124,888,088	1,891,151,586
Mineral	9,600,000	19,000,000	8,670,793	155,622	1,300,000	322,000	0	0	1,835,184	40,883,599
Moffat	10,063,577	54,516,678	44,981,795	1,911,387	8,400,845	42,809,445	0	110,191,780	223,936,291	496,811,798
Montezuma	23,695,000	124,573,900	65,766,230	10,873,932	13,500,000	820,769	0	384,899,325	44,742,100	688,871,256
Montrose	36,739,941	197,209,192	146,827,594	23,021,811	23,708,515	4,362,333	377,951	0	59,971,496	492,218,833
Morgan	5,080,200	94,334,720	80,780,134	45,375,995	39,819,009	66,943	0	10,658,550	188,293,352	444,408,903
Otero	1,427,674	40,706,532	26,164,764	4,420,060	19,710,861	215,672	0	0	34,754,096	127,399,659
Ourray	40,828,990	73,538,870	26,850,490	144,133	3,396,000	2,044,031	0	0	6,859,264	153,781,778
Park	133,195,590	200,056,700	27,212,070	898,100	7,766,480	5,245,390	91,170	0	23,874,344	398,339,844
Phillips	376,340	15,414,250	12,940,300	230,039	30,592,110	399,578	0	7,194,846	4,047,576	71,195,039
Pitkin	245,696,630	1,742,484,030	608,942,206	670,020	6,548,410	3,519,879	0	0	27,119,144	2,634,980,319
Prowers	723,600	23,860,000	23,619,414	3,789,657	30,085,100	2,406,182	0	3,225,018	38,985,856	126,694,827
Pueblo	53,755,444	563,626,879	294,154,196	226,361,478	12,598,001	3,136,056	0	0	490,485,633	1,644,117,697
Rio Blanco	5,347,850	38,080,320	25,251,424	308,118,855	13,962,520	35,356,520	0	899,969,609	112,316,568	1,438,403,666
Rio Grande	30,256,613	64,695,706	45,557,665	2,172,113	20,872,534	291,497	0	0	12,900,472	176,746,600
Routt	111,000,000	497,000,000	230,103,270	5,774,154	25,000,000	46,478,156	0	6,033,614	101,880,272	1,023,289,466
Saguache	18,444,220	19,426,830	5,990,050	286,400	13,901,640	1,235,980	0	0	6,070,790	65,355,910
San Juan	14,300,000	8,551,232	8,684,742	575,747	0	9,000,000	0	0	2,884,127	43,995,848
San Miguel	176,375,770	401,130,530	111,810,097	3,838,120	7,863,370	2,404,970	0	27,400,694	15,733,744	746,357,295
Sedgwick	292,700	4,295,500	2,931,400	132,660	20,070,500	103,010	0	390,330	33,100,600	61,316,700
Summit	153,015,020	1,023,188,680	339,261,812	15,130,921	1,460,700	536,740	0	0	34,077,992	1,566,671,865
Teller	64,606,540	185,351,440	78,764,690	3,697,530	1,636,570	2,733,870	112,376,630	0	20,563,192	469,730,462
Washington	207,184	10,800,000	4,038,251	563,429	33,800,000	1,140,000	0	44,353,641	40,367,496	135,260,001
Weld	69,775,880	1,109,898,103	774,273,262	404,290,974	142,410,887	13,208,770	0	3,644,556,276	676,110,552	6,834,524,706
Yuma	1,160,560	29,560,870	25,500,450	8,286,000	59,094,330	788,050	0	118,321,081	53,320,592	296,031,933
TOTALS	4,032,625,422	38,224,346,993	25,378,181,747	3,468,672,739	1,033,549,347	386,955,273	723,834,808	10,498,627,160	6,218,162,990	89,964,956,469

PROJECTED RATES OF CHANGE

ADDENDUM E

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	-1.0%	-2.0%	0.8%	0.5%	20.0%	0.0%		7.7%	4.0%	0.0%
Alamosa	-0.5%	1.2%	2.3%	-0.5%	-2.8%	1.4%			4.0%	1.3%
Arapahoe	-0.2%	-0.2%	4.3%	-4.1%	13.6%	-1.3%		7.7%	4.0%	1.8%
Archuleta	-15.1%	-0.2%	-1.7%	-5.2%	4.4%	-4.9%		7.7%	4.0%	-3.3%
Baca	8.5%	14.4%	-9.0%	-2.9%	19.8%	0.2%		7.7%	4.0%	7.9%
Bent	0.2%	-2.0%	-0.2%	0.3%	1.0%	3.4%		7.7%	4.0%	1.6%
Boulder	2.2%	1.8%	14.7%	29.0%	8.9%	4.8%	3.9%	7.7%	4.0%	8.0%
Broomfield	3.8%	2.5%	27.6%	-3.1%	119.7%	0.0%		7.7%	4.0%	12.6%
Chaffee	-18.0%	-3.5%	-1.8%	-1.3%	6.5%	-13.2%			4.0%	-5.1%
Cheyenne	5.2%	16.7%	1.5%	21.6%	16.8%	173.9%		7.7%	4.0%	10.4%
Clear Creek	-5.0%	0.0%	-8.6%	-4.3%	0.0%	-1.4%	0.4%		4.0%	-0.2%
Conejos	2.0%	2.0%	-2.0%	-2.0%	20.0%	-65.3%			4.0%	4.9%
Costilla	-0.1%	1.7%	22.2%	78.5%	-1.7%	0.0%			4.0%	1.1%
Crowley	-1.1%	0.0%	6.4%	-1.7%	-15.8%	4.3%			4.0%	2.4%
Custer	1.5%	-2.0%	1.3%	0.0%	6.0%	-0.9%			4.0%	-0.1%
Delta	-15.0%	-15.0%	-15.0%	-10.0%	10.0%	-5.2%		7.7%	4.0%	-11.4%
Denver	1.6%	3.8%	4.8%	3.8%	1.1%				4.0%	4.3%
Dolores	0.0%	-2.0%	0.0%	-0.5%	4.1%	0.0%		7.7%	4.0%	4.9%
Douglas	-4.4%	1.5%	3.6%	2.9%	0.9%	-1.7%			4.0%	2.0%
Eagle	-17.0%	-20.0%	-13.3%	-1.0%	-10.0%	-0.8%	-2.0%		4.0%	-17.6%
El Paso	0.7%	0.3%	1.6%	-1.4%	6.1%	-1.3%			4.0%	0.8%
Elbert	-0.3%	0.0%	0.0%	0.4%	-0.4%	3.7%		7.7%	4.0%	0.5%
Fremont	-1.5%	-0.1%	-1.4%	-22.8%	-0.3%	0.1%		7.7%	4.0%	-3.1%
Garfield	-36.7%	-23.4%	-12.1%	-12.0%	2.7%	-1.0%	-2.0%	7.7%	4.0%	0.6%
Gilpin	0.0%	0.0%	-0.3%	0.0%	1.6%	0.0%	-2.0%		4.0%	-0.1%
Grand	-25.1%	-8.8%	-5.3%	-14.5%	-0.4%	-7.7%	-22.9%		4.0%	-12.7%
Gunnison	-33.4%	-17.7%	2.4%	-10.5%	13.3%	-2.3%	-2.0%	7.7%	4.0%	-15.2%
Hinsdale	0.7%	-8.7%	-1.0%	-11.4%	41.6%	-1.3%	121.8%		4.0%	-3.9%
Huerfano	-1.5%	-5.5%	-2.0%	0.0%	43.1%	-0.1%		7.7%	4.0%	1.8%
Jackson	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		7.7%	4.0%	2.4%
Jefferson	12.1%	1.3%	-1.2%	-1.1%	-2.0%	-2.5%	-2.0%		4.0%	0.8%
Kiowa	-8.3%	2.8%	-0.2%		12.1%	1.6%		7.7%	4.0%	8.2%
Kit Carson	-2.1%	-1.8%	14.3%	-0.9%	2.2%	0.4%		7.7%	4.0%	4.8%
La Plata	-13.8%	-5.9%	4.0%	5.7%	-100.0%	-1.3%		7.7%	4.0%	4.8%
Lake	-20.5%	-6.8%	1.0%	8.4%	20.6%	0.8%	268.5%		4.0%	64.8%
Larimer	-6.7%	2.2%	1.1%	4.9%	2.0%	14.1%		7.7%	4.0%	1.7%
Las Animas	-19.7%	0.2%	13.7%	23.7%	2.3%	0.4%		7.7%	4.0%	5.4%
Lincoln	-0.8%	-0.3%	-90.2%	67.6%	15.9%	7.9%		7.7%	4.0%	-5.0%
Logan	-11.2%	-0.5%	0.6%	-0.9%	19.6%	-1.3%		7.7%	4.0%	4.4%
Mesa	-19.9%	-13.8%	-1.4%	-4.9%	6.0%	41.4%	-2.0%	7.7%	4.0%	-6.5%
Mineral	1.8%	5.1%	37.1%	34.0%	26.0%	0.1%			4.0%	10.3%
Moffat	-5.4%	-13.1%	11.9%	7.0%	5.4%	-0.7%		7.7%	4.0%	2.6%
Montezuma	-5.0%	-10.0%	-0.3%	-0.4%	1.2%	0.0%		7.7%	4.0%	2.2%
Montrose	-30.0%	-20.0%	-7.3%	-6.4%	15.0%	-6.4%	-2.3%		4.0%	-12.9%
Morgan	3.0%	7.8%	-2.0%	-2.0%	5.2%	-17.7%		7.7%	4.0%	3.4%
Otero	-0.5%	-4.0%	-2.1%	-3.2%	7.1%	10.0%			4.0%	0.2%
Ouray	-31.3%	-9.3%	-12.3%	-5.6%	4.5%	-23.1%	-100.0%		4.0%	-16.4%
Park	-17.6%	-9.8%	3.0%	9.4%	9.2%	19.9%	298.8%		4.0%	-10.5%
Phillips	14.7%	3.6%	2.8%	34.3%	42.9%	12.6%		7.7%	4.0%	18.0%
Pitkin	-6.1%	-9.1%	11.2%	-10.0%	-7.6%	-8.5%			4.0%	-4.7%
Prowers	0.0%	-4.0%	-3.6%	-2.8%	6.0%	62.2%		7.7%	4.0%	1.9%
Pueblo	-14.6%	-5.4%	-2.1%	0.0%	12.3%	16.7%			4.0%	-1.6%
Rio Blanco	-9.1%	-12.8%	-8.4%	-1.8%	5.4%	-1.1%		7.7%	4.0%	4.0%
Rio Grande	-1.5%	0.6%	0.3%	-0.4%	0.1%	-6.4%			4.0%	0.3%
Routt	-19.6%	-17.8%	-1.9%	0.3%	6.3%	-3.9%		7.7%	4.0%	-11.6%
Saguache	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			4.0%	0.4%
San Juan	-4.5%	-28.4%	-5.2%	-5.8%	-100.0%	1.1%			4.0%	-9.0%
San Miguel	-18.3%	-16.5%	5.6%	-3.2%	2.6%	-12.0%		7.7%	4.0%	-12.9%
Sedgwick	0.3%	-17.5%	-19.6%	-2.1%	36.3%	-0.7%		7.7%	4.0%	8.9%
Summit	-13.1%	-2.8%	3.8%	30.9%	5.2%	-40.8%			4.0%	-2.2%
Teller	-14.4%	1.8%	-22.1%	-22.5%	1.8%	-5.0%	-21.9%		4.0%	-11.6%
Washington	-1.0%	0.7%	-0.5%	-1.6%	12.2%	0.4%		7.7%	4.0%	6.7%
Weld	-9.5%	-1.4%	4.3%	0.1%	18.6%	7.4%		7.7%	4.0%	4.9%
Yuma	0.0%	2.0%	0.0%	-0.1%	7.2%	1.4%		7.7%	4.0%	5.4%
WEIGHTED AVERAGE	-10.0%	-2.5%	3.1%	3.1%	8.6%	-0.2%	7.7%	7.7%	4.0%	0.6%



**A Report to the State Board of Equalization
and the General Assembly**

**THE ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR
2013 – 2014**

Pursuant to § 39-1-104.2(6) C.R.S.

January 14, 2013

SUMMARY

Section 39-1-104.2(3), C.R.S., is amended by the General Assembly during years of general reassessment by the adoption of a new residential target percentage and residential assessment rate. The figures enacted into law are the product of a study conducted in accordance with § 39-1-104.2(5)(c), C.R.S., by staff of the Division of Property Taxation (Division) under the direction of the Property Tax Administrator. This report documents the preliminary findings of the Residential Assessment Rate Study used for determining the 2013-2014 residential target percentage and the residential assessment rate. The preliminary findings of the study are as follows:

- The 2013-2014 residential target percentage is **45.86 percent**.
- The 2013-2014 projected residential assessment rate is **9.09 percent**.
- The residential assessment rate for 2011 and 2012 was **7.96 percent**. Section 20(4), art. X, COLO. CONST. (TABOR), requires voter approval for an increase to the assessment rate of a property class.

The target percentage listed above is based on known values that were reported by assessors in 2011 and 2012 on their Abstracts of Assessment. As such, the 45.86 percent figure is not anticipated to change. The projected residential assessment rate however, is based largely on estimated 2013 values, and the figure is likely to change prior to our final report in April.

Section 3(1)(b) of article X of the Colorado Constitution and § 39-1-104.2(5)(a), C.R.S., require an adjustment in the residential assessment rate in order to maintain a consistent relationship between the total assessed value of residential compared to non-residential property. The General Assembly must adjust the residential assessment rate to ensure that the percentage of residential real property assessed value, when compared to the assessed value of all property, remains essentially the same as it was the preceding year (2010). The adjustment is intended to stabilize residential real property's share of the property tax base. The study includes three major calculations.

1. Using the total actual 2011 assessed value for nonresidential property, calculate what the total 2011 residential real property value should have been to exactly achieve the 2011 residential real property target percentage of 46.53 percent. Then, adjust the 46.53 percent target percentage to account for 2011 and 2012 net changes in new construction and the production volumes of producing metallic mines, producing coal mines, oil and gas wells, and earth and stone operations as reported on county Abstracts of Assessment. Upon completing the adjustments, the 2013-2014 residential real property target percentage is 45.86 percent.
2. Estimate 2013 values and determine residential real property's share of the tax base assuming the residential assessment rate remains at 7.96 percent. The estimated 2013 tax base share for residential real property at an assessment rate of 7.96 percent is 43.3 percent.
3. Calculate the residential assessment rate that is estimated to achieve a statewide total taxable assessed value consisting of 45.86 percent residential property.

At one time, the State Board of Equalization (state board) had the authority to adjust the residential rate during its fall hearings if the valuations actually implemented by the counties, as reflected in the Abstracts of Assessment, showed that the estimated residential rate was incorrect. Because of a conflict with provisions in section 20 of article X of the Colorado Constitution (TABOR), the statute giving the state board that authority, § 39-1-104.2(7), C.R.S., was repealed in 1993. As a result, the Division reports an amended figure to the General Assembly in April. The amended report contains revised value estimates provided by county assessors after much of their revaluation work is completed.

The following table lists the estimated changes in assessed value by class of property between 2012 and 2013.

COMPARISON OF 2012 AND ESTIMATED 2013 ASSESSED VALUES BY CLASS

Class of Property	2012 Assessed	Estimated 2013	% Change	% of Total
Vacant	4,478,806,528	4,092,041,214	-8.6%	4.5%
Residential	39,198,222,341	38,317,263,917	-2.2%	42.6%
Commercial	24,614,936,601	25,078,210,917	1.9%	27.9%
Industrial	3,364,377,877	3,378,018,697	0.4%	3.8%
Agricultural	952,016,102	1,043,648,970	9.6%	1.2%
Natural Resources	387,701,764	382,643,687	-1.3%	0.4%
Producing Mines	672,327,320	811,122,623	20.6%	0.9%
Oil and Gas	9,746,582,769	10,639,386,184	9.2%	11.8%
State Assessed	5,979,002,877	6,218,162,992	4.0%	6.9%
Total	89,393,974,179	89,960,499,201	0.6%	100.0%

Note: The comparison between 2012 and 2013 is based upon the current residential assessment rate of 7.96 percent. If the 2013 estimated residential rate of 9.09 percent is used, the "% of Total" associated with residential would equal the target percentage of 45.86 percent.

THE TABOR / GALLAGHER CONFLICT AND SCHOOL FUNDING

This is the sixth time that the study resulted in a residential assessment rate calculation greater than the rate most recently enacted into law. Such an occurrence makes relevant a conflict in the Colorado Constitution. Section 3(1)(b) of article X of the Colorado Constitution, and § 39-1-104.2(5)(a), C.R.S., require that the rate be adjusted (up or down) to achieve the residential target percentage, but section 20(4)(a) of article X of the Colorado Constitution (TABOR), requires voter approval for an assessment ratio increase for a property class. When this conflict occurred in 1999, 2005, 2007, 2009 and 2011, the General Assembly reenacted the previous residential assessment rate. The rate enacted into law for assessment years 2011 and 2012 was 7.96 percent.

The impact of TABOR's prohibition against raising the residential assessment rate without voter approval is difficult to estimate across the board for all property taxing jurisdictions. However, due to the passage of SB 07-199, most school districts' total program mill levies are fixed. Consequently, this TABOR impact can be estimated as it relates to the total program school mill levy. If the residential assessment rate were increased to 9.09 percent, as the Gallagher amendment originally anticipated, Colorado's 2013 total taxable value would increase from an estimated \$88,512,975,701 to \$93,952,481,099, generating approximately \$121,332,051 additional property tax revenue from the total program mill levies of school districts.

RECAP OF RESIDENTIAL ASSESSMENT RATES

<u>Years</u>	<u>Rate enacted into law</u>	<u>Rate calculated by RAR Study</u>
1983-1986	21.00%	
1987	18.00%	
1988	16.00%	
1989-90	15.00%	
1991-92	14.34%	
1993-94	12.86%	
1995-96	10.36%	
1997-98	9.74%	
1999-2000	9.74%	9.83%
2001-02	9.15%	
2003-04	7.96%	
2005-06	7.96%	8.17%
2007-08	7.96%	8.19%
2009-10	7.96%	8.85%
2011-12	7.96%	8.77%

RESIDENTIAL ASSESSMENT RATE ESTIMATION METHODOLOGY

In September through November of the year prior to the effective year of the new rate, data reported in each county's Abstract of Assessment is reviewed, corrected where necessary, and entered into the Residential Assessment Rate Model. County assessors are asked to provide the Division with an electronic version of their qualified residential, commercial, industrial, and vacant land sales that occurred over the 24-months that preceded the new appraisal date. (The appraisal date for tax years 2013 and 2014 is June 30, 2012.) The data requested includes the sale price, sale date, actual value (from the prior base year), and property class code for each qualified sale. Division staff "time-trends" the sales data using a weighted monthly median sales ratio regression analysis to develop preliminary value change estimates for each county submitting data.

In December, Division staff meets with county assessors and appropriate staff to review the time trending results and mutually develop value change estimates for the vacant land, residential, commercial, and industrial property classes. Assessors are also asked to provide estimates for agricultural land, natural resources and producing mines if they are ready to do so. By this time, the county has often begun its own time trending studies, and has been analyzing other appraisal information, such as property income, vacancy rates, and capitalization rates. For the commercial and industrial classes, the percentage change estimates developed with assessors are for real property only. The Division calculates weighted averages between these projections and a statewide change estimate developed for commercial and industrial personal

property. The Division has estimated a 1.9 percent increase for 2013 commercial and industrial personal property.

Division staff members also develop statewide change estimates for oil and gas and state assessed property, and for the three smallest classes, agricultural land, natural resources, and producing mines. Oil and gas is an expanding and volatile class of property that is best approached at a statewide level. Division staff members estimate the change in this class based upon data obtained from the Colorado Oil and Gas Conservation Commission and the Colorado Department of Revenue, after consulting with oil and gas experts and county assessors. For state assessed property, the same appraisers who value the property for tax purposes are asked to project future values based upon financial indicators for the various public utility sectors. The statewide estimates for agricultural land, natural resources, and producing mines are used when the county did not provide its own estimate or when the value of the class is small. The agricultural land estimate is based on changes to the 10-year averages of commodity prices, yields and expenses, while the estimates for natural resources and producing mines are based on estimates provided by some counties and on economic factors.

Pursuant to § 39-1-104(6), C.R.S., the preliminary study results are reported to the State Board of Equalization and the General Assembly by January 15 of the year of revaluation (2013). The Division will submit a final report to the General Assembly in April 2013 after receiving updated value projections from county assessors.

ADDENDA

The following addenda are provided with this report.

<u>Addendum A:</u>	Target percentage calculation.
<u>Addendum B:</u>	Residential assessment rate calculation.
<u>Addendum C:</u>	2012 assessed values from county abstracts.
<u>Addendum D:</u>	Percentage change estimates from assessors and Division studies.
<u>Addendum E:</u>	Estimated 2013 values - The product of Addenda C and D.
<u>Addendum F:</u>	A summary of Addendum E values (Used in the rate calculation).
<u>Addendum G:</u>	2011 and 2012 new construction (Used in target percentage calculation).
<u>Addendum H:</u>	Net increase in metallic mines production (Used in target percentage calculation).
<u>Addendum I:</u>	Net increase in coal mines production (Used in target percentage).
<u>Addendum J:</u>	Net increase in earth and stone production (Used in target percentage).
<u>Addenda K – O:</u>	Net increase in production of each subclass of oil and gas leaseholds and land. The sum of these changes is used in the target percentage calculation.
<u>Addenda P:</u>	History of the residential assessment rate.

