



2023

PROWERS COUNTY PROPERTY ASSESSMENT STUDY





September 15, 2023

Ms. Natalie Castle
Director of Research
Colorado Legislative Council
Room 029, State Capitol Building
Denver, Colorado 80203

RE: Final Report for the 2023 Colorado Property Assessment Study

Dear Ms. Castle:

East West Econometrics - Audit Division is pleased to submit the Final Reports for the 2023 Colorado Property Assessment Study.

These reports are the result of two analyses: A procedural audit and a statistical audit.

The procedural audit examines all classes of locally assessed property. It specifically looks at how the assessor develops economic areas, confirms and qualifies sales, develops time adjustments and performs periodic physical property inspections. The audit reviews the procedures for determining subdivision absorption and subdivision discounting. Valuation methodology is examined for residential properties and commercial properties. Procedures are reviewed for producing mines, oil and gas leaseholds and lands producing, producing coal mines, producing earth and stone products, severed mineral interests, and non-producing patented mining claims.

Statistical audits are performed on vacant land, residential properties, commercial/industrial properties and agricultural land. A statistical analysis is performed for personal property compliance on the eleven largest counties: Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo and Weld. The remaining counties receive a personal property procedural study.

East West Econometrics – Audit Division appreciates the opportunity to be of service to the State of Colorado. Please contact us with any questions or concerns.

A handwritten signature in black ink that reads "Harry J. Fuller".

Harry J. Fuller
Project Manager
East West Econometrics – Audit Division

TABLE OF CONTENTS

Introduction	3
Regional/Historical Sketch of Prowers County	4
Ratio Analysis.....	6
Time Trending Verification	8
Sold/Unsold Analysis	9
Agricultural Land Study	11
<i>Agricultural Land</i>	11
<i>Agricultural Outbuildings</i>	12
<i>Agricultural Land Under Improvements</i>	13
Sales Verification.....	14
Economic Area Review and Evaluation	16
Natural Resources	17
<i>Earth and Stone Products</i>	17
<i>Producing Oil and Gas</i>	17
Vacant Land.....	18
Possessory Interest Properties	19
Personal Property Audit	20
East West Econometrics Auditor Staff.....	22
STATISTICAL APPENDIX	23

INTRODUCTION



Colorado

The State Board of Equalization (SBOE) reviews assessments for conformance to the Constitution. The SBOE will order revaluations for counties whose valuations do not reflect the proper valuation period level of value.

The statutory basis for the audit is found in C.R.S. 39-1-104 (16)(a)(b) and (c).

The legislative council sets forth two criteria that are the focus of the audit group:

To determine whether each county assessor is applying correctly the constitutional and statutory provisions, compliance requirements of the State Board of Equalization, and the manuals published by the State Property Tax Administrator to arrive at the actual value of each class of property.

To determine if each assessor is applying correctly the provisions of law to the actual values when arriving at valuations for assessment of all locally valued properties subject to the property tax.

The property assessment audit conducts a two-part analysis: A procedural analysis and a statistical analysis.

The procedural analysis includes all classes of property and specifically looks at how the assessor develops economic areas, confirms and qualifies sales, and develops time adjustments. The audit also examines the procedures for adequately discovering, classifying and valuing agricultural outbuildings, discovering subdivision build-out and subdivision discounting procedures. Valuation methodology for vacant land, improved residential properties and commercial properties is examined. Procedures for producing mines, oil and gas leaseholds and lands producing, producing coal mines, producing earth and stone products, severed mineral interests and non-producing patented mining claims are also reviewed.

Statistical analysis is performed on vacant land, residential properties, commercial industrial properties, agricultural land, and personal property. The statistical study results are compared with State Board of Equalization compliance requirements and the manuals published by the State Property Tax Administrator.

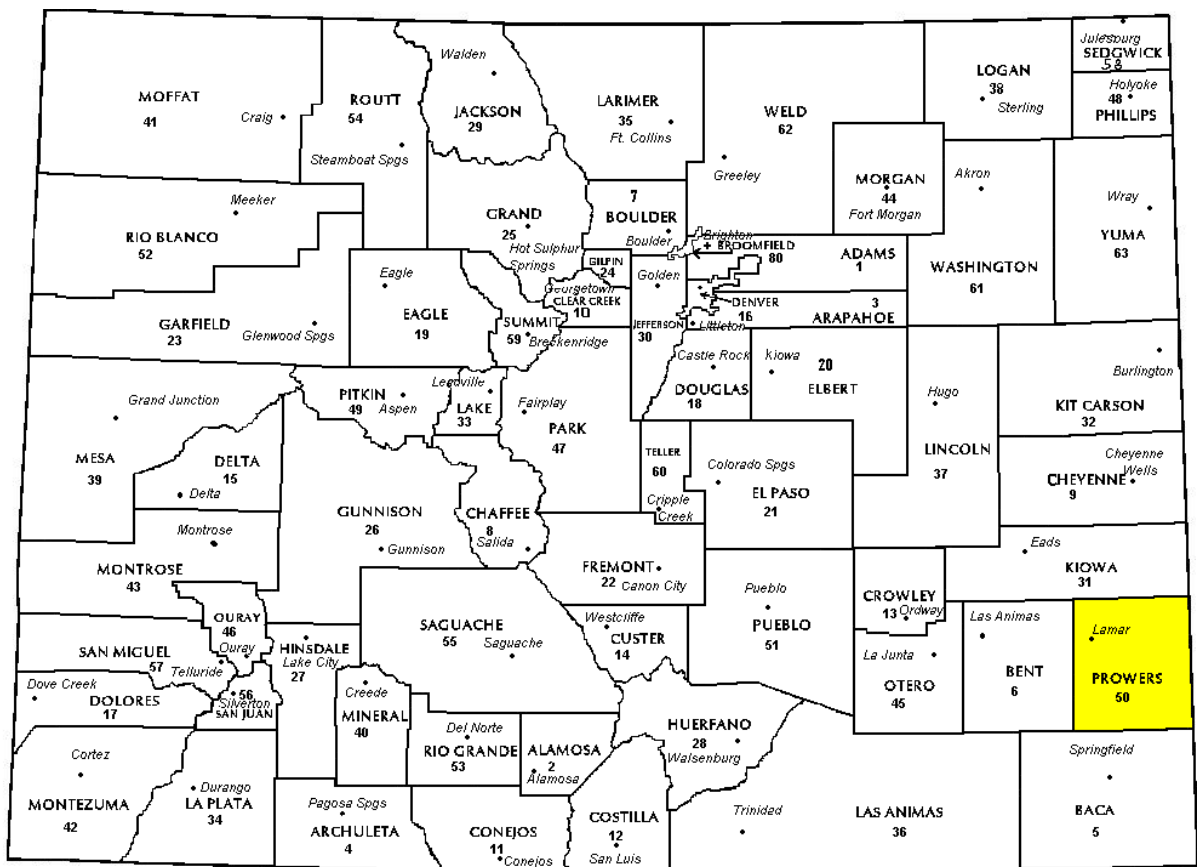
East West Econometrics Audit has completed the Property Assessment Study for 2023 and is pleased to report its findings for Prowers County in the following report.

REGIONAL/HISTORICAL SKETCH OF PROWERS COUNTY

Regional Information

Prowers County is located in the Eastern Plains region of Colorado. The Eastern Plains of Colorado refer to the region on the east side of the Rocky Mountain. It is east of the population centers of the Front Range,

including Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, and Yuma counties.



Historical Information

Prowers County has approximately 1,638.4 square miles and an estimated population of approximately 12,172 people with 7.7 people per square mile, according to the U.S. Census Bureau's 2020 estimated census data. This represents a -3.0 percent change from April 1, 2010 to July 1, 2019.

Prowers County, once part of Bent County, was established in 1889 with an area of 1,621 square miles. The county was named for John W. Prowers, the pioneer who drove the first herd of Hereford cattle to the Arkansas Valley from Missouri.

The county seat is Lamar, named for Lucius Q. C. Lamar, the Secretary of the Interior at the time.

The City of Lamar serves as the industrial and retail center for southeast Colorado. Located in the fertile Arkansas River Valley, the surrounding agricultural landscape features wide-open spaces with panoramic views of irrigated corn and alfalfa fields, as well as dry land wheat fields. This semi-arid climate is favorable to livestock production and offers an average of 340 days of sunshine annually.

Visitors and guests can find a variety of recreational activities, historically significant sites and western traditions to visit or attend year round in Prowers County. Attractions in the County include the Santa Fe Trail, Camp Amache, camping, fishing, hunting, birding trails, WPA structures, petroglyphs, and Big Timbers Museum.

Colorado Green (Shell Wind Energy and PPM Energy) has located the world's fifth largest wind farm in the world south of Prowers County. Xcel Energy purchases the energy created from Colorado Green and Prairie Wind Energy and converts it at the AC/DC Electricity Converter Station in northern Prowers County. This is one of seven such transfer stations located along the nation's heartland.

The Pierre Auger Observatory has selected southeast Colorado as the site in the northern hemisphere to build a world-class observatory to study the highest energy cosmic rays. A visitor's center and scientific conference center will be built on Lamar Community College grounds.

(www.prowerscounty.net, www.procolorado.org., William Bright, Colorado Place Names, 3rd Edition, Johnson Books, 2004, p. 143 and 101)

RATIO ANALYSIS

Methodology

All significant classes of property were analyzed. Sales were collected for each property class over the eighteen month period from January 1, 2021 through June 30th, 2022. Property classes with less than thirty sales had the sales period extended in six month increments up to an additional forty-two months. If this extended sales period did not produce the minimum thirty qualified sales, the Audit performed supplemental appraisals to reach the minimum.

Although it was required that we examine the median and coefficient of dispersion for all counties, we also calculated the weighted mean and price-related differential for each class of property. Counties were not passed or failed by these latter measures, but were counseled if there were anomalies noted during our analysis. Qualified sales were based on the qualification code used by each county, which were typically coded as either “Q” or “C.” The ratio analysis included all sales. The data was trimmed for counties with obvious outliers using IAAO standards for data analysis. In

every case, we examined the loss in data from trimming to ensure that only true outliers were excluded. Any county with a significant portion of sales excluded by this trimming method was examined further. No county was allowed to pass the audit if more than 5% of the sales were “lost” because of trimming.

All sixty-four counties were examined for compliance on the economic area level. Where there were sufficient sales data, the neighborhood and subdivision levels were tested for compliance. Although counties are determined to be in or out of compliance at the class level, non-compliant economic areas, neighborhoods and subdivisions (where applicable) were discussed with the Assessor.

Data on the individual economic areas, neighborhoods and subdivisions are found in the STATISTICAL APPENDIX.

Conclusions

For this final analysis report, the minimum acceptable statistical standards allowed by the State Board of Equalization are:

ALLOWABLE STANDARDS RATIO GRID		
Property Class	Unweighted Median Ratio	Coefficient of Dispersion
Commercial/Industrial	Between .95-1.05	Less than 20.99
Residential Condominium	Between .95-1.05	Less than 15.99
Residential	Between .95-1.05	Less than 15.99
Vacant Land	Between .95-1.05	Less than 20.99

The results for Prowers County are:

Prowers County Ratio Grid						
Property Class	Number of Qualified Sales	Unweighted Median Ratio	Price Related Differential	Coefficient of Dispersion	Time Trend Analysis	
Commercial/Industrial	39	0.998	1.023	3.6	Compliant	
Residential	233	0.996	0.998	3.3	Compliant	
Vacant Land	N/A	N/A	N/A	N/A	N/A	

After applying the above described methodologies, it is concluded from the sales ratios that Prowers County is in compliance

with SBOE, DPT, and Colorado State Statute valuation guidelines.

Recommendations

None

TIME TRENDING VERIFICATION

Methodology

While we recommend that counties use the inverted ratio regression analysis method to account for market (time) trending, some counties have used other IAAO-approved methods, such as the weighted monthly median approach. We are not auditing the methods used, but rather the results of the methods used. Given this range of methodologies used to account for market trending, we concluded that the best validation method was to examine the sale ratios for each class across the appropriate sale period. To be specific, if a county has considered and adjusted correctly for market trending, then the sale ratios should remain stable (i.e. flat) across the sale period. If a residual market trend is detected, then the county may or may not have addressed market

trending adequately, and a further examination is warranted. This validation method also considers the number of sales and the length of the sale period. Counties with few sales across the sale period were carefully examined to determine if the statistical results were valid.

Conclusions

After verification and analysis, it has been determined that Prowers County has complied with the statutory requirements to analyze the effects of time on value in their county. Prowers County has also satisfactorily applied the results of their time trending analysis to arrive at the time adjusted sales price (TASP).

Recommendations

None

SOLD / UNSOLD ANALYSIS

Methodology

Prowers County was tested for the equal treatment of sold and unsold properties to ensure that “sales chasing” has not occurred. The auditors employed a multi-step process to determine if sold and unsold properties were valued in a consistent manner.

We test the hypothesis that the assessor has valued unsold properties consistent with what is observed with the sold properties based on several units of comparison and tests. The units of comparison include the actual value per square foot and the change in value from the previous base year period to the current base year. The first test compares the actual value per square foot between sold and unsold properties by class. The median and mean value per square foot is compared and tested for any significant difference. This is tested using non-parametric methods, such as the Mann-Whitney test for differences in the distributions or medians between sold and unsold groups. It is also examined graphically and from an appraisal perspective. Data can be stratified based on location and subclass. The second test compares the difference in the median change in value from the previous base year to the current base year between sold and unsold properties by class. The same combination of non-parametric and appraisal testing is used as with the first test. A third test employing a valuation model testing a sold/unsold binary variable while controlling for property attributes such as location, size, age and other attributes. The model determines if the sold/unsold variable is statistically and empirically significant. If all three tests indicate a significant difference between sold and unsold properties for a given class, the Auditor may meet with the county to determine if sale chasing is actually occurring,

or if there are other explanations for the observed difference.

If the unsold properties have a higher median value per square foot than the sold properties, or if the median change in value is greater for the unsold properties than the sold properties, the analysis is stopped and the county is concluded to be in compliance with sold and unsold guidelines. All sold and unsold properties in a given class are first tested, although properties with extreme unit values or percent changes can be trimmed to stabilize the analysis. The median is the primary comparison metric, although the mean can also be used as a comparison metric if the distribution supports that type of measure of central tendency.

The first test (unit value method) is applied to both residential and commercial/industrial sold and unsold properties. The second test is applied to sold and unsold vacant land properties. The second test (change in value method) is also applied to residential or commercial sold and unsold properties if the first test results in a significant difference observed and/or tested between sold and unsold properties. The third test (valuation modeling) is used in instances where the results from the first two tests indicate a significant difference between sold and unsold properties. It can also be used when the number of sold and unsold properties is so large that the non-parametric testing is indicating a false rejection of the hypothesis that there is no difference between the sold and unsold property values.

These tests were supported by both tabular and graphics presentations, along with written documentation explaining the methodology used.

Sold/Unsold Results	
Property Class	Results
Commercial/Industrial	Compliant
Residential	Compliant
Vacant Land	N/A

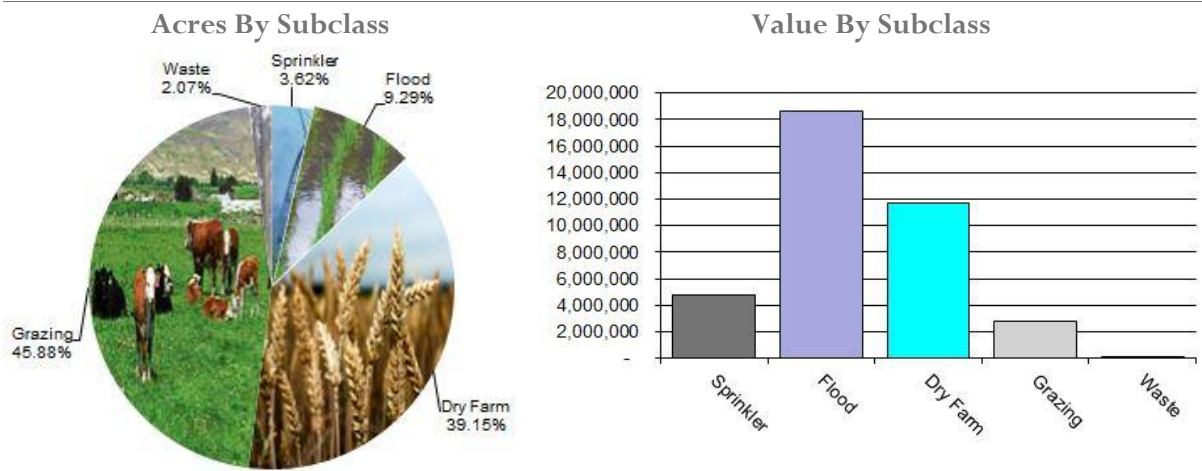
Conclusions

After applying the above described methodologies, it is concluded that Prowers County is reasonably treating its sold and unsold properties in the same manner.

Recommendations

None

AGRICULTURAL LAND STUDY



Agricultural Land

County records were reviewed to determine major land categories such as irrigated farm, dry farm, meadow hay, grazing and other lands. In addition, county records were reviewed in order to determine if: Aerial photographs are available and are being used; soil conservation guidelines have been used to classify lands based on productivity; crop rotations have been documented; typical commodities and yields have been determined; orchard lands have been properly classified and valued; expenses reflect a ten year average and are typical landlord expenses; grazing lands have been properly classified and valued; the number of acres in each class and subclass have been determined; the capitalization rate was properly applied. Also, documentation was required for the valuation methods used and any locally developed yields, carrying capacities, and expenses. Records were also checked to ensure that the commodity prices and expenses, furnished by the Property Tax Administrator (PTA), were applied properly.

(See Assessor Reference Library Volume 3 Chapter 5.)

Conclusions

An analysis of the agricultural land data indicates an acceptable appraisal of this property type. Directives, commodity prices and expenses provided by the PTA were properly applied. County yields compared favorably to those published by Colorado Agricultural Statistics. Expenses used by the county were allowable expenses and were in an acceptable range. Grazing lands carrying capacities were in an acceptable range. The data analyzed resulted in the following ratios:

Prowers County Agricultural Land Ratio Grid						
Abstract Code	Land Class	Number Of Acres	County Value Per Acre	County Assessed Total Value	WRA Total Value	Ratio
4107	Sprinkler	35,713	134.15	4,790,978	4,844,196	0.99
4117	Flood	91,733	202.81	18,604,513	18,963,057	0.98
4127	Dry Farm	386,602	30.27	11,703,795	11,873,170	0.99
4147	Grazing	452,998	6.26	2,837,316	2,837,316	1.00
4167	Waste	20,416	2.19	44,673	44,673	1.00
Total/ Avg		987,462	38.46	37,981,276	38,562,412	0.98

Recommendations

None

Agricultural Outbuildings

Methodology

Data was collected and reviewed to determine if the guidelines found in the Assessor's Reference Library (ARL) Volume 3, pages 5.74 through 5.77 were being followed.

of Property Taxation for the valuation of agricultural outbuildings.

Recommendations

None

Conclusions

Prowers County has substantially complied with the procedures provided by the Division

Agricultural Land Under Improvements

Methodology

Data was collected and reviewed to determine if the guidelines found in the Assessor's Reference Library (ARL) Volume 3, pages 5.19 and 5.20 were being followed.

Conclusions

Prowers County has used the following methods to discover land under a residential improvement on a farm or ranch that is determined to be not integral under 39-1-102, C.R.S.:

- Field Inspections
- In-Person Interviews with Owners/Tenants
- Personal Knowledge of Occupants at Assessment Date

Prowers County has used the following methods to discover the land area under a residential improvement that is determined to be not integral under 39-1-102, C.R.S.:

- County does not have this class of property

Prowers County has substantially complied with the procedures provided by the Division of Property Taxation for the valuation of land under residential improvements that may or may not be integral to an agricultural operation.

Recommendations

None

SALES VERIFICATION

According to Colorado Revised Statutes:

A representative body of sales is required when considering the market approach to appraisal.

(8) In any case in which sales prices of comparable properties within any class or subclass are utilized when considering the market approach to appraisal in the determination of actual value of any taxable property, the following limitations and conditions shall apply:

(a)(I) Use of the market approach shall require a representative body of sales, including sales by a lender or government, sufficient to set a pattern, and appraisals shall reflect due consideration of the degree of comparability of sales, including the extent of similarities and dissimilarities among properties that are compared for assessment purposes. In order to obtain a reasonable sample and to reduce sudden price changes or fluctuations, all sales shall be included in the sample that reasonably reflect a true or typical sales price during the period specified in section 39-1-104 (10.2). Sales of personal property exempt pursuant to the provisions of sections 39-3-102, 39-3-103, and 39-3-119 to 39-3-122 shall not be included in any such sample.

(b) Each such sale included in the sample shall be coded to indicate a typical, negotiated sale, as screened and verified by the assessor. (39-1-103, C.R.S.)

The assessor is required to use sales of real property only in the valuation process.

(8)(f) Such true and typical sales shall include only those sales which have been determined on an individual basis to reflect the selling price of the real property only or which have been adjusted on an individual basis to reflect the selling price of the real property only. (39-1-103, C.R.S.)

Part of the Property Assessment Study is the sales verification analysis. WRA has used the above-cited statutes as a guide in our study of the county's procedures and practices for verifying sales.

EWE reviewed the sales verification procedures in 2023 for Prowers County. This study was conducted by checking selected sales from the master sales list for the current valuation period. Specifically EWE selected 34 sales listed as unqualified.

All of the sales in the unqualified sales sample had reasons that were clear and supportable.

For residential, commercial, and vacant land sales with considerations over \$100,000, the contractor has examined and reported the ratio of qualified sales to total sales by class and performed the following analyses of unqualified sales:

The contractor has examined the manner in which sales have been classified as qualified or unqualified, including a listing of each step in the sales verification process, any adjustment procedures, and the county official responsible for making the final decision on qualification.

When less than 50 percent of sales are qualified in any of the three property classes (residential, commercial, and vacant land), the contractor analyzed the reasons for disqualifying sales in any subclass that constitutes at least 20 percent of the class, either by number of properties or by value, from the prior year. The contractor has reviewed with the assessor any analysis indicating that sales data are

inadequate, fail to reflect typical properties, or have been disqualified for insufficient cause. In addition, the contractor has reviewed the disqualified sales by assigned code. If there appears to be any inconsistency in the coding, the contractor has conducted further analysis to determine if the sales included in that code have been assigned appropriately.

If 50 percent or more of the sales are qualified, the contractor has reviewed a statistically significant sample of unqualified sales, excluding sales that were disqualified for obvious reasons.

Prowers County did not qualify for in-depth subclass analysis.

Conclusions

Prowers County appears to be doing an adequate job of verifying their sales. EWE agreed with the county's reason for disqualifying each of the sales selected in the sample. There are no recommendations or suggestions.

Recommendations

None

ECONOMIC AREA REVIEW AND EVALUATION

Methodology

Prowers County has submitted a written narrative describing the economic areas that make up the county's market areas. Prowers County has also submitted a map illustrating these areas. Each of these narratives have been read and analyzed for logic and appraisal sensibility. The maps were also compared to the narrative for consistency between the written description and the map.

Conclusions

After review and analysis, it has been determined that Prowers County has

adequately identified homogeneous economic areas comprised of smaller neighborhoods. Each economic area defined is equally subject to a set of economic forces that impact the value of the properties within that geographic area and this has been adequately addressed. Each economic area defined adequately delineates an area that will give "similar values for similar properties in similar areas."

Recommendations

None

NATURAL RESOURCES

Earth and Stone Products

Methodology

Under the guidelines of the Assessor's Reference Library (ARL), Volume 3, Natural Resource Valuation Procedures, the income approach was applied to determine value for production of earth and stone products. The number of tons was multiplied by an economic royalty rate determined by the Division of Property Taxation to determine income. The income was multiplied by a recommended Hoskold factor to determine the actual value. The Hoskold factor is determined by the life of the reserves or the lease. Value is based on two variables: life and tonnage. The operator determines these since there is no other means to obtain production data through any state or private agency.

Conclusions

The County has applied the correct formulas and state guidelines to earth and stone production.

Recommendations

None

Producing Oil and Gas

Methodology

Assessors Reference Library (ARL) Volume 3, Chapter 6: Valuation of Natural Resources

STATUTORY REFERENCES

Section § 39-1-103, C.R.S., specifies that producing oil or gas leaseholds and lands are valued according to article 7 of title 39, C.R.S. Actual value determined - when.

(2) The valuation for assessment of leaseholds and lands producing oil or gas shall be determined as provided in article 7 of this title. § 39-1-103, C.R.S.

Article 7 covers the listing, valuation, and assessment of producing oil and gas leaseholds and lands.

Valuation:

Valuation for assessment.

(1) Except as provided in subsection (2) of this section, on the basis of the information contained in such statement, the assessor shall value such oil and gas leaseholds and lands for assessment, as real property, at an amount equal to eighty-seven and one-half percent of:

(a) The selling price of the oil or gas sold there from during the preceding calendar year, after excluding the selling price of all oil or gas delivered to the United States government or any agency thereof, the state of Colorado or any agency thereof, or any political subdivision of the state as royalty during the preceding calendar year;

(b) The selling price of oil or gas sold in the same field area for oil or gas transported from the premises which is not sold during the preceding calendar year, after excluding the selling price of all oil or gas delivered to the United States government or any agency thereof, the state of Colorado or any agency thereof, or any political subdivision of the state as royalty during the preceding calendar year. § 39-7-102, C.R.S.

Conclusions

The county applied approved appraisal procedures in the valuation of oil and gas.

Recommendations

None

VACANT LAND

Subdivision Discounting

Subdivisions were reviewed in 2023 in Prowers County. The review showed that subdivisions were discounted pursuant to 39-1-103 (14) C.R.S. Discounting procedures were applied to all subdivisions where less than 80 percent of vacant land parcels were sold. An absorption rate was estimated for each discounted subdivision. An appropriate discount rate was developed using the Summation Method,

following Division of Property Taxation guidelines.

Conclusions

Prowers County has implemented proper procedures to adequately estimate absorption periods, discount rates, and lot values for qualifying subdivisions.

Recommendations

None

POSSESSORY INTEREST PROPERTIES

Possessory Interest

Possessory interest property discovery and valuation is described in the Assessor's Reference Library (ARL) Volume 3 section 7 in accordance with the requirements of Chapter 39-1-103 (17)(a) (II) C.R.S. Possessory Interest is defined by the Property Tax Administrator's Publication ARL Volume 3, Chapter 7: A private property interest in government-owned property or the right to the occupancy and use of any benefit in government-owned property that has been granted under lease, permit, license, concession, contract, or other agreement.

Prowers County has been reviewed for their procedures and adherence to guidelines when

assessing and valuing agricultural possessory interest properties. The county has also been queried as to their confidence that the possessory interest properties have been discovered and placed on the tax rolls.

Conclusions

Prowers County has implemented a discovery process to place possessory interest properties on the roll. They have also correctly and consistently applied the correct procedures and valuation methods in the valuation of possessory interest properties.

Recommendations

None

PERSONAL PROPERTY AUDIT

Prowers County was studied for its procedural compliance with the personal property assessment outlined in the Assessor's Reference Library (ARL) Volume 5, and in the State Board of Equalization (SBOE) requirements for the assessment of personal property. The SBOE requires that counties use ARL Volume 5, including current discovery, classification, documentation procedures, current economic lives table, cost factor tables, depreciation table, and level of value adjustment factor table.

The personal property audit standards narrative must be in place and current. A listing of businesses that have been audited by the assessor within the twelve-month period reflected in the plan is given to the auditor. The audited businesses must be in conformity with those described in the plan.

Aggregate ratio will be determined solely from the personal property accounts that have been physically inspected. The minimum assessment sample is one percent or ten schedules, whichever is greater, and the maximum assessment audit sample is 100 schedules.

For the counties having over 100,000 population, WRA selected a sample of all personal property schedules to determine whether the assessor is correctly applying the provisions of law and manuals of the Property Tax Administrator in arriving at the assessment levels of such property. This sample was selected from the personal property schedules audited by the assessor. In no event was the sample selected by the contractor less than 30 schedules. The counties to be included in this study are Adams, Arapahoe, Boulder, Denver, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. All other counties received a procedural study.

Prowers County is compliant with the guidelines set forth in ARL Volume 5 regarding discovery procedures, using the following methods to discover personal property accounts in the county:

- Public Record Documents
- MLS Listing and/or Sold Books
- Chamber of Commerce/Economic Development Contacts
- Local Telephone Directories, Newspapers or Other Local Publications
- Personal Observation, Physical Canvassing or Word of Mouth
- Questionnaires, Letters and/or Phone Calls to Buyer, Seller and/or Realtor

The county uses the Division of Property Taxation (DPT) recommended classification and documentation procedures. The DPT's recommended cost factor tables, depreciation tables and level of value adjustment factor tables are also used.

Prowers County submitted their personal property written audit plan and was current for the 2023 valuation period. The number and listing of businesses audited was also submitted and was in conformance with the written audit plan. The following audit triggers were used by the county to select accounts to be audited:

- Businesses in a selected area
- Accounts with obvious discrepancies
- New businesses filing for the first time
- Accounts with greater than 10% change
- Incomplete or inconsistent declarations
- Accounts with omitted property
- Same business type or use

- Businesses with no deletions or additions for 2 or more years
- Non-filing Accounts - Best Information Available
- Accounts close to the \$52,000 actual value exemption status
- Lowest or highest quartile of value persquare foot
- Accounts protested with substantial disagreement

Conclusions

Prowers County has employed adequate discovery, classification, documentation, valuation, and auditing procedures for their personal property assessment and is in statistical compliance with SBOE requirements.

Recommendations

None



EAST WEST ECONOMETRICS AUDITOR STAFF

Harry J. Fuller, *Audit Project Manager*

Suzanne Howard, *Audit Administrative Manager*

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J. Andrew Rodriguez, *Field Analyst*

STATISTICAL APPENDIX

**STATISTICAL COMPLIANCE REPORT
FOR PROWERS COUNTY
2023**

I. OVERVIEW

Prowers County is an agricultural county located in southeastern Colorado. The county has a total 10,685 real property parcels, according to data submitted by the county assessor’s office in 2023. The following provides a breakdown of property classes for this county:



Based on the number of vacant land parcels in Prowers County, we were not required to analyze this class of property for audit compliance.

For residential improved properties, single family properties accounted for 82.2% of all residential properties.

Commercial and industrial properties represented a much smaller proportion of property classes in comparison.

II. DATA FILES

The following sales analyses were based on the requirements of the 2023 Colorado Property Assessment Study. Information was provided by the Prowers Assessor’s Office in May 2023. The data included all 5 property record files as specified by the Auditor.

III. RESIDENTIAL SALES RESULTS

We analyzed 233 qualified residential sales for this analysis. The sale spanned the 24-month period ending June 30, 2022. The following are the results from the sales ratio analysis:

Median	0.996
Price Related Differential	0.998
Coefficient of Dispersion	3.3

The above ratio statistics were in compliance with the standards set forth by the Colorado State Board of Equalization (SBOE) for the overall residential sales.

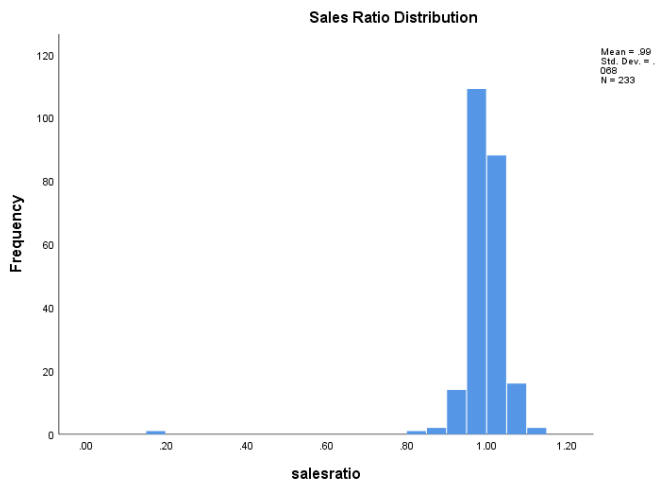
Based on the information provided by the assessor from the Audit questionnaire, we stratified the residential sale ratio analysis by neighborhoods with at least 10 sales, as follows:

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion
1.01	1.005	1.011	.022
2.00	1.002	1.002	.023
3.03	.994	.999	.024
3.04	.993	1.004	.031
4.00	.997	1.002	.022
5.00	1.011	1.001	.022
7.04	.998	1.004	.051
8.00	1.003	1.005	.032
10.00	1.000	1.010	.040
Overall	.996	.998	.033

The above analysis indicates that the sales ratios were in compliance for residential neighborhoods with at least 10 sales.

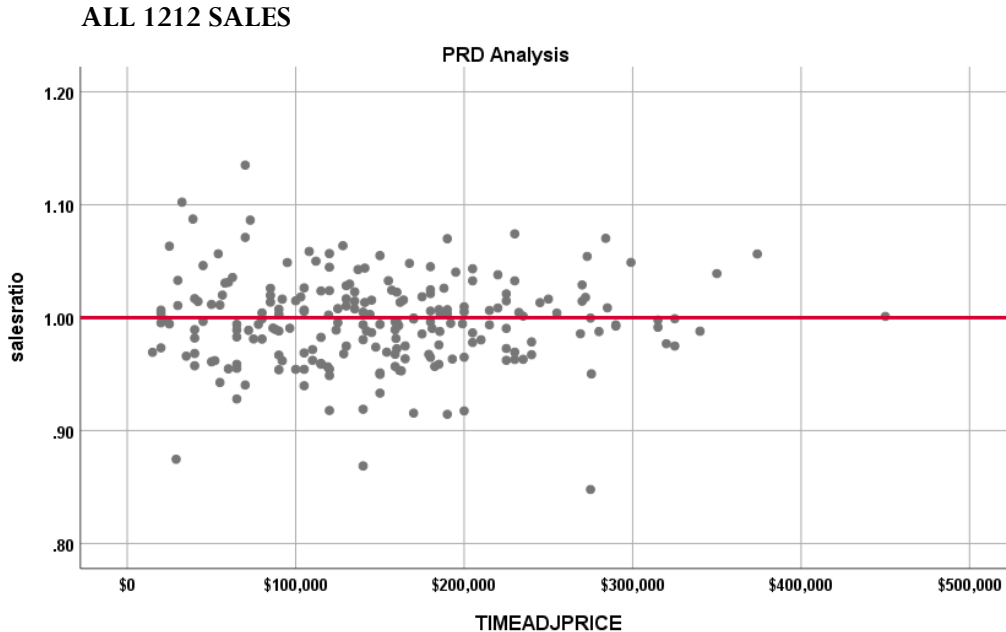
The following graph describes further the sales ratio distribution for these properties:



The above graph indicates that the distribution of the sale ratios was within state mandated limits. No sales were trimmed.

Subclass 1212 PRD Analysis

We next analyzed residential properties identified as 1212 using the state abstract code system. These include single family residences, town homes and purged manufactured homes. The following indicates the distribution of sales ratios across the sale price spectrum:



The Price-Related Differential (PRD) for all 1212 sales is 1.000, which is within IAAO standards for the PRD. We also performed a regression analysis between the sales ratio and the assessor's current value to further test for regressivity or progressivity in the residential sales valuation, as follows:

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.991	.006		179.543	.000
	CURRTOT	3.472E-8	.000	.072	1.062	.289

a. Dependent Variable: salesratio

The above analysis indicates that the statistical relationship was insignificant; there was virtually no slope in the regression line. This indicates that sales ratios are similar across the entire sale price array.

We also stratified the sales ratio analysis by the sale price range, as follows:

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.991	.006		179.543	.000
	CURRTOT	3.472E-8	.000	.072	1.062	.289

a. Dependent Variable: salesratio

Based on the above analysis, we concluded that there was no consistent pattern of regressivity or progressivity in the residential sale data for Prowers County.

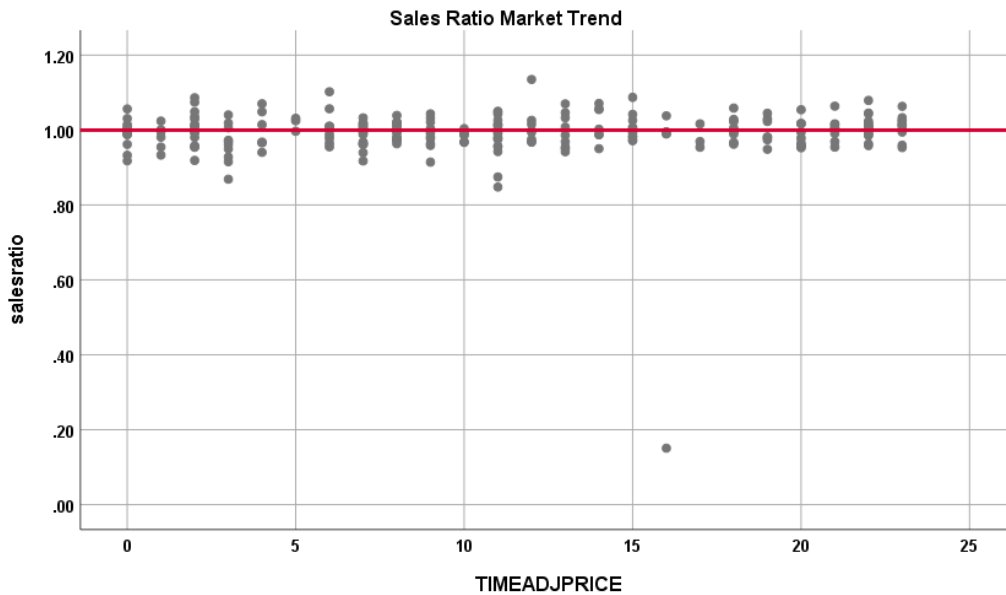
Residential Market Trend Analysis

We next analyzed the residential dataset using the 24-month sale period, with the following results:

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.989	.008		118.152	.000
	SalePeriod	.000	.001	.035	.537	.592

a. Dependent Variable: salesratio



The above analysis indicated that there was no significant residual marginal trend present in the sale ratios.

Sold/Unsold Analysis

In terms of the valuation consistency between sold and unsold residential properties, we compared the average change in value between taxable years 2020 and 2022 to verify that sold properties and unsold properties were valued in a similar manner:

Report			
DIFF			
sold	N	Median	Mean
UNSOLD	3825	1.25	1.31
SOLD	196	1.31	1.43

We also performed this comparison analysis for neighborhoods with 10 or more sales:

Report				
DIFF				
NBHD	sold	N	Median	Mean
2.00	UNSOLD	260	1.27	1.32
	SOLD	10	1.25	1.36
3.03	UNSOLD	228	1.34	1.38
	SOLD	12	1.62	1.70
3.04	UNSOLD	203	1.33	1.33
	SOLD	13	1.30	1.44
4.00	UNSOLD	261	1.19	1.22
	SOLD	18	1.24	1.32
5.00	UNSOLD	116	1.17	1.18
	SOLD	16	1.23	1.25
7.04	UNSOLD	279	1.13	1.23
	SOLD	13	1.23	1.33
10.00	UNSOLD	251	1.26	1.36
	SOLD	10	1.18	1.47

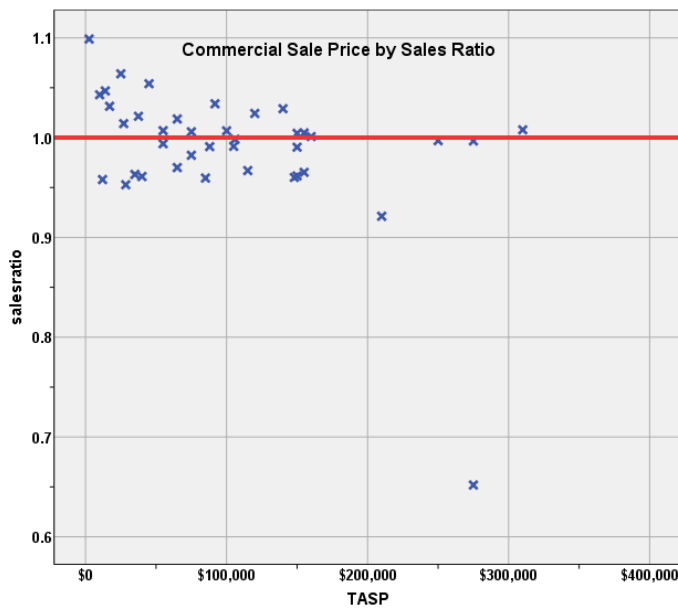
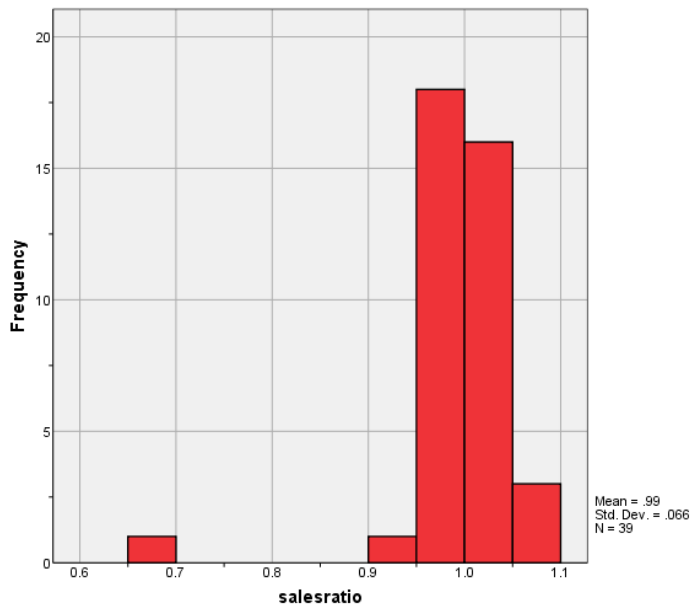
Although the non-parametric test for the value per square foot indicated a significant difference between sold and unsold properties, the sold properties tended to be newer and of higher quality than the unsold properties.

IV. COMMERCIAL/INDUSTRIAL SALE RESULTS

We analyzed 39 qualified commercial/industrial sales between July 1, 2017 and June 30, 2022 for this analysis. The following sales ratio analysis was then undertaken:

Median	0.998
Price Related Differential	1.023
Coefficient of Dispersion	3.6

The above table indicates that the Prowers County commercial/industrial sale ratios were in compliance with the SBOE standards, both overall and by relevant subclass (none in this case due to the small number of sales). The following histogram and scatter plot describe the sales ratio distribution further:



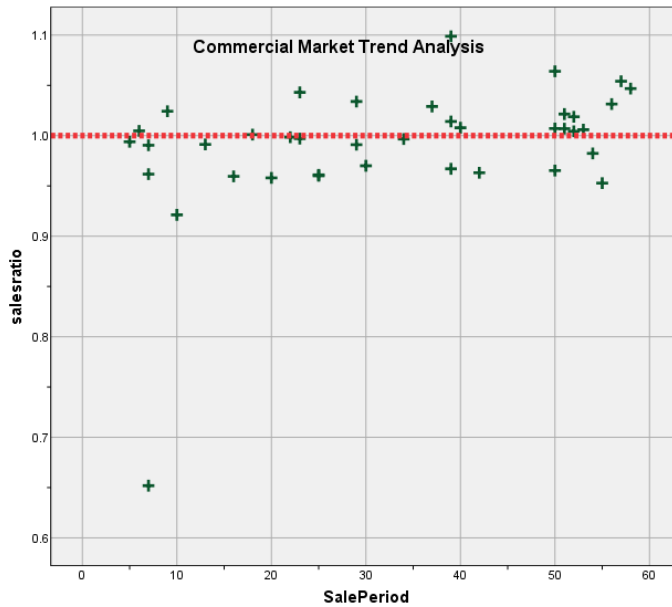
Commercial Market Trend Analysis

The commercial sales did not indicate a significant trend, based on the following analysis.

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.944	.021		44.592	.000
	SalePeriod	.001	.001	.384	2.531	.016

a. Dependent Variable: salesratio



Sold/Unsold Analysis

We compared the change in the median actual value per square foot for sold and unsold commercial properties between taxable year 2020 and taxable year 2022 to determine if the assessor was valuing each group consistently. While this is a challenge to prove in this county, given the small number of sales and the overall small number and diversity of commercial/industrial properties in general, the following results indicate that based on the median actual value, both groups were valued in a consistent manner:

Report

DIFF			
	N	Median	Mean
UNSOLD	495	1.04	1.45
SOLD	39	1.03	1.27

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of DIFF is the same across categories of sold.	Independent-Samples Mann-Whitney U Test	.741	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .00.

We stratified this analysis by subclass using the same methodology:

Report

DIFF

ABSTRIMPMAJOR	sold	N	Median	Mean
2212	UNSOLD	71	1.04	1.08
	SOLD	6	1.01	1.19
2220	UNSOLD	63	1.00	1.01
	SOLD	10	1.03	1.00
2230	UNSOLD	113	1.04	1.05
	SOLD	11	1.04	1.25
2234	UNSOLD	16	1.03	1.40
	SOLD	4	1.00	1.01
2235	UNSOLD	83	1.03	1.03
	SOLD	5	1.05	1.35

V. CONCLUSIONS

Based on this statistical analysis, there were no significant compliance issues concluded for Prowers County as of the date of this report.

STATISTICAL ABSTRACT

Residential

Ratio Statistics for CURRTOT / TASP												
Mean	95% Confidence Interval for Mean		Median	95% Confidence Interval for Median			Weighted Mean	95% Confidence Interval for Weighted Mean		Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Mean Centered
	Lower Bound	Upper Bound		Lower Bound	Upper Bound	Actual Coverage		Lower Bound	Upper Bound			
.993	.984	1.002	.996	.992	1.003	95.1%	.995	.989	1.000	.998	.033	6.8%

The confidence interval for the median is constructed without any distribution assumptions. The actual coverage level may be greater than the specified level. Other confidence intervals are constructed by assuming a Normal distribution for the ratios.

Commercial/Industrial

Ratio Statistics for CURRTOT / TASP												
Mean	95% Confidence Interval for Mean		Median	95% Confidence Interval for Median			Weighted Mean	95% Confidence Interval for Weighted Mean		Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Mean Centered
	Lower Bound	Upper Bound		Lower Bound	Upper Bound	Actual Coverage		Lower Bound	Upper Bound			
.991	.970	1.012	.998	.982	1.008	97.6%	.969	.922	1.015	1.023	.036	6.7%

The confidence interval for the median is constructed without any distribution assumptions. The actual coverage level may be greater than the specified level. Other confidence intervals are constructed by assuming a Normal distribution for the ratios.

Vacant Land

Not applicable

Residential Median Ratio Stratification

Sub-Class

Case Processing Summary

		Count	Percent
ABSTRIMP	.00	1	0.4%
	1212.00	212	91.0%
	1212.50	6	2.6%
	1212.67	3	1.3%
	1212.75	1	0.4%
	1212.80	1	0.4%
	1233.00	9	3.9%
Overall		233	100.0%
Excluded		0	
Total		233	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
.00	.151	1.000	.000	.
1212.00	.996	1.000	.029	3.9%
1212.50	.973	1.007	.032	4.9%
1212.67	.975	.998	.024	3.9%
1212.75	.959	1.000	.000	.
1212.80	1.028	1.000	.000	.
1233.00	1.015	1.008	.030	4.1%
Overall	.996	.998	.033	6.8%

Improvement Age

Case Processing Summary

		Count	Percent
AgeRec	0	1	0.4%
	Over 100	56	24.0%
	75 to 100	32	13.7%
	50 to 75	76	32.6%
	25 to 50	42	18.0%
	5 to 25	23	9.9%
	5 or Newer	3	1.3%
Overall		233	100.0%
Excluded		0	
Total		233	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
0	.151	1.000	.000	.
Over 100	.992	1.006	.034	4.4%
75 to 100	.995	1.002	.025	3.8%
50 to 75	.999	1.000	.028	3.5%
25 to 50	.999	1.001	.027	3.5%
5 to 25	.994	.996	.035	4.9%
5 or Newer	1.006	1.005	.021	3.2%
Overall	.996	.998	.033	6.8%

Improved Area

Case Processing Summary

	Count	Percent
ImpSFRec	0	0.4%
	LE 500 sf	0.4%
	500 to 1,000 sf	9.0%
	1,000 to 1,500 sf	33.0%
	1,500 to 2,000 sf	28.3%
	2,000 to 3,000 sf	22.3%
	3,000 sf or Higher	6.4%
Overall	233	100.0%
Excluded	0	
Total	233	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
0	.151	1.000	.000	.
LE 500 sf	.967	1.000	.000	.
500 to 1,000 sf	.997	1.006	.031	4.0%
1,000 to 1,500 sf	1.000	.999	.029	4.0%
1,500 to 2,000 sf	.998	1.002	.028	3.6%
2,000 to 3,000 sf	.994	.996	.031	4.4%
3,000 sf or Higher	.990	1.005	.024	3.3%
Overall	.996	.998	.033	6.8%

Improvement Quality

Case Processing Summary

	Count	Percent
QUALITY	1	0.4%
ABOVE AVG	21	9.0%
AVERAGE	45	19.3%
AVG/ABOVE	48	20.6%
AVG/GD	1	0.4%
AVG/GOOD	3	1.3%
EXCELLENT	4	1.7%
FAIR	20	8.6%
FAIR/AVG	25	10.7%
GOOD	5	2.1%
LOW	17	7.3%
LOW/FAIR	25	10.7%
LOW/MIN	12	5.2%
MIN/LOW	4	1.7%
MINIMUM	2	0.9%
Overall	233	100.0%
Excluded	0	
Total	233	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
	.151	1.000	.000	.
ABOVE AVG	1.003	.996	.037	4.8%
AVERAGE	.995	1.002	.024	3.1%
AVG/ABOVE	.996	.998	.028	4.1%
AVG/GD	.933	1.000	.000	.
AVG/GOOD	1.005	.972	.038	5.7%
EXCELLENT	.989	.997	.019	2.4%
FAIR	.998	1.006	.023	3.1%
FAIR/AVG	1.006	1.006	.032	4.1%
GOOD	1.015	1.010	.030	4.7%
LOW	.994	1.002	.031	4.0%
LOW/FAIR	.995	1.010	.028	4.0%
LOW/MIN	.987	1.006	.030	4.1%
MIN/LOW	.963	1.006	.009	1.1%
MINIMUM	1.012	1.017	.051	7.1%
Overall	.996	.998	.033	6.8%

Commercial Median Ratio Stratification

Sale Price

Case Processing Summary

		Count	Percent
SPRec	LT \$25K	6	15.4%
	\$25K to \$50K	6	15.4%
	\$50K to \$100K	10	25.6%
	\$100K to \$150K	9	23.1%
	\$150K to \$200K	3	7.7%
	\$200K to \$300K	4	10.3%
	\$300K to \$500K	1	2.6%
Overall		39	100.0%
Excluded		0	
Total		39	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
LT \$25K	1.045	1.003	.028	4.5%
\$25K to \$50K	.989	.997	.036	4.2%
\$50K to \$100K	1.000	1.000	.018	2.3%
\$100K to \$150K	.991	1.001	.020	2.6%
\$150K to \$200K	1.001	1.000	.013	2.5%
\$200K to \$300K	.959	1.005	.110	18.9%
\$300K to \$500K	1.008	1.000	.000	.
Overall	.998	1.023	.036	6.6%

Subclass

Case Processing Summary

		Count	Percent
ABSTRIMP	2212.00	6	15.4%
	2220.00	10	25.6%
	2225.00	1	2.6%
	2230.00	10	25.6%
	2232.00	1	2.6%
	2233.00	1	2.6%
	2234.00	4	10.3%
	2235.00	5	12.8%
	4280.00	1	2.6%
Overall		39	100.0%
Excluded		0	
Total		39	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
2212.00	.982	.999	.021	2.4%
2220.00	1.003	1.001	.011	1.7%
2225.00	.960	1.000	.000	.
2230.00	.987	1.090	.059	11.8%
2232.00	1.024	1.000	.000	.
2233.00	.997	1.000	.000	.
2234.00	1.014	1.003	.015	2.4%
2235.00	1.031	1.044	.048	6.3%
4280.00	.921	1.000	.000	.
Overall	.998	1.023	.036	6.6%

Age

Case Processing Summary

		Count	Percent
AgeRec	Over 100	13	33.3%
	75 to 100	7	17.9%
	50 to 75	10	25.6%
	25 to 50	7	17.9%
	5 to 25	2	5.1%
Overall		39	100.0%
Excluded		0	
Total		39	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
Over 100	1.019	1.008	.025	3.1%
75 to 100	.998	.995	.015	2.3%
50 to 75	.980	1.003	.029	4.5%
25 to 50	1.005	1.015	.032	4.6%
5 to 25	.806	1.061	.191	27.0%
Overall	.998	1.023	.036	6.6%

Improved Area

Case Processing Summary

		Count	Percent
ImpSFRec	500 to 1,000 sf	2	5.1%
	1,000 to 1,500 sf	6	15.4%
	1,500 to 2,000 sf	4	10.3%
	2,000 to 3,000 sf	6	15.4%
	3,000 sf or Higher	21	53.8%
Overall		39	100.0%
Excluded		0	
Total		39	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
500 to 1,000 sf	1.048	1.050	.049	6.9%
1,000 to 1,500 sf	1.009	1.016	.030	3.9%
1,500 to 2,000 sf	1.002	1.001	.017	2.4%
2,000 to 3,000 sf	.978	1.013	.034	4.3%
3,000 sf or Higher	.998	1.030	.038	8.3%
Overall	.998	1.023	.036	6.6%

Improvement Quality

Case Processing Summary

	Count	Percent
QUALITY		
AVERAGE	7	17.9%
AVG/GOOD	2	5.1%
EXCELLENT	1	2.6%
FAIR	3	7.7%
FR/AVG	6	15.4%
GOOD	1	2.6%
GOOD/EXC	1	2.6%
LOW	7	17.9%
LOW/FAIR	9	23.1%
MINIMUM	2	5.1%
Overall	39	100.0%
Excluded	0	
Total	39	

Ratio Statistics for CURRTOT / TASP

Group	Median	Price Related Differential	Coefficient of Dispersion	Coefficient of Variation Median Centered
AVERAGE	.997	1.053	.065	14.3%
AVG/GOOD	.941	1.004	.022	3.0%
EXCELLENT	1.005	1.000	.000	.
FAIR	.991	1.013	.029	4.8%
FR/AVG	1.000	.998	.010	1.3%
GOOD	.960	1.000	.000	.
GOOD/EXC	.997	1.000	.000	.
LOW	1.029	1.007	.027	4.1%
LOW/FAIR	1.001	1.006	.030	3.8%
MINIMUM	.968	.993	.015	2.2%
Overall	.998	1.023	.036	6.6%

Vacant Land Median Ratio Stratification

Not applicable