

Department of Local Affairs
Division of Property Taxation

Report to the General Assembly

ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR 2007-2008

Pursuant to 39-1-104.2(6), C.R.S.

April 13, 2007

FINAL ANALYSIS

The final residential assessment rate estimate for property tax years 2007-2008 is **8.19 percent**. This figure replaces the preliminary estimate of 8.00 percent found in the attached report dated January 29, 2007. The residential target percentage of **47.43 percent** remains unchanged from the January 29 report.

The residential assessment rate estimate was revised upon receiving updated value estimates from 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 2007 new construction (built during 2006) will be used to adjust the 2009-2010 target percentage. The statewide estimates developed by the Division of Property Taxation for the oil/gas and state assessed property classes were also updated. Although every county assessor was contacted and asked to furnish updated estimates, seven assessors indicated that they could not improve upon the value estimates submitted in December and other assessors updated their figures only for certain classes of property. In those instances, the values provided in December were used again for the final rate estimate.

The revised figures indicate that assessed values were generally underestimated in December. However, our estimate of the residential assessment rate increased because non-residential values were adjusted upward more significantly than residential values. The following table lists the percentage change estimates for the two time periods along with the associated change in the estimated assessed value of each class.

<u>Property Class</u>	<u>December Estimate</u>	<u>March/April Estimate</u>	<u>\$ Difference</u>
Residential:	+ 11.69%	+ 12.12%	\$ 148,813,857
Non-Residential:			
Vacant:	+ 23.74%	+ 30.22%	\$ 294,244,110
Commercial:	+ 11.89%	+ 14.59%	\$ 545,243,410
Industrial:	+ 5.50%	+ 13.02%	\$ 211,065,084
Agricultural:	- 0.47%	- 2.52%	\$ (16,834,109)
Nat. Resources:	+ 2.35%	+ 4.90%	\$ 8,764,916
Prod. Mines:	+ 0.78%	+ 64.46%	\$ 110,345,635
Oil and Gas:	- 17.81%	- 15.94%	\$ 137,247,945
State Assessed:	+ 5.19%	+ 2.10%	\$ (125,053,367)
Non-Residential Total:			\$1,165,023,624

The March/April figures listed above should be much more accurate than the estimates provided in December. However, they are still estimates, and it might later be determined that some of the figures are significantly different from the assessed values that will be reported later this year on county Abstracts of Assessment. The estimates shown above, and similar estimates from prior years, will be reviewed closely by the Division in an effort to improve upon our study methodology. In recent studies, the estimates provided in March and April have resulted in a residential rate determination that was within several hundredths of a percentage point of the figure later confirmed by abstract data.

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: TARGET PERCENTAGE CALCULATION – The target percentage from the prior residential rate study, 47.22 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 47.43 percent. The new construction and production change values are calculated on Addenda H through P, which are not included.

Addendum B: RESIDENTIAL ASSESSMENT RATE CALCULATION– Given an estimated 2007 non-residential assessed value, Addendum B calculates the residential assessed value needed to achieve the new target percentage and the rate needed to convert the estimated actual value of residential property to the assessed value needed. That rate is the residential assessment rate estimate of 8.19 percent.

Addendum C: TOTALS FROM 2006 ABSTRACTS – The 2006 assessed values reported on Abstracts of Assessment are the base values used for the study.

Addendum D: 2007 VALUE AS PERCENTAGE OF 2006 VALUE – Any estimates provided as percentage change figures, either in December or March/April, are shown here. Statewide percentage changes were developed by the Division for the oil and gas and state assessed classes.

Addendum E: PROJECTED VALUES – For most counties, the values shown for classes other than oil and gas and state assessed, were provided by the counties in March/April as dollar amount estimates (not including new construction). If they did not do so, the values shown here are calculated from the percentage change estimates shown on Addendum D.

Addendum F: PROJECTED RATES OF CHANGE - This addendum shows the percentage change between 2006 abstract values and 2007 projected values.

Addendum G: SUMMARY OF 2007 ESTIMATED VALUES – Addendum G summarizes the projected residential and non-residential values. The totals are used on addendum B to determine the residential assessment rate.

2007 RESIDENTIAL TARGET PERCENTAGE CALCULATION

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ADDENDUM A

STEP #1: Calculate the 2005 residential assessed value needed to achieve the 2005 target percentage.

ESTIMATED 2005 RESIDENTIAL ASSESSED	X	0.472169995
	-----	= -----
ACTUAL 2005 NON-RESIDENTIAL ASSESSED	37,515,002,511	0.527830005
ESTIMATED 2005 RESIDENTIAL ASSESSED	X =	33,559,021,676

The target percentages used in this calculation are the non-rounded versions of the target percentages enacted into law in 2005.
 The figure \$37,515,002,511 is the total non-residential taxable value reported on county abstracts in 2005.
 The figure \$33,559,021,676 is the hypothetical residential assessed value needed to exactly achieve the 2005 target percentage

STEP #2: Add 2005 + 2006 net new construction and increased production to the 2005 res. and non-res. totals.

2005 Net Residential New Construction	906,759,016	Addendum H
<u>2006 Net Residential New Construction</u>	<u>1,015,543,190</u>	Addendum H
TOTAL RESIDENTIAL NEW CONSTRUCTION	1,922,302,206	
ESTIMATED 2005 RESIDENTIAL	33,559,021,676	
 ADJUSTED TOTAL RESIDENTIAL	 35,481,323,882	
2005 Net Other New Construction	576,200,057	Addendum H
2006 Net Other New Constuction	736,414,516	Addendum H
2006 - 2004 Net Mines	10,502,325	Addendum I
2006 - 2004 Net Coal	10,056,346	Addendum J
2006 - 2004 Net Earth & Stone	4,769,040	Addendum K
<u>2006 - 2004 Net Oil & Gas</u>	<u>473,953,124</u>	Sum of Addenda L - P
TOTAL NON-RESIDENTIAL NEW CONST. & PROD.	1,811,895,408	
ACTUAL 2005 NON-RESIDENTIAL	37,515,002,511	
 ADJUSTED TOTAL NON-RESIDENTIAL	 39,326,897,919	

STEP #3: Calculate the 2007 target percentages from 2005 values adjusted for new construction and production.

ADJ 2005 RES ASSESSED	35,481,323,882	=	47.42971164%		47.43%
	-----		= -----		
ADJ 2005 OTHER ASSESSED	39,326,897,919		52.57028836%	OR	52.57%

2007 RESIDENTIAL ASSESSMENT RATE CALCULATION

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ADDENDUM B

$$\begin{array}{rcl} \text{Estimated 2007} & & \\ \text{Non-Residential Assessed} & & \\ \text{\$43,901,080,738} & - & \text{Non-Res Target \%} \\ \text{Addendum G} & & \text{52.57028836\%} \\ & & \text{Addendum A} \end{array} = \begin{array}{r} \text{Total Assessed Target Value} \\ \text{\$83,509,301,748} \end{array}$$

$$\begin{array}{rcl} \text{Total Assessed Target Value} & & \\ \text{\$83,509,301,748} & \times & \text{Residential Target \%} \\ & & \text{47.42971164\%} \\ & & \text{Addendum A} \end{array} = \begin{array}{r} \text{Residential Assessed Target Value} \\ \text{\$39,608,221,010} \end{array}$$

$$\begin{array}{rcl} \text{Residential Assessed Target Value} & & \\ \text{\$39,608,221,010} & \div & \text{Estimated 2007} \\ & & \text{Residential Actual Value} \\ & & \text{\$483,837,876,982} \\ & & \text{Addendum G} \end{array} = \begin{array}{r} \text{Residential Assessment Rate} \\ \text{8.186258847118\%} \\ \text{8.19\%} \end{array} \text{ rounded}$$

TOTALS FROM 2006 COUNTY ABSTRACTS

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ADDENDUM C

(Final Abstract Values entered December 2006.)

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	196,011,250	2,090,024,670	1,380,830,190	191,012,260	18,255,070	7,029,050	0	61,835,450	301,999,100	4,246,997,040
Alamosa	12,295,930	36,344,730	40,383,360	702,420	15,363,240	136,440	0	0	10,276,400	115,502,520
Arapahoe	252,064,730	3,793,975,220	2,549,928,880	36,248,890	9,390,750	1,112,770	0	5,831,130	272,498,700	6,921,051,070
Archuleta	71,112,743	104,152,898	43,466,284	1,526,522	5,265,294	311,699	0	10,867,659	10,608,100	247,311,199
Baca	284,589	5,687,299	4,705,830	383,683	15,661,864	1,257,155	0	11,425,983	27,422,100	66,828,503
Bent	416,273	7,668,929	9,423,480	285,513	16,646,578	672,939	0	2,906,173	15,507,000	53,526,885
Boulder	188,887,280	2,751,583,576	1,456,068,340	471,511,890	8,288,340	2,949,330	26,480	20,420,140	131,405,100	5,031,140,476
Broomfield	46,136,930	351,866,104	381,523,090	85,791,290	418,710	10,090	0	7,004,150	49,422,700	922,173,064
Chaffee	61,230,200	133,440,710	73,408,910	6,904,720	4,232,880	3,235,390	0	0	12,869,100	295,321,910
Cheyenne	218,767	3,304,477	4,013,834	1,735,521	16,551,186	1,674,883	0	100,070,926	11,401,500	138,971,094
Clear Creek	24,457,610	91,953,600	24,894,790	263,250	85,620	4,497,700	88,812,450	0	14,847,200	249,812,220
Conejos	7,752,414	21,033,614	3,794,828	697,349	8,204,461	49,601	0	0	3,623,200	45,155,467
Costilla	50,383,275	7,560,097	2,604,626	631,136	7,142,141	320,276	0	0	4,289,134	72,930,685
Crowley	213,920	5,553,760	19,189,589	14,500	4,025,128	373,625	0	0	3,694,700	33,065,222
Custer	21,115,990	39,425,340	7,787,470	194,150	4,821,890	597,510	0	0	3,626,000	77,568,350
Delta	16,523,470	114,770,960	47,716,650	2,761,430	9,337,730	34,972,080	0	1,583,400	22,591,700	250,257,420
Denver	164,078,310	3,930,201,030	3,972,784,050	229,517,080	48,870	0	0	973,880	750,980,910	9,048,584,130
Dolores	5,220,939	7,514,545	3,330,467	108,629	3,223,198	247,773	0	11,583,245	10,245,101	41,473,897
Douglas	266,411,980	2,390,842,970	1,233,749,650	49,652,780	14,810,000	450,420	0	0	115,253,500	4,071,171,300
Eagle	241,619,730	1,405,984,100	566,524,170	13,926,400	4,809,400	1,265,900	80,860	0	51,030,800	2,285,241,360
Elbert	26,639,470	169,680,590	21,794,190	1,404,170	15,456,690	1,396,670	0	2,476,340	16,443,600	255,291,720
El Paso	332,592,660	3,025,409,240	1,768,033,260	302,002,680	14,505,800	8,028,340	0	0	247,523,800	5,698,095,780
Fremont	38,274,449	157,157,551	66,741,725	77,563,678	5,474,322	5,365,345	0	1,663,572	21,222,000	373,462,642
Garfield	135,405,720	361,578,510	241,340,270	8,926,170	9,419,120	3,664,560	13,710	1,745,263,360	51,871,900	2,557,483,320
Gilpin	52,311,500	52,884,610	194,854,010	163,110	264,370	9,033,510	2,610	0	5,446,200	314,959,920
Grand	157,358,820	298,129,900	78,911,200	16,322,260	6,330,610	344,410	27,924,250	0	25,522,600	610,844,050
Gunnison	126,851,060	205,906,440	89,743,620	2,332,650	6,664,860	68,407,670	197,490	299,850	9,454,400	509,858,040
Hinsdale	13,318,890	16,918,350	7,718,470	184,240	486,560	1,028,910	2,438,110	0	718,600	42,812,130
Huerfano	13,931,566	29,339,686	19,158,088	305,676	6,103,247	447,334	0	10,037,009	15,906,000	95,228,606
Jackson	1,753,316	8,267,330	3,027,475	945,684	8,996,504	154,489	0	4,140,432	2,181,200	29,466,430
Jefferson	213,011,150	3,995,315,490	1,770,628,900	483,566,260	9,219,570	8,503,120	0	0	230,513,170	6,710,757,660
Kiowa	50,970	1,825,690	1,055,420	0	13,826,210	1,176,260	0	11,311,700	4,143,200	33,389,450
Kit Carson	904,676	19,175,487	23,347,366	1,029,774	35,218,873	1,036,925	0	2,514,729	17,018,700	100,246,530
Lake	17,108,525	37,466,827	10,462,651	711,215	261,544	1,514,309	8,349,939	0	8,988,691	84,863,701
La Plata	165,544,320	436,296,680	289,631,240	50,881,010	13,001,770	3,764,840	0	1,982,319,080	61,752,700	3,003,191,640
Larimer	236,828,620	1,998,483,390	980,245,240	265,134,290	17,273,950	5,123,280	0	5,015,056	80,038,700	3,588,142,526
Las Animas	8,517,920	46,354,650	26,735,260	2,439,270	14,601,450	2,146,960	0	503,564,540	48,126,700	652,486,750
Lincoln	1,308,354	10,931,569	12,321,504	433,054	17,129,136	1,612,779	0	4,192,408	21,273,800	69,202,604
Logan	2,334,680	53,706,850	42,138,340	12,814,960	29,502,600	433,100	0	8,901,930	40,493,700	190,326,160
Mesa	81,111,610	645,904,400	372,659,150	58,184,420	20,418,830	1,760,320	0	60,780,420	88,154,000	1,328,973,150
Mineral	6,309,230	11,702,660	4,424,470	114,150	822,520	363,740	0	0	968,400	24,705,170
Moffat	6,047,450	41,636,970	24,778,970	1,235,320	7,137,710	52,938,290	0	119,646,200	163,309,600	416,730,510
Montezuma	21,014,330	92,941,100	55,019,520	7,478,870	11,061,860	1,420,780	0	145,688,190	34,347,000	368,971,650
Montrose	47,222,680	178,371,580	112,976,380	19,721,620	17,516,170	3,114,900	339,130	0	51,889,400	431,151,860
Morgan	5,287,820	81,405,730	55,686,050	46,791,160	34,110,510	252,970	0	5,957,890	137,870,100	367,362,230
Otero	1,687,586	40,571,915	25,791,367	5,416,867	15,312,748	228,352	0	0	22,322,000	111,330,835
Ouray	45,341,900	60,899,290	26,394,190	1,059,930	3,129,730	2,814,670	0	0	5,075,970	144,715,680
Park	131,803,510	184,205,770	22,041,326	542,024	5,003,020	2,770,131	64,322	0	11,154,000	357,584,103
Phillips	256,130	12,496,680	9,287,530	150,830	18,539,790	314,690	0	3,086,770	2,851,500	46,983,920
Pitkin	229,151,180	1,275,051,130	402,331,060	565,090	4,839,010	5,726,850	0	0	16,422,400	1,934,086,720
Prowers	917,780	23,150,380	23,844,360	1,971,940	26,111,470	1,273,700	0	3,789,010	43,336,800	124,395,440
Pueblo	60,360,560	540,571,040	246,536,710	108,059,270	10,732,820	1,674,300	0	0	118,282,700	1,086,217,400
Rio Blanco	7,088,340	23,931,720	16,635,430	27,585,960	7,263,440	26,965,020	0	433,574,630	34,699,070	577,743,610
Rio Grande	23,765,580	49,686,450	38,929,690	1,501,890	16,021,180	363,580	0	0	8,508,500	138,776,870
Routt	111,157,680	390,834,840	173,276,850	5,420,570	15,918,780	32,078,290	0	5,188,370	79,115,200	812,990,580
Saguache	12,224,109	13,894,569	5,063,022	224,742	12,411,793	998,875	0	0	5,196,200	50,013,310
San Juan	12,848,600	9,890,950	8,501,290	545,440	2,690	6,925,590	0	0	1,902,300	40,616,860
San Miguel	201,820,350	340,635,740	103,890,680	4,167,220	6,587,770	2,734,430	0	108,794,860	12,177,700	780,808,750
Sedgwick	88,290	4,831,720	2,802,530	195,060	13,580,250	116,340	0	810,390	9,830,100	32,254,680
Summit	184,689,151	775,173,872	278,458,970	7,730,493	1,028,537	1,204,610	0	0	26,185,900	1,274,471,533
Teller	72,598,440	167,527,250	90,540,350	4,194,190	1,393,780	2,124,040	45,034,160	0	12,636,600	396,048,810
Washington	240,939	10,100,442	4,039,707	150,132	32,710,220	1,325,675	0	43,783,578	19,438,800	111,789,493
Weld	108,281,810	1,133,000,390	540,090,910	182,436,200	91,760,940	10,057,850	0	1,736,199,450	386,317,900	4,188,145,450
Yuma	714,430	24,074,760	18,524,310	247,930	55,219,560	861,370	0	145,902,630	22,842,300	268,387,290
TOTALS	4,542,512,481	34,350,208,817	20,136,541,539	2,806,720,882	818,954,664	344,756,805	173,283,511	7,329,404,530	4,047,066,146	74,549,449,375
	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL

2007 VALUE AS PERCENTAGE OF 2006 VALUE

ADDENDUM D

These estimates are only reflected in Addendum E if the county did not provide dollar amount estimates in March/April

Blue font = Percentage estimates provided by county or developed from consultation with county in December 2006.

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Red font (bold) = Percentage estimates provided by county assessors in March/April 2007.

The 102.1% state assessed estimate was provided by the state assessed section of the Division on 4/12/07.

The 84.1 O&G figure is based on data from Colo. O&G Cons. Comm. Web site, and data from county Abstracts of Assessment.

Commercial/Industrial percentages are weighted averages between the real property county estimate and a statewide personal property estimate

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA
Adams	105.0%	103.0%	107.9%	105.7%	100.0%	100.0%	100.0%	84.1%	102.1%
Alamosa	108.0%	115.0%	105.5%	101.2%	100.0%	101.0%	100.0%	84.1%	102.1%
Arapahoe	108.0%	115.0%	112.3%	106.3%	100.0%	100.0%	100.0%	84.1%	102.1%
Archuleta	200.0%	150.0%	145.3%	100.7%	100.0%	100.0%	100.0%	84.1%	102.1%
Baca	100.0%	110.0%	100.5%	102.2%	100.3%	100.0%	100.0%	84.1%	102.1%
Bent	100.0%	100.0%	100.2%	100.7%	102.0%	100.0%	100.0%	84.1%	102.1%
Boulder	106.0%	106.0%	108.1%	104.4%	100.0%	100.0%	100.0%	84.1%	102.1%
Broomfield	125.0%	104.0%	107.4%	101.8%	100.0%	100.0%	100.0%	84.1%	102.1%
Chaffee	112.5%	110.0%	109.3%	109.1%	100.0%	100.0%	100.0%	84.1%	102.1%
Cheyenne	153.0%	112.0%	95.2%	102.6%	70.0%	120.0%	100.0%	84.1%	102.1%
Clear Creek	110.0%	110.0%	104.7%	100.9%	100.0%	100.0%	100.0%	84.1%	102.1%
Conejos	113.0%	107.0%	108.8%	101.3%	100.0%	100.0%	100.0%	84.1%	102.1%
Costilla	130.0%	106.0%	100.6%	101.2%	102.0%	102.0%	100.0%	84.1%	102.1%
Crowley	100.0%	100.0%	99.1%	100.0%	100.0%	100.0%	100.0%	84.1%	102.1%
Custer	115.0%	112.0%	109.5%	102.1%	106.0%	100.0%	100.0%	84.1%	102.1%
Delta	117.0%	111.0%	117.5%	107.5%	100.0%	102.0%	100.0%	84.1%	102.1%
Denver	120.0%	108.0%	117.3%	111.9%	100.0%	100.0%	100.0%	84.1%	102.1%
Dolores	135.0%	120.0%	100.5%	100.0%	100.0%	100.0%	100.0%	84.1%	102.1%
Douglas	120.0%	109.0%	104.7%	104.7%	100.0%	100.0%	100.0%	84.1%	102.1%
Eagle	137.0%	135.0%	122.2%	106.3%	100.0%	100.0%	100.0%	84.1%	102.1%
Elbert	120.0%	105.0%	109.1%	104.5%	100.0%	100.0%	100.0%	84.1%	102.1%
El Paso	106.0%	109.5%	105.6%	103.0%	100.0%	100.0%	100.0%	84.1%	102.1%
Fremont	125.0%	115.0%	117.5%	106.5%	100.0%	115.0%	100.0%	84.1%	102.1%
Garfield	125.0%	120.0%	118.0%	104.6%	110.0%	120.0%	100.0%	84.1%	102.1%
Gilpin	103.0%	102.0%	100.4%	103.0%	101.0%	120.0%	100.0%	84.1%	102.1%
Grand	128.0%	119.0%	121.5%	107.0%	100.0%	100.0%	100.0%	84.1%	102.1%
Gunnison	149.0%	148.0%	126.8%	127.5%	100.0%	100.0%	100.0%	84.1%	102.1%
Hinsdale	125.0%	125.0%	100.1%	100.3%	100.0%	100.0%	82.0%	84.1%	102.1%
Huerfano	110.0%	135.0%	106.6%	101.5%	103.0%	101.0%	100.0%	84.1%	102.1%
Jackson	105.0%	100.0%	100.4%	101.5%	100.0%	100.0%	100.0%	84.1%	102.1%
Jefferson	122.0%	107.6%	104.7%	104.6%	100.0%	100.0%	100.0%	84.1%	102.1%
Kiowa	112.0%	108.0%	100.3%	100.0%	90.0%	100.0%	100.0%	84.1%	102.1%
Kit Carson	103.0%	105.0%	116.4%	104.5%	105.0%	102.0%	100.0%	84.1%	102.1%
Lake	110.0%	120.0%	101.9%	101.1%	100.0%	101.0%	100.0%	84.1%	102.1%
La Plata	128.0%	123.0%	123.1%	106.9%	101.0%	101.0%	100.0%	84.1%	102.1%
Larimer	126.0%	104.3%	109.9%	106.4%	100.0%	100.0%	100.0%	84.1%	102.1%
Las Animas	105.0%	108.0%	103.0%	101.2%	100.0%	100.0%	100.0%	84.1%	102.1%
Lincoln	100.0%	100.0%	100.4%	102.4%	97.0%	100.0%	100.0%	84.1%	102.1%
Logan	106.0%	106.0%	100.6%	102.2%	100.0%	100.0%	100.0%	84.1%	102.1%
Mesa	151.0%	132.8%	134.8%	116.1%	100.0%	105.0%	100.0%	84.1%	102.1%
Mineral	118.0%	128.0%	100.8%	101.1%	100.0%	100.0%	100.0%	84.1%	102.1%
Moffat	144.0%	132.0%	109.7%	101.7%	100.0%	100.0%	100.0%	84.1%	102.1%
Montezuma	120.0%	130.0%	108.9%	101.0%	100.0%	100.0%	100.0%	84.1%	102.1%
Montrose	115.0%	113.0%	119.7%	115.8%	100.0%	100.0%	100.0%	84.1%	102.1%
Morgan	108.0%	107.0%	97.3%	98.1%	88.0%	100.0%	100.0%	84.1%	102.1%
Otero	100.0%	103.0%	101.3%	101.3%	100.0%	102.0%	100.0%	84.1%	102.1%
Ouray	115.0%	130.0%	100.3%	100.0%	100.0%	100.0%	100.0%	84.1%	102.1%
Park	120.0%	110.0%	118.4%	103.0%	100.0%	100.0%	100.0%	84.1%	102.1%
Phillips	105.0%	110.0%	114.8%	112.3%	95.0%	103.0%	100.0%	84.1%	102.1%
Pitkin	147.0%	145.0%	131.6%	105.0%	105.0%	105.0%	100.0%	84.1%	102.1%
Prowers	100.0%	105.0%	100.6%	100.7%	93.0%	100.0%	100.0%	84.1%	102.1%
Pueblo	126.0%	111.0%	113.4%	109.6%	100.0%	100.0%	100.0%	84.1%	102.1%
Rio Blanco	117.0%	115.0%	113.3%	103.2%	102.0%	100.0%	100.0%	84.1%	102.1%
Rio Grande	126.0%	130.0%	134.4%	136.1%	113.0%	100.0%	100.0%	84.1%	102.1%
Routt	130.0%	130.0%	126.6%	108.5%	102.0%	107.0%	100.0%	84.1%	102.1%
Saguache	106.0%	112.0%	104.2%	100.4%	102.0%	100.0%	100.0%	84.1%	102.1%
San Juan	135.0%	125.0%	104.9%	100.5%	100.0%	110.0%	100.0%	84.1%	102.1%
San Miguel	115.0%	120.0%	117.3%	101.0%	103.0%	100.0%	100.0%	84.1%	102.1%
Sedgwick	100.0%	108.0%	102.2%	100.9%	98.0%	100.0%	100.0%	84.1%	102.1%
Summit	126.0%	126.0%	108.6%	100.1%	100.0%	100.0%	100.0%	84.1%	102.1%
Teller	103.0%	105.5%	107.5%	104.6%	97.0%	102.0%	103.0%	84.1%	102.1%
Washington	102.0%	105.0%	104.5%	102.0%	100.0%	100.0%	100.0%	84.1%	102.1%
Weld	104.0%	103.5%	105.8%	101.9%	100.0%	100.0%	100.0%	84.1%	102.1%
Yuma	105.0%	115.0%	102.2%	100.5%	107.0%	133.0%	100.0%	84.1%	102.1%
COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA

2007 PROJECTED VALUES

(With Residential at 7.96 percent)

ADDENDUM E

These figures were either provided as dollar amount estimates or they are calculated from the percentages in Addendum D.

Red (bold) value estimates were provided by counties in March/April 2007.

Blue value estimates are calculated from December 2006 change estimates found on Addendum D.

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	205,811,813	2,152,725,410	1,489,633,174	201,943,200	18,255,070	7,029,050	0	51,981,007	308,349,399	4,435,728,123
Alamosa	13,279,604	41,796,440	42,619,858	710,873	15,363,240	137,804	0	0	10,492,487	124,400,307
Arapahoe	311,832,130	4,070,439,650	2,830,365,068	39,848,762	9,787,280	1,061,650	0	4,901,849	278,228,678	7,546,465,066
Archuleta	105,375,943	152,909,275	51,290,215	1,801,296	5,732,299	389,624	0	9,135,728	10,831,162	337,465,542
Baca	284,589	6,256,029	4,730,162	392,107	15,708,850	1,257,155	0	9,605,074	27,998,719	66,232,685
Bent	416,273	7,668,929	9,444,707	287,592	16,979,510	672,939	0	2,443,029	15,833,074	53,746,053
Boulder	236,008,060	3,029,912,200	1,501,710,018	662,022,943	8,173,460	1,875,660	25,060	17,165,872	134,168,226	5,591,061,500
Broomfield	57,700,000	377,376,156	419,811,426	88,810,250	390,000	10,090	0	5,887,930	50,461,938	1,000,447,789
Chaffee	71,186,470	151,824,760	77,481,207	6,942,525	4,175,700	4,081,910	0	0	13,139,706	328,832,278
Cheyenne	273,455	3,384,326	3,577,792	1,717,703	14,844,423	2,013,789	0	84,123,064	11,641,246	121,575,797
Clear Creek	26,715,480	101,167,230	27,608,809	265,544	80,140	4,408,630	178,454,496	0	15,159,400	353,859,729
Conejos	9,175,616	22,652,701	3,985,118	667,338	7,947,448	61,682	0	0	3,699,387	48,189,290
Costilla	65,488,258	8,013,703	2,619,468	638,872	7,284,984	326,682	0	0	4,379,324	88,761,290
Crowley	214,000	5,600,000	21,203,650	14,500	4,000,000	374,000	0	0	3,772,390	35,178,540
Custer	25,623,360	50,807,905	8,476,232	187,802	5,218,710	611,420	0	0	3,702,246	94,627,675
Delta	22,228,160	126,248,060	54,037,645	2,925,268	9,250,380	34,972,080	0	1,331,061	23,066,748	274,059,401
Denver	240,561,480	4,335,908,800	4,923,990,622	225,631,548	68,670	0	0	818,677	766,772,193	10,493,741,990
Dolores	5,743,000	7,860,200	3,442,900	108,680	3,352,100	247,773	0	9,737,274	10,460,530	40,952,458
Douglas	375,000,000	2,600,000,000	1,356,907,255	58,902,905	19,000,000	400,000	0	0	117,676,998	4,527,887,158
Eagle	306,835,270	1,776,340,120	674,951,170	14,148,730	5,021,373	1,261,250	80,860	0	52,103,852	2,830,742,625
Elbert	31,967,364	178,256,050	24,892,367	1,730,131	15,344,750	1,239,460	0	2,081,697	16,789,368	272,301,187
El Paso	445,484,620	3,352,198,808	1,940,599,376	323,427,019	14,573,780	11,736,800	0	0	252,728,617	6,340,749,020
Fremont	47,843,061	180,731,184	78,422,886	82,588,063	5,474,322	6,170,147	0	1,398,456	21,668,246	424,296,365
Garfield	178,027,440	451,973,140	316,823,313	10,810,357	9,795,880	3,847,790	14,400	1,467,128,437	52,962,639	2,489,383,396
Gilpin	53,880,845	53,942,302	195,867,989	168,003	284,370	10,840,212	2,610	0	5,560,720	320,527,051
Grand	211,483,420	360,465,960	93,298,517	40,312,371	6,443,720	356,990	50,372,970	0	26,059,278	788,793,226
Gunnison	189,008,079	304,741,531	113,804,930	2,974,373	6,664,860	68,407,670	197,490	252,064	9,653,203	695,704,201
Hinsdale	16,648,613	21,147,938	7,728,127	184,773	486,580	1,028,910	1,999,250	0	733,710	49,957,881
Huerfano	22,257,664	34,117,222	19,458,050	298,480	4,005,184	447,438	0	8,437,455	16,240,464	105,261,957
Jackson	1,840,982	8,267,330	3,039,346	960,073	8,996,504	154,489	0	3,480,590	2,227,065	28,966,378
Jefferson	244,962,900	4,247,020,400	1,891,031,700	528,537,900	10,196,800	7,822,600	0	0	235,360,295	7,164,932,595
Kiowa	65,760	1,823,540	1,059,016	0	13,659,850	1,176,260	0	9,509,004	4,230,321	31,523,752
Kit Carson	1,123,700	19,316,000	25,938,555	1,116,867	35,178,000	1,034,500	0	2,113,968	17,376,561	103,196,151
Lake	24,285,542	45,388,987	13,352,824	731,534	114,371	1,480,529	5,712,175	0	9,177,701	100,243,663
La Plata	254,122,860	560,336,910	377,503,709	52,140,079	13,207,060	3,792,190	0	1,666,405,633	63,051,207	2,990,559,648
Larimer	299,239,039	2,071,504,894	1,166,632,314	272,737,526	18,135,965	5,271,450	0	4,215,829	81,721,717	3,909,458,734
Las Animas	23,072,900	51,178,980	30,083,280	2,568,450	15,314,350	2,213,580	0	423,313,681	49,138,686	596,883,907
Lincoln	1,527,367	11,444,004	12,017,081	403,035	14,819,577	1,646,484	0	3,524,282	21,721,136	67,102,966
Logan	3,264,400	55,679,154	45,980,526	13,754,795	27,557,192	376,193	0	7,483,269	41,345,183	195,440,712
Mesa	129,143,200	813,459,206	524,734,147	82,827,916	18,849,033	374,730	0	51,094,113	90,007,662	1,710,490,007
Mineral	7,602,160	11,955,985	3,587,225	73,516	1,184,210	313,540	0	0	988,763	25,705,399
Moffat	11,810,028	52,863,046	33,117,770	1,636,469	6,835,057	54,000,000	0	100,578,713	166,743,599	427,584,682
Montezuma	23,423,500	106,325,400	59,515,296	8,019,179	11,283,100	1,500,000	0	122,470,506	35,069,233	367,606,214
Montrose	59,058,700	219,340,808	128,083,343	21,825,986	18,059,680	3,208,450	205,815	0	52,980,507	502,763,289
Morgan	5,710,846	87,104,131	54,204,565	45,903,651	30,017,249	252,970	0	5,008,407	140,769,169	368,970,989
Otero	1,617,248	43,015,952	26,747,273	4,928,535	15,519,204	228,352	0	0	22,791,377	114,847,941
Ouray	52,143,185	79,169,077	26,474,980	1,060,332	3,129,730	2,814,670	0	0	5,182,705	169,974,679
Park	158,164,210	197,761,845	25,744,380	558,285	5,232,835	3,324,157	66,250	0	11,388,541	402,240,503
Phillips	326,850	12,782,501	11,522,437	150,761	15,225,829	315,000	0	2,594,845	2,911,460	45,829,683
Pitkin	328,683,390	1,821,180,302	546,461,816	700,901	5,156,230	6,032,232	0	0	16,767,723	2,724,982,594
Prowers	857,240	24,048,720	23,458,118	2,001,334	25,680,710	4,654,000	0	3,185,172	44,248,066	128,133,361
Pueblo	71,665,402	604,200,832	262,029,702	111,628,588	11,215,796	1,700,000	0	0	120,769,894	1,183,210,214
Rio Blanco	6,143,250	28,837,070	17,969,480	27,155,600	7,156,560	27,047,890	0	364,477,754	35,428,706	514,216,310
Rio Grande	33,118,780	62,481,090	40,763,350	1,460,054	19,143,730	363,310	0	0	8,687,413	166,017,727
Routt	144,504,984	508,085,292	219,296,777	5,883,786	16,237,156	34,323,770	0	4,361,522	80,778,798	1,013,472,085
Saguache	16,478,865	16,853,750	5,533,210	244,918	12,500,000	1,285,447	0	0	5,305,463	58,201,653
San Juan	19,042,800	13,122,180	10,364,147	657,367	3,000	9,832,700	0	0	1,942,301	54,964,495
San Miguel	232,093,403	413,995,374	126,245,330	4,340,060	6,785,403	2,574,734	0	91,456,703	12,433,767	889,924,774
Sedgwick	80,530	5,131,640	2,870,820	210,470	12,989,410	104,100	0	681,242	10,036,803	32,105,015
Summit	259,229,617	934,293,432	321,305,845	6,436,167	1,065,686	1,864,298	0	0	26,736,525	1,550,931,570
Teller	84,940,175	187,948,199	107,937,632	4,901,870	1,543,476	2,264,997	47,848,795	0	12,902,317	450,287,461
Washington	245,758	10,605,464	4,220,875	153,149	32,710,220	1,325,675	0	36,805,982	19,847,550	105,914,673
Weld	140,532,760	1,194,762,740	618,306,366	195,719,929	79,624,644	10,794,650	0	1,459,509,002	394,441,216	4,093,691,307
Yuma	777,230	25,744,745	19,329,991	256,737	50,292,435	896,509	0	122,650,771	23,322,617	243,271,036
TOTALS	5,915,253,626	38,513,495,008	23,075,243,277	3,172,147,828	798,307,113	361,633,061	284,980,171	6,161,349,661	4,132,165,999	82,414,575,745

PROJECTED RATES OF CHANGE 2006 TO 2007

(With Residential at 7.96 percent)

ADDENDUM F

(Addendum E value divided by Addendum C value minus one.)

13-Apr-07

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	5.00%	3.00%	7.88%	5.72%	0.00%	0.00%		-15.94%	2.10%	4.44%
Alamosa	8.00%	15.00%	5.54%	1.20%	0.00%	1.00%			2.10%	7.70%
Arapahoe	23.71%	7.29%	11.00%	9.93%	4.22%	-4.59%		-15.94%	2.10%	9.04%
Archuleta	48.18%	46.81%	18.00%	18.00%	8.87%	25.00%		-15.94%	2.10%	36.45%
Baca	0.00%	10.00%	0.52%	2.20%	0.30%	0.00%		-15.94%	2.10%	-0.89%
Bent	0.00%	0.00%	0.23%	0.73%	2.00%	0.00%		-15.94%	2.10%	0.41%
Boulder	24.95%	10.12%	3.13%	40.40%	-1.39%	-36.40%	-5.36%	-15.94%	2.10%	11.13%
Broomfield	25.06%	7.25%	10.04%	3.52%	-6.86%	0.00%		-15.94%	2.10%	8.49%
Chaffee	16.26%	13.78%	5.55%	0.55%	-1.35%	26.16%			2.10%	11.35%
Cheyenne	25.00%	2.42%	-10.86%	-1.03%	-10.31%	20.23%		-15.94%	2.10%	-12.52%
Clear Creek	9.23%	10.02%	10.90%	0.87%	-6.40%	-1.98%	100.93%		2.10%	41.65%
Conejos	18.36%	7.70%	5.01%	-4.30%	-3.13%	24.36%			2.10%	6.72%
Costilla	30.00%	6.00%	0.57%	1.23%	2.00%	2.00%			2.10%	21.71%
Crowley	0.04%	0.83%	10.50%	0.00%	-0.62%	0.10%			2.10%	6.39%
Custer	21.35%	28.87%	8.84%	-3.27%	8.23%	2.33%			2.10%	21.99%
Delta	34.52%	10.00%	13.25%	5.93%	-0.94%	0.00%		-15.94%	2.10%	9.51%
Denver	46.61%	10.32%	23.94%	-1.69%	40.52%			-15.94%	2.10%	15.97%
Dolores	10.00%	4.60%	3.38%	0.05%	4.00%	0.00%		-15.94%	2.10%	-1.26%
Douglas	40.76%	8.75%	9.98%	18.63%	28.29%	-11.19%			2.10%	11.22%
Eagle	26.99%	26.34%	19.14%	1.60%	4.41%	-0.37%	0.00%		2.10%	23.87%
Elbert	20.00%	5.05%	14.22%	23.21%	-0.72%	-11.26%		-15.94%	2.10%	6.66%
El Paso	33.94%	10.80%	9.76%	7.09%	0.47%	46.19%			2.10%	11.28%
Fremont	25.00%	15.00%	17.50%	6.48%	0.00%	15.00%		-15.94%	2.10%	13.61%
Garfield	30.00%	25.00%	31.28%	21.11%	4.00%	5.00%	5.03%	-15.94%	2.10%	-2.66%
Gilpin	3.00%	2.00%	0.52%	3.00%	0.00%	20.00%	0.00%		2.10%	1.77%
Grand	34.40%	20.91%	18.23%	146.98%	1.79%	3.65%	80.39%		2.10%	29.13%
Gunnison	49.00%	48.00%	26.81%	27.51%	0.00%	0.00%	0.00%	-15.94%	2.10%	36.45%
Hinsdale	25.00%	25.00%	0.13%	0.29%	0.00%	0.00%	-18.00%		2.10%	16.69%
Huerfano	59.76%	16.28%	1.57%	-2.35%	-34.38%	0.02%		-15.94%	2.10%	10.54%
Jackson	5.00%	0.00%	0.39%	1.52%	0.00%	0.00%		-15.94%	2.10%	-1.70%
Jefferson	15.00%	6.30%	6.80%	9.30%	10.60%	-8.00%			2.10%	6.77%
Kiowa	29.02%	-0.12%	0.34%		-1.20%	0.00%		-15.94%	2.10%	-5.59%
Kit Carson	24.21%	0.73%	11.09%	8.46%	-0.12%	-0.23%		-15.94%	2.10%	2.94%
Lake	41.95%	21.14%	27.62%	2.86%	-56.27%	-2.23%	-31.59%		2.10%	18.12%
La Plata	53.51%	28.43%	30.34%	2.47%	1.58%	0.73%		-15.94%	2.10%	-0.42%
Larimer	26.35%	3.65%	17.99%	2.87%	4.99%	2.89%		-15.94%	2.10%	8.95%
Las Animas	170.87%	10.41%	12.52%	5.30%	4.88%	3.10%		-15.94%	2.10%	-8.52%
Lincoln	16.74%	4.69%	-2.47%	-6.93%	-13.48%	2.09%		-15.94%	2.10%	-3.03%
Logan	39.82%	3.67%	9.12%	7.33%	-6.59%	-13.14%		-15.94%	2.10%	2.69%
Mesa	59.22%	25.94%	40.81%	42.35%	-7.69%	-78.71%		-15.94%	2.10%	28.71%
Mineral	20.49%	2.16%	-18.92%	-35.60%	43.97%	-13.80%			2.10%	4.05%
Moffat	95.29%	26.96%	33.65%	32.47%	-4.24%	2.01%		-15.94%	2.10%	2.60%
Montezuma	11.46%	14.40%	8.17%	7.22%	2.00%	5.58%		-15.94%	2.10%	-0.37%
Montrose	25.06%	22.97%	13.37%	10.67%	3.10%	3.00%	-39.31%		2.10%	16.61%
Morgan	8.00%	7.00%	-2.66%	-1.90%	-12.00%	0.00%		-15.94%	2.10%	0.44%
Otero	-4.17%	6.02%	3.71%	-9.02%	1.35%	0.00%			2.10%	3.16%
Ouray	15.00%	30.00%	0.31%	0.04%	0.00%	0.00%			2.10%	17.45%
Park	20.00%	7.36%	16.80%	3.00%	4.59%	20.00%	3.00%		2.10%	12.49%
Phillips	27.61%	2.29%	24.06%	-0.05%	-17.87%	0.10%		-15.94%	2.10%	-2.46%
Pitkin	43.44%	42.83%	35.82%	24.03%	6.56%	5.33%			2.10%	40.89%
Prowers	-6.60%	3.88%	-1.62%	1.49%	-1.65%	265.39%		-15.94%	2.10%	3.00%
Pueblo	18.73%	11.77%	6.28%	3.30%	4.50%	1.53%			2.10%	8.93%
Rio Blanco	-13.33%	20.50%	8.02%	-1.56%	-1.47%	0.31%		-15.94%	2.10%	-11.00%
Rio Grande	39.36%	25.75%	4.71%	-2.79%	19.49%	-0.07%			2.10%	19.63%
Routt	30.00%	30.00%	26.56%	8.55%	2.00%	7.00%		-15.94%	2.10%	24.66%
Saguache	34.81%	21.30%	9.29%	8.98%	0.71%	28.69%			2.10%	16.37%
San Juan	48.21%	32.67%	21.91%	20.52%	11.52%	41.98%			2.10%	35.32%
San Miguel	15.00%	21.54%	21.52%	4.15%	3.00%	-5.84%		-15.94%	2.10%	13.97%
Sedgwick	-8.79%	6.21%	2.44%	7.90%	-4.35%	-10.52%		-15.94%	2.10%	-0.46%
Summit	40.36%	20.53%	15.39%	-16.74%	3.61%	54.76%			2.10%	21.69%
Teller	17.00%	12.19%	19.21%	16.87%	10.74%	6.64%	6.25%		2.10%	13.69%
Washington	2.00%	5.00%	4.48%	2.01%	0.00%	0.00%		-15.94%	2.10%	-5.26%
Weld	29.78%	5.45%	14.48%	7.28%	-13.23%	7.33%		-15.94%	2.10%	-2.26%
Yuma	8.79%	6.94%	4.35%	3.55%	-8.92%	4.08%		-15.94%	2.10%	-9.36%
TOTALS	30.22%	12.12%	14.59%	13.02%	-2.52%	4.90%	64.46%	-15.94%	2.10%	10.55%
COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL

SUMMARY OF 2007 ESTIMATED VALUES

ADDENDUM G

13-Apr-07

COUNTY	TOTAL	RESIDENTIAL	NON-RESIDENTIAL
Adams	4,435,728,123	2,152,725,410	2,283,002,713
Alamosa	124,400,307	41,796,440	82,603,867
Arapahoe	7,546,465,066	4,070,439,650	3,476,025,416
Archuleta	337,465,542	152,909,275	184,556,267
Baca	66,232,685	6,256,029	59,976,656
Bent	53,746,053	7,668,929	46,077,124
Boulder	5,591,061,500	3,029,912,200	2,561,149,300
Broomfield	1,000,447,789	377,376,156	623,071,633
Chaffee	328,832,278	151,824,760	177,007,518
Cheyenne	121,575,797	3,384,326	118,191,471
Clear Creek	353,859,729	101,167,230	252,692,499
Conejos	48,189,290	22,652,701	25,536,589
Costilla	88,761,290	8,013,703	80,747,587
Crowley	35,178,540	5,600,000	29,578,540
Custer	94,627,675	50,807,905	43,819,770
Delta	274,059,401	126,248,060	147,811,341
Denver	10,493,741,990	4,335,908,800	6,157,833,190
Dolores	40,952,458	7,860,200	33,092,258
Douglas	4,527,887,158	2,600,000,000	1,927,887,158
Eagle	2,830,742,625	1,776,340,120	1,054,402,505
Elbert	272,301,187	178,256,050	94,045,137
El Paso	6,340,749,020	3,352,198,808	2,988,550,212
Fremont	424,296,365	180,731,184	243,565,181
Garfield	2,489,383,396	451,973,140	2,037,410,256
Gilpin	320,527,051	53,942,302	266,584,749
Grand	788,793,226	360,465,960	428,327,266
Gunnison	695,704,201	304,741,531	390,962,670
Hinsdale	49,957,881	21,147,938	28,809,943
Huerfano	105,261,957	34,117,222	71,144,735
Jackson	28,966,378	8,267,330	20,699,048
Jefferson	7,164,932,595	4,247,020,400	2,917,912,195
Kiowa	31,523,752	1,823,540	29,700,212
Kit Carson	103,196,151	19,316,000	83,880,151
Lake	100,243,663	45,388,987	54,854,676
La Plata	2,990,559,648	560,336,910	2,430,222,738
Larimer	3,909,458,734	2,071,504,894	1,837,953,840
Las Animas	596,883,907	51,178,980	545,704,927
Lincoln	67,102,966	11,444,004	55,658,962
Logan	195,440,712	55,679,154	139,761,558
Mesa	1,710,490,007	813,459,206	897,030,801
Mineral	25,705,399	11,955,985	13,749,414
Moffat	427,584,682	52,863,046	374,721,636
Montezuma	367,606,214	106,325,400	261,280,814
Montrose	502,763,289	219,340,808	283,422,481
Morgan	368,970,989	87,104,131	281,866,857
Otero	114,847,941	43,015,952	71,831,989
Ouray	169,974,679	79,169,077	90,805,602
Park	402,240,503	197,761,845	204,478,658
Phillips	45,829,683	12,782,501	33,047,182
Pitkin	2,724,982,594	1,821,180,302	903,802,292
Prowers	128,133,361	24,048,720	104,084,641
Pueblo	1,183,210,214	604,200,832	579,009,382
Rio Blanco	514,216,310	28,837,070	485,379,240
Rio Grande	166,017,727	62,481,090	103,536,637
Routt	1,013,472,085	508,085,292	505,386,793
Saguache	58,201,653	16,853,750	41,347,903
San Juan	54,964,495	13,122,180	41,842,315
San Miguel	889,924,774	413,995,374	475,929,400
Sedgwick	32,105,015	5,131,640	26,973,375
Summit	1,550,931,570	934,293,432	616,638,138
Teller	450,287,461	187,948,199	262,339,262
Washington	105,914,673	10,605,464	95,309,209
Weid	4,093,691,307	1,194,762,740	2,898,928,567
Yuma	243,271,036	25,744,745	217,526,291
	82,414,575,745	38,513,495,008	43,901,080,738

COUNTY TOTAL RESIDENTIAL NON-RESIDENTIAL

483,837,876,982 = ACTUAL VALUE OF RESIDENTIAL
(Residential Assessed / 7.96%)

**Department of Local Affairs
Division of Property Taxation**

A Report to the General Assembly

**THE ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR
2007 – 2008**

Pursuant to § 39-1-104.2(6) C.R.S.

January 29, 2007

SUMMARY

Section § 39-1-104.2(3), C.R.S., is amended 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 by staff of the Division of Property Taxation (Division) on behalf of the Property Tax Administrator. This report documents the preliminary findings of the Residential Assessment Rate Study used for determining the 2007-2008 residential target percentage and the projected residential assessment rate. The findings of the study are as follows:

- The 2007-2008 residential target percentage is **47.43 percent**.
- The 2007-2008 projected residential assessment rate is **8.00 percent**.

The target percentage listed above is final, but the calculated residential assessment rate will be finalized and reported to the General Assembly 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 balance between residential and all other 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 (2006). The adjustment is intended to stabilize residential real property's share of the property tax base. Section 39-1-104.2(5)(c), C.R.S., requires the Property Tax Administrator to complete a documented study that estimates the residential assessment rate for 2007-2008. Three major calculations are required:

1. Using the total actual 2005 assessed value for nonresidential property, calculate what the total 2005 residential real property value should have been to exactly achieve the 2005 residential real property target percentage of 47.22 percent.

Then, adjust the 47.22 percent target percentage to account for 2005 and 2006 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 2007 residential real property target percentage is 47.43 percent.

2. Estimate 2007 values and determine residential real property's share of the tax base assuming the residential assessment rate remains at 7.96 percent. The estimated 2007 tax base share for residential real property at an assessment rate of 7.96 percent is 47.30 percent.
3. Calculate the estimated residential assessment rate necessary to ensure that residential real property's share of the 2007 tax base equals the 2007 residential target percentage of 47.43 percent.

In prior years, 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 showed that the estimated residential rate was incorrect. However, 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 after contacting all counties a second time.

This is the third time that the study has calculated a residential assessment rate that is 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 increase. When this occurred in 1999 and 2005, the General Assembly reenacted the previous residential assessment rate. The rate enacted into law for assessment years 2005 and 2006 was 7.96 percent. (Although the new residential assessment rate is currently projected to be greater than 7.96 percent, it is possible that the rate reported in April will be at or below 7.96 percent.)

The following table lists the estimated changes in assessed value by class of property between 2006 and 2007 with a 2007 residential assessment rate of 7.96 percent.

COMPARISON OF 2006 AND ESTIMATED 2007 ASSESSED VALUES BY CLASS

<u>Class of Property</u>	<u>2006 Assessed</u>	<u>Estimated 2007</u>	<u>% Change</u>	<u>% of Total</u>
VACANT LAND	4,542,512,481	5,621,009,516	23.7%	6.9%
RESIDENTIAL*	34,350,208,817	38,364,681,151	11.7%	47.3%
COMMERCIAL**	20,136,541,539	22,529,999,867	11.9%	27.8%
INDUSTRIAL	2,806,720,882	2,961,082,744	5.5%	3.7%
AGRICULTURAL*	818,954,664	815,141,222	-0.5%	1.0%
NAT RESOURCES	344,756,805	352,866,781	2.4%	0.4%
PRODUCING MINES	173,283,511	174,634,536	0.8%	0.2%
OIL & GAS	7,329,404,530	6,024,101,716	-17.8%	7.4%
STATE ASSESSED	<u>4,047,066,146</u>	<u>4,257,219,367</u>	<u>5.2%</u>	<u>5.2%</u>
TOTAL	74,549,449,375	81,100,736,899	8.8%	100.0%

Note: The comparison between 2006 and 2007 is based upon the current residential assessment rate of 7.96 percent. If the 2007 estimated residential rate of 8.00 percent is used, the “% of Total” associated with residential would equal the target percent of 47.43 percent.

HISTORY OF THE RESIDENTIAL ASSESSMENT RATE

In 1982 the electorate passed Constitutional Amendment Number One. The amendment enacted sweeping changes to Colorado’s property tax system, including a provision known as the “Gallagher Amendment,” that required an adjustment to the residential assessment rate when there is a change to the level of value. The intent of Gallagher was to stabilize residential real property’s share of the property tax base. Residential real property’s share of total assessed value had increased from 29 percent in 1958 to 44 percent in 1982. By allowing the residential assessment rate to “float,” residential real property would not continue to bear an ever-increasing share of the property tax burden. The floating rate would increase if residential real property’s share of total taxable assessed value appreciably declined below 44.60 percent. Similarly, the rate would decrease if residential real property’s share of total taxable assessed value appreciably exceeded 44.60 percent. The Gallagher Amendment is found in Section 3(1)(b) of article X of the Colorado Constitution,

The 44.60 percent figure, which is now referred to as the “residential target percentage,” was calculated based upon residential real property’s share of total assessed value for 1986. The General Assembly provided for changes to the target percentage based upon new construction and destruction that occurred in each property class, and changes in the volumes of production in the natural resource classes. The target percentage is adjusted during the year preceding each change in the level of value, i.e. during even-numbered years.

The adjustment begins by first calculating what the total assessed value of residential real property would have been, at the prior level of value, had the residential assessment rate been estimated such that the exact share of the tax base indicated by the prior residential target percentage was achieved.

Then, the assessed value attributable to residential new construction, reported during the two years prior to the year of change in level of value is added to the calculated residential real property total.

Similarly, the assessed value of new construction in all other property classes, reported during the same two years, is added to the total assessed value of the non-residential property classes as of the last level of value. Then, the changes in the production volumes of producing metallic mines, producing coal mines, oil and gas wells, and earth and stone operations are expressed as assessed values and added to the all other property total. Finally, the adjusted residential real property total is divided by the total of the above-assessed values to arrive at a new residential target percentage.

PRIOR TO AND INCLUDING 1982

Prior to and including 1982 (the 1973 level of value), most property was assessed at 30 percent of actual value. The amendment initially set the residential assessment rate for 1983-1986 (the 1977 level of value) at 29 percent for most property and 21 percent for residential real property.

1987 AND 1988

In 1986 the state board requested that the Division estimate the residential assessment rate for 1987 (the 1984 level of value). In 1988, the General Assembly enacted § 39-1-104.2(6), C.R.S., which required that the Division prepare a documented residential assessment rate study for changes in the level of value in 1989 (the 1988 level of value), 1991 (the 1990 level of value), and 1993 (the 1992 level of value). This subsection was later amended to include 1995 (the 1994 level of value), 1997 (the 1996 level of value), and for each subsequent year of reappraisal.

Using the methodologies described in the next section of this report, the residential assessment rate has been estimated nine times. In 1986, using a residential target percentage of 44.39 percent, the Division estimated the rate for 1987-1992 to be 16.74 percent (17 percent rounded). The General Assembly chose to enact a residential assessment rate of 18 percent for 1987. In 1988, the General Assembly reconsidered this decision and enacted a residential assessment rate of 16 percent for 1988. A review of historical records, including actual rather than estimated assessed values and adjustments of county boards of equalization indicated the correct rate to be 15.30 percent (15 percent rounded) for 1987 and 1988.

1989 AND 1990

In 1988, using a residential target percentage of 44.51 percent, the Division estimated the rate for 1989-1990 to be 15.04 percent (15 percent rounded). The 44.51 percent residential target percentage and the 15 percent residential assessment rate were enacted into law in 1989, § 39-1-104.2(3)(b), C.R.S. Verification of the estimate using final 1989 assessed values submitted by the county assessors initially indicated a residential assessment rate of 14.42 percent (14 percent rounded). Pursuant to the requirements of § 39-1-104.2(7), C.R.S., the state board changed the rate to 14 percent. However, after the counties' resubmission of assessed values to the Division using the 14 percent residential assessment rate, the Division discovered that Denver County had made a \$150 million keypunch error on its original submission. Correcting for the error resulted in a verified rate of 14.53 percent (15 percent rounded), and also resulted in the assessors having to submit values a third time.

1991 AND 1992

In 1990, using a residential target percentage of 44.57 percent, the Division estimated a residential assessment rate for 1991 – 1992 of 14.34 percent (14 percent rounded). However, during the 1991 Legislative Session, the rounding convention was changed to the nearest one-hundredth of one percent. The target percentage of 44.57 percent and the estimated residential assessment rate of 14.34 percent (rounded) were enacted into law in 1991, § 39-1-104.2(3)(c), C.R.S. Verification of this estimate using final 1991 assessed values submitted by the assessors indicated a residential assessment rate of 13.78 percent. This rate was outside the one-half percent tolerance permitted by § 39-1-104.2(7)(b), C.R.S., by six one-hundredths of one percent.

Pitkin, Denver, and Arapahoe Counties

Comparison of the estimated 1991 assessed values with the final 1991 assessed values submitted by the county assessors indicated the error in the rate was largely attributable to three counties: Arapahoe, Denver and Pitkin.

Pitkin County over-estimated the increase in assessed values in the commercial property class.

Denver County over-estimated commercial values because all hotel property surrounding Stapleton Airport was adjusted to conform to a Board of Assessment Appeals' (BAA) decision. The BAA ordered that the capitalization rate be increased and that the future net income estimates be decreased for a petitioner's hotel property near Stapleton Airport. These adjustments were required, in the opinion of the BAA, to

account for the greater risk and probable reduction in income associated with the closure of Stapleton after Denver International Airport opened. Rather than lose similar cases one at a time, Denver County decided to lower the valuations of all similar properties.

Concerning Arapahoe County, the Division discovered an unexplained 38 percent decline in vacant land values between 1990 and 1991. Upon further research, procedural irregularities in the application of present worth valuation to vacant land parcels were discovered. The Assessment Auditor's contract required that vacant land values be statistically analyzed only to the adjusted selling price of vacant land property rather than to the final vacant land present worth values. However, upon review of the present worth procedures applied by Arapahoe County, the Assessment Auditor recommended reappraisal of Arapahoe County's vacant land class. Had Arapahoe County not changed the vacant land valuation procedures after estimating the increase in vacant land values for the assessment rate study, the residential assessment rate estimated for 1991-1992 would have been within its statutory tolerance.

State Board of Equalization Statutory Authority

The state board had no statutory authority to consider information other than the final 1991 assessed values submitted by the county assessors, and the state board was faced with a September 20, 1991, deadline for adjusting the residential assessment rate estimated for 1991-1992.

Fortunately, the General Assembly had reconvened for a 1991 Special Session to revise school finance statutes. A reduction in the residential assessment rate from 14.34 percent to 13.78 percent could have increased the "backfill requirements" for State of Colorado financial aid to school districts. The legislature enacted amendments to § 39-1-104.2(7), C.R.S., that allowed the state board to consider, "any other reliable and relevant information which is based upon generally accepted appraisal methods and which is consistent with section 3 of article X of the Colorado Constitution, including, but not limited to, any valuation for assessment study for such year which is conducted pursuant to § 39-1-104(16), C.R.S. Using this new authority, the state board allowed the 14.34 percent residential assessment rate estimated for 1991-1992 to stand.

In 1992, a review of the 1991 state board ordered reappraisals indicated that the net effect of reappraisal of vacant land, commercial, and residential properties in all counties under reappraisal orders was a reduction in the verified residential assessment rate to 13.76 percent.

1993 AND 1994

In 1992, the State Auditor reviewed the Division's procedures for estimating the residential assessment rate. No material audit exceptions were noted. Also in 1992, using new assessed value estimation procedures and a residential target percentage of 44.74 percent, the Division estimated a residential assessment rate for 1993-1994 of 12.86 percent (rounded).

In November 1992, the electorate passed Constitutional Amendment Number One creating section 20 of article X of the Colorado Constitution. The amendment constrained the financial authority of state and local governments. Among its provisions were the requirements for elections to authorize increases in property tax mill levies, the residential assessment rate, and the overall entity revenue generation and spending.

Mill levy increases are allowed only if approved by the voters. Mill levies are calculated by dividing the taxing entity's proposed (budgeted) property tax revenue by the total assessed value within the taxing jurisdiction. Taxing entities must know the final assessed values in order to prepare for an election. This effectively prohibited the state board from adjusting the residential assessment rate by September 20, less than three weeks before elections were to be held. Therefore, in 1993 the General Assembly repealed § 39-1-104.2(7), C.R.S., which contained the state board's authority to adjust the residential assessment rate if it were found to be in error by one-half of one percent or more.

Also in 1993, the target percentage of 44.74 percent and the estimated residential assessment rate of 12.86 percent (rounded) were enacted into law, § 39-1-104.2(3)(d), C.R.S. Verification of the estimate using final 1993 assessed values submitted by the assessors indicated a residential assessment rate of 12.16 percent. The rate was outside the one-half of one-percent tolerance, which had been permitted by § 39-1-104.2(7)(b), C.R.S., by two tenths of one percent. The miss was attributable to an under-estimate of residential values statewide.

The under-estimate was due to lack of recognition on the part of the assessors of the surge in residential values just prior to the June 30, 1992, appraisal date. Generally, the assessors did not accomplish the trending of sales data to the new level of value trending point in time to be included in the residential assessment rate study conducted in 1992. Repeal of the state board's authority to adjust the rate required that the 12.86 percent residential assessment rate stand for 1993-94.

1995 AND 1996

In December 1994, the Division estimated a residential assessment rate for 1995-1996 of 10.50 percent using new assessed value estimation procedures and a residential target percentage of 45.29 percent. In April 1995, the Division contacted the 16 largest

counties, in terms of overall total assessed value, and asked these counties for their updated reappraisal values. These values were compared with the counties' initial projections. Due to changes in many of their original estimates, the rate was recalculated and this recalculation produced a residential rate of 10.36 percent. HB 95-1136 was amended to reflect the 10.36 percent prior to its passage. After the Abstracts of Assessment were delivered to the Division, the residential rate was again recalculated. The assessor and county board changes reflected in the abstracts revealed that the rate should have been 10.02 percent.

1997 AND 1998

The residential assessment rate was estimated to be 9.71 percent in December 1996. The residential target percentage was established at 46.17 percent. In April 1997, the Division contacted all counties and verified their initial projections or made appropriate changes, as necessary. Due to changes in some of the original estimates, the rate was recalculated. The recalculation produced a residential rate of 9.74 percent. SB 97-026 was amended to reflect the 9.74 percent assessment rate.

After the 1997 Abstracts of Assessment were delivered to the Division, the residential rate was again recalculated. The assessor and county board changes reflected in the abstracts revealed that the rate should have been 10.08 percent. In 1998, errors in excess of \$280 million (net) were discovered in Eagle County's 1997 Abstract, which changed the true rate from 10.08 to 9.96 percent.

Because the 1997-1998 residential assessment rate was under-estimated, it is essential to understand what has occurred with the residential rate in the past so that its future can be more accurately predicted. All previous rates had two common elements; more residential properties were being built than nonresidential properties, and existing residential properties were increasing in value at a faster rate than non-residential properties. However, as of 1996, nonresidential properties not only closed this gap but also had significantly outpaced residential assessments. With few exceptions, county projections for nonresidential properties were under-estimated; and, in many instances, significantly under estimated as late as April 15, 1997. However, since most counties are now capable of doing multiple regression analysis and accurate time trending, it is expected that future estimates will be more precise.

1999 AND 2000

Established procedures, as previously cited, were used to estimate the residential assessment rate for 1999-2000, with two exceptions: 1) oil and gas estimates were based upon actual sales data reported to the Colorado Oil and Gas Conservation Commission, and 2) all counties were contacted in April, 1999, to update possible changes from their original estimates. After appropriate changes were made, the

residential assessment rate was determined to be 9.83 percent. The actual rate, based upon the 1999 Abstracts of Assessment, was 9.81 percent.

These changes in methodology, and the increased use of time-trending, produced the most accurate rate ever determined. However, because of TABOR, the rate had to remain at 9.74 percent because TABOR doesn't allow an upward change in the residential assessment rate without voter approval.

2001 AND 2002

Because of the accuracy of the previous study, the procedures followed in determining the 1999-2000 residential assessment rate were used to estimate the 2001-2002 rate. In January, the 2001-2002 residential rate was estimated to be 9.35 percent, and the estimate was adjusted to 9.15 percent in April. The 2001 Abstracts of Assessment revealed the residential assessment rate should have been 9.09 percent.

2003 AND 2004

The 1999-2000 procedures were again used for estimating the 2003-2004 residential assessment rate. In January the rate was estimated to be 8.18 percent, and the estimate was adjusted to 7.96 percent in April. 2003 Abstracts of Assessment revealed that the residential rate should have been 7.91 percent.

2005 AND 2006

Once again, the 1999-2000 procedures were used for the 2005-2006 residential assessment rate study. In January 2005, the rate was estimated to be 8.13 percent, and after contacting all county assessors in April, the rate was adjusted to 8.17 percent. However, because an increase to the residential assessment rate can only be made with voter approval, the General Assembly reenacted the 7.96 percent rate for 2005 and 2006. The 2005 Abstracts of Assessment later revealed that the residential assessment rate had been correctly calculated at 8.17 percent.

RECAP OF RESIDENTIAL ASSESSMENT RATES

<u>YEAR</u>	<u>RATE ENACTED INTO LAW</u>	<u>RATE CALCULATED PRIOR TO APPLICATION OF TABOR</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%

RESIDENTIAL ASSESSMENT RATE ESTIMATION METHODOLOGY

In September and October 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. Also, all 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 appropriate 24-month data-gathering period. 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 then “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 meet with county assessors to review the time trending results and solidify the change estimates for each class of property. By this time, the county has often begun its own time trending studies, and it has been analyzing other appraisal information, such as property income, vacancy rates, and capitalization rates. The Division generally makes a final projection for each class after considering the body of information provided by the assessor and the results of time trending conducted by the Division. For the commercial and industrial classes, the percentage change estimates provided by 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 statewide commercial/industrial personal property change estimates for the 2007-2008 study is 3.00 percent.

A statewide change estimate for the land portion of the oil and gas property class is based upon data obtained from the Colorado Oil and Gas Conservation Commission. The data is incomplete when obtained for the January rate estimate, but the estimate is revised with more complete oil and gas data in April. Land under production comprises 91 percent of the class, while personal property and improvements compose the remaining value and are estimated separately. A statewide change estimate for the state assessed class is developed by Division staff, based upon financial indicators for the various public utility sectors. The estimate is for the total class, comprised of both personal and real property.

All counties will be contacted in April to update their initial projections. At this stage, assessors will be asked to furnish the Division with an abbreviated abstract that provides projected assessed values by class of property and new construction values. After subtracting new construction from the assessed values, factors will be developed through a comparison with 2006 assessed values and entered into the Residential Assessment Rate Calculation Model to determine if they produce a residential assessment rate other than 8.00 percent. The updated estimate will be reported to the General Assembly in April.

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>	2006 assessed values from county abstracts.
<u>Addendum D:</u>	Percentage change estimates from assessors and Division studies.
<u>Addendum E:</u>	Estimated 2007 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>	2005 and 2006 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.

(Note: The addenda identified above were submitted as part of this report on January 29, 2007. They are available on request.)