
Department of Local Affairs



Strengthening Colorado Communities

Division of Property Taxation

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

ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR 2009-2010

Pursuant to § 39-1-104.2(6), C.R.S.

April 15, 2009

FINAL ANALYSIS

The final residential assessment rate estimate for property tax years 2009-2010 is **8.85 percent**. This figure replaces the preliminary estimate of 8.91 percent found in the attached report dated January 15, 2009. The residential target percentage of **46.82 percent** remains unchanged from the January 15 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 2009 new construction (built during 2008) will be used to adjust the 2011-2012 target percentage. The statewide estimates developed by the Division of Property Taxation for the oil and gas and state assessed property classes were also updated.

The following table lists the preliminary percentage change estimates found in the January 15 report and the final percentage change estimates found in this report. These figures reflect the anticipated rate of change between the statewide total assessed values of each class of property prior to new construction.

<u>Property Class</u>	<u>Preliminary 2009 Estimates</u>	<u>Final 2009 Estimates</u>	<u>\$ Difference</u>
Residential.....	+ 2.9%	+ 3.6%	\$ 286,199,008
Non-Residential:			
Vacant.....	+ 11.0%	+ 15.1%	\$ 229,487,679
Commercial	+ 11.7%	+ 9.6%	\$(507,651,508)
Industrial.....	+ 4.1%	+ 4.1%	\$ 1,647,012
Agricultural	+ 2.0%	+ 1.7%	\$ (2,318,050)
Nat. Resources.....	- 0.2%	- 3.0%	\$ (10,806,502)
Prod. Mines	+ 22.4%	+ 28.7%	\$ 25,118,676
Oil and Gas.....	+ 27.4%	+ 30.0%	\$ 202,644,814
State Assessed	- 2.5%	- 1.2%	\$ 60,595,644
Non-Residential Total:.....			\$ 284,916,771

The figures submitted by assessors in March and April (Final 2009 Estimates) listed above are generally much more accurate than the estimates provided in December 2008 (Preliminary 2009 Estimates), as the timeframe is closer to the Real Property Notice of Valuation date. 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 in August 2009 on county Abstracts of Assessment (abstracts).

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: 2009 Residential Target Percentage Calculation

The target percentage from the 2007 residential rate study, 47.43 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 46.82 percent. The new construction and production change values are calculated on Addenda H through P, which are not included.

Addendum B: 2009 Residential Assessment Rate Calculation

Given an estimated 2009 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 8.85 percent.

Addendum C: Totals from 2008 Abstracts

The 2008 assessed values reported on the Abstracts of Assessment are the base values used for the study.

Addendum D: 2009 Percentage Change Estimates

Any estimates provided as percentage change figures, either in December 2008 (Preliminary 2009 Estimates) or March/April 2009 (Final 2009 Estimates), are shown here. For all counties, a statewide percentage change estimate was developed by the Division for the oil and gas and state assessed classes. For the agricultural and natural resources classes, a median percentage change was calculated from the counties that reported value estimates, and that median was used for counties that did not provide an estimate.

Addendum E: 2009 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 E.5: Projected Rates of Change

This addendum shows the percentage change between the 2008 abstract values and the 2009 projected values.

Addendum F: Summary of 2009 Estimated Values

Addendum F summarizes the projected residential and non-residential values. The totals are used on Addendum B to determine the residential assessment rate.

2009 RESIDENTIAL TARGET PERCENTAGE CALCULATION

ADDENDUM A

STEP #1: Calculate the 2007 residential assessed value needed to achieve the 2007 target percentage.

ESTIMATED 2007 RESIDENTIAL ASSESSED	X	0.474297116
	-----	= -----
ACTUAL 2007 NON-RESIDENTIAL ASSESSED	45,814,997,307	0.525702884
ESTIMATED 2007 RESIDENTIAL ASSESSED	X =	41,334,985,573

The target percentages used in this calculation are the non-rounded versions of the target percentages enacted into law in 2007.
 The figure \$45,814,997,307 is the total non-residential taxable value reported on county abstracts in 2007.
 The figure \$41,334,985,573 is the hypothetical residential assessed value needed to exactly achieve the 2007 target percentage.

STEP #2: Add 2007 + 2008 net new construction and increased production to the 2007 res. and non-res. totals.

2007 Net Residential New Construction	1,075,726,294	Addendum G
<u>2008 Net Residential New Construction</u>	<u>934,202,369</u>	Addendum G
TOTAL RESIDENTIAL NEW CONSTRUCTION	2,009,928,663	
ESTIMATED 2007 RESIDENTIAL	41,334,985,573	
ADJUSTED TOTAL RESIDENTIAL	43,344,914,236	
2007 Net Other New Construction	824,762,453	Addendum G
2008 Net Other New Constuction	811,472,175	Addendum G
2008 - 2006 Net Mines	19,084,417	Addendum H
2008 - 2006 Net Coal	-9,235,756	Addendum I
2008 - 2006 Net Earth & Stone	5,320,801	Addendum J
<u>2008 - 2006 Net Oil & Gas</u>	<u>1,758,037,720</u>	Sum of Addenda K - P
TOTAL NON-RESIDENTIAL NEW CONST. & PROD.	3,409,441,809	
ACTUAL 2007 NON-RESIDENTIAL	45,814,997,307	
ADJUSTED TOTAL NON-RESIDENTIAL	49,224,439,116	

STEP #3: Calculate the 2009 target percentages from 2007 values adjusted for new construction and production.

ADJ 2007 RES ASSESSED	43,344,914,236	46.82425951%		46.82%
	-----	= -----	OR	
ADJ 2007 OTHER ASSESSED	49,224,439,116	53.17574049%		53.18%

2009 RESIDENTIAL ASSESSMENT RATE CALCULATION

ADDENDUM B

Estimated 2009 Non-Residential Assessed \$52,837,564,067 Addendum F	÷	Non-Res Target % 53.17574049% Addendum A	=	Total Assessed Target Value \$99,364,040,021
Total Assessed Target Value \$99,364,040,021	X	Residential Target % 46.82425951% Addendum A	=	Residential Assessed Target Value \$46,526,475,954
Residential Assessed Target Value \$46,526,475,954	÷	Estimated 2009 Residential Actual Value \$526,018,175,291 Addendum F	=	Residential Assessment Rate 8.845032004516% 8.85% rounded

TOTALS FROM 2008 COUNTY ABSTRACTS

ADDENDUM C

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	190,592,430	2,177,583,150	1,580,643,640	308,880,470	18,761,360	7,874,180	0	51,517,480	323,401,300	4,659,254,010
Alamosa	13,132,070	45,135,218	44,448,627	989,715	15,413,461	123,056	0	0	12,695,800	131,937,947
Arapahoe	264,580,650	4,233,898,200	2,917,202,300	37,163,470	10,273,400	736,150	0	5,399,610	329,179,800	7,798,433,580
Archuleta	121,005,524	154,783,786	51,775,675	1,682,852	6,012,455	602,886	0	15,845,955	10,849,200	362,558,333
Baca	289,043	6,266,918	4,877,420	396,839	15,704,144	1,220,256	0	10,511,748	34,041,000	73,307,368
Bent	414,999	7,751,189	16,602,075	293,820	16,862,955	720,161	0	2,422,739	19,763,200	64,831,138
Boulder	176,540,520	3,081,353,450	1,669,326,810	515,098,030	9,712,930	2,450,070	22,280	20,998,650	144,898,900	5,620,401,640
Broomfield	53,735,860	423,513,645	442,481,890	86,719,690	432,490	10,740	0	4,452,940	54,809,600	1,066,156,855
Chaffee	71,520,210	156,432,480	78,824,930	7,135,110	4,536,600	3,890,980	0	0	14,468,900	336,809,210
Cheyenne	230,995	3,416,691	3,391,410	1,534,547	14,999,978	1,977,579	0	109,999,153	13,474,900	149,025,253
Clear Creek	26,797,640	101,111,140	28,582,460	631,990	112,740	5,298,970	255,839,120	0	14,986,500	433,360,560
Conejos	8,615,973	23,632,484	4,033,898	647,222	8,029,390	41,295	0	0	3,833,300	48,833,562
Costilla	91,649,147	8,627,937	2,685,072	461,611	2,931,827	350,059	0	0	5,295,100	112,000,753
Crowley	230,453	5,686,154	21,125,346	0	3,967,637	502,644	0	0	3,321,200	34,833,434
Custer	23,492,770	46,734,610	7,829,720	222,400	5,421,840	609,320	0	0	3,538,900	87,849,560
Delta	24,682,860	150,976,100	61,655,370	3,701,470	12,063,660	40,577,740	0	598,790	23,805,710	318,061,700
Denver	212,368,360	4,512,971,310	5,096,062,630	236,368,830	56,820	0	0	3,295,580	837,782,600	10,898,906,130
Dolores	8,490,427	10,453,711	4,083,887	1,207,179	3,138,692	630,693	0	14,973,771	11,154,401	54,132,761
Douglas	356,591,690	2,709,385,800	1,392,898,270	51,993,900	19,283,050	320,710	0	0	143,963,600	4,674,437,020
Eagle	317,342,840	2,093,961,050	700,977,440	13,538,930	5,380,580	1,551,950	73,460	0	56,252,900	3,189,079,150
Elbert	27,221,390	195,089,830	23,261,890	1,579,280	15,539,660	1,242,170	0	3,112,930	19,423,600	286,470,750
El Paso	405,652,900	3,549,667,420	2,080,863,020	241,988,050	14,812,120	9,706,200	0	0	280,785,400	6,583,475,110
Fremont	46,770,420	192,438,930	77,718,310	81,530,010	6,220,770	5,632,780	0	2,311,650	24,181,900	436,804,770
Garfield	155,879,320	487,096,360	301,490,710	10,088,710	9,040,310	4,330,320	80,330	2,230,653,410	62,297,700	3,260,957,170
Gilpin	50,426,160	55,625,510	228,722,130	154,000	398,670	10,831,420	2,130	0	6,338,300	352,498,320
Grand	191,372,620	404,564,240	94,608,100	58,342,610	6,619,850	323,720	73,599,670	0	27,404,500	856,835,310
Gunnison	232,974,060	332,774,640	116,018,620	3,116,470	7,362,670	73,035,780	220,240	3,526,480	10,314,500	779,343,460
Hinsdale	16,822,880	22,830,220	7,653,940	195,370	516,850	1,185,760	0	0	701,520	49,906,540
Huerfano	18,496,570	34,508,624	19,844,448	313,857	6,811,861	469,042	0	15,199,361	21,267,400	116,911,163
Jackson	1,754,617	8,621,018	3,351,505	1,244,654	9,390,357	142,781	0	4,202,665	2,035,300	30,742,897
Jefferson	243,095,060	4,330,155,840	2,288,453,130	235,311,030	10,272,770	4,451,860	2,248,780	0	244,200,400	7,358,188,870
Kiowa	74,340	1,882,130	1,055,040	0	12,932,480	1,193,130	0	12,006,540	3,992,400	33,136,060
Kit Carson	838,692	19,612,253	38,873,374	1,254,836	37,546,782	970,937	0	2,134,683	18,671,700	119,903,257
Lake	20,825,441	43,548,056	10,922,467	642,739	187,334	1,484,960	6,351,718	0	9,915,100	93,877,815
La Plata	216,835,660	588,495,170	386,761,000	50,874,590	12,770,390	4,439,600	0	1,639,424,040	68,914,400	2,968,514,850
Larimer	300,226,150	2,161,133,980	1,236,949,970	295,428,680	19,019,040	5,673,460	0	5,337,389	94,986,800	4,118,755,469
Las Animas	23,208,080	53,414,150	31,794,940	2,487,810	15,347,070	2,446,190	0	496,014,200	66,828,400	691,540,840
Lincoln	1,491,280	11,662,991	13,643,749	486,819	14,933,925	1,640,979	0	5,166,390	22,557,300	71,583,433
Logan	2,894,760	56,680,370	43,132,330	15,296,370	28,983,300	367,860	0	10,737,750	83,169,500	241,262,240
Mesa	125,999,560	863,928,800	540,556,490	89,931,340	21,500,650	1,900,220	0	140,171,810	97,895,000	1,881,883,870
Mineral	7,517,280	14,225,050	6,313,270	129,680	876,610	363,680	0	0	957,700	30,383,270
Moffat	9,416,400	54,014,430	32,830,730	2,422,820	7,032,130	55,515,930	0	89,879,980	191,962,500	443,074,920
Montezuma	31,393,340	113,658,990	59,738,690	8,898,130	11,299,140	1,644,700	0	173,272,110	38,080,000	437,985,100
Montrose	69,931,840	245,623,610	158,178,470	24,614,920	17,763,480	6,607,160	390,160	281,580	54,655,700	578,046,920
Morgan	5,580,290	90,285,740	59,429,380	46,597,000	32,124,910	134,120	0	8,245,440	140,409,600	382,806,480
Otero	1,535,844	42,753,738	27,006,105	5,279,847	15,505,573	210,564	0	0	24,771,100	117,062,771
Ouray	66,829,180	82,538,920	34,607,540	1,062,840	3,178,470	2,723,480	0	0	5,965,900	196,906,330
Park	149,852,510	214,443,600	27,873,174	818,354	5,703,680	3,704,899	32,776	0	14,959,200	417,388,193
Phillips	343,590	13,331,500	10,541,360	155,660	18,223,800	312,710	0	2,609,800	3,441,700	48,960,120
Pitkin	295,915,400	1,901,231,740	541,290,210	700,900	5,517,640	5,748,200	0	0	25,395,700	2,775,799,790
Prowers	927,980	24,019,480	24,384,260	1,895,610	25,749,440	1,294,060	0	3,428,250	38,951,500	120,650,580
Pueblo	77,445,470	626,698,800	317,631,310	129,338,340	10,570,060	2,804,840	0	0	126,191,100	1,290,679,920
Rio Blanco	7,854,260	30,320,300	22,683,180	84,787,190	7,157,300	28,377,300	0	576,695,420	63,509,500	821,384,450
Rio Grande	37,800,030	65,380,720	42,034,710	1,423,240	16,671,130	347,790	0	0	9,783,900	173,441,520
Routt	165,091,930	562,593,070	252,915,110	7,581,390	18,733,780	31,772,720	0	4,989,180	80,434,200	1,124,111,380
Saguache	20,593,070	16,777,870	5,523,280	316,940	11,914,470	1,209,260	0	0	5,267,500	61,602,390
San Juan	18,767,080	13,654,320	10,458,830	642,780	2,080	9,517,470	0	0	2,506,200	55,548,760
San Miguel	227,912,620	438,963,740	120,352,200	4,243,210	7,052,330	2,868,540	280	78,077,340	13,569,600	893,039,860
Sedgwick	82,290	5,196,300	3,103,320	215,840	13,246,200	156,710	0	550,450	35,307,710	57,858,820
Summit	214,052,332	990,515,336	342,183,138	11,493,618	1,192,902	1,609,021	0	0	26,338,300	1,587,384,647
Teller	81,819,960	199,497,030	101,152,990	4,946,830	1,597,220	2,933,310	63,450,520	0	13,901,300	469,299,160
Washington	268,251	10,504,972	3,937,694	317,569	29,751,269	1,262,198	0	42,252,934	24,930,000	113,224,887
Weld	125,676,280	1,259,424,810	665,193,890	216,957,660	98,983,820	14,996,920	0	1,710,307,180	487,797,900	4,579,338,460
Yuma	854,400	26,508,680	23,737,410	10,738,280	53,954,310	876,630	0	176,539,180	34,016,800	327,225,690
TOTALS	5,662,626,048	40,409,568,301	24,568,284,284	2,924,513,948	837,104,612	377,950,820	402,311,464	7,677,144,558	4,690,502,541	87,550,006,576
	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL

2009 PERCENTAGE CHANGE ESTIMATES

ADDENDUM D

Plum font = Percentage estimates provided by county in April 2009.

Blue font = Percentage estimates provided by county or developed from consultation with county in December 2008.

Green font = Statewide estimates by DPT.

Commercial/Industrial percentages are weighted averages between the real property county estimate and a statewide personal property estimate. If a percentage is not shown, the county provided a dollar amount estimate, or the county has no value in that class.

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA
Adams	95.0%	88.0%	100.0%	100.0%	102.2%	100.0%		130.0%	98.8%
Alamosa									98.8%
Arapahoe								130.0%	98.8%
Archuleta	117.0%	115.0%	110.9%	100.0%	102.2%	100.0%		130.0%	98.8%
Baca								130.0%	98.8%
Bent								130.0%	98.8%
Boulder								130.0%	98.8%
Broomfield								130.0%	98.8%
Chaffee					102.2%	100.0%			98.8%
Cheyenne								130.0%	98.8%
Clear Creek							134.0%		98.8%
Conejos									98.8%
Costilla	110.0%	110.0%	113.0%	100.0%	105.0%	100.0%			98.8%
Crowley									98.8%
Custer									98.8%
Delta								130.0%	98.8%
Denver								130.0%	98.8%
Dolores								130.0%	98.8%
Douglas									98.8%
Eagle	135.0%	115.0%	126.6%	100.0%	105.0%	105.0%	100.0%		98.8%
Elbert								130.0%	98.8%
El Paso									98.8%
Fremont	102.0%	105.0%	112.7%	102.4%	120.0%	100.0%		130.0%	98.8%
Garfield								130.0%	98.8%
Gilpin									98.8%
Grand									98.8%
Gunnison								130.0%	98.8%
Hinsdale	120.0%	120.0%	109.6%	100.0%	105.0%	100.0%			98.8%
Huerfano	100.0%		91.1%	100.0%	102.2%	100.0%		130.0%	98.8%
Jackson	110.0%	105.0%	102.7%	100.0%	102.2%	100.0%		130.0%	98.8%
Jefferson									98.8%
Kiowa								130.0%	98.8%
Kit Carson								130.0%	98.8%
Lake									98.8%
La Plata								130.0%	98.8%
Larimer								130.0%	98.8%
Las Animas								130.0%	98.8%
Lincoln								130.0%	98.8%
Logan								130.0%	98.8%
Mesa								130.0%	98.8%
Mineral	116.0%	125.0%	103.5%	100.0%	102.2%	100.0%			98.8%
Moffat								130.0%	98.8%
Montezuma								130.0%	98.8%
Montrose								130.0%	98.8%
Morgan								130.0%	98.8%
Otero	100.0%	103.0%	104.2%	102.3%	103.0%	95.0%			98.8%
Oury	110.0%	105.0%	109.0%	100.0%	102.2%	100.0%			98.8%
Park									98.8%
Phillips								130.0%	98.8%
Pitkin					102.2%				98.8%
Prowers	100.0%	102.0%	101.5%	100.0%	102.2%	100.0%		130.0%	98.8%
Pueblo									98.8%
Rio Blanco								130.0%	98.8%
Rio Grande									98.8%
Routt								130.0%	98.8%
Saguache	108.0%	102.0%	100.0%	100.0%	104.0%	100.0%			98.8%
San Juan									98.8%
San Miguel								130.0%	98.8%
Sedgwick	100.0%	101.0%	100.8%	100.7%	85.0%	100.0%		130.0%	98.8%
Summit									98.8%
Teller									98.8%
Washington								130.0%	98.8%
Weld								130.0%	98.8%
Yuma								130.0%	98.8%
COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA

PROJECTED RATES OF CHANGE

ADDENDUM E.5

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	-5.0%	-12.0%	0.0%	0.0%	2.2%	0.0%		30.0%	-1.2%	-5.6%
Alamosa	20.5%	7.5%	14.0%	3.2%	-8.0%	-0.1%			-1.2%	8.3%
Arapahoe	31.4%	-7.6%	14.4%	2.0%	2.4%	132.5%		30.0%	-1.2%	2.3%
Archuleta	17.0%	15.0%	10.9%	0.0%	2.2%	0.0%		30.0%	-1.2%	14.9%
Baca	1.0%	1.0%	-1.7%	-8.6%	2.0%	0.8%		30.0%	-1.2%	4.1%
Bent	0.0%	3.9%	0.0%	0.0%	-0.5%	318.0%		30.0%	-1.2%	4.6%
Boulder	2.5%	3.4%	4.9%	3.0%	13.3%	-35.3%	-21.4%	30.0%	-1.2%	3.7%
Broomfield	2.1%	-3.0%	1.3%	-0.4%	123.3%	0.0%		30.0%	-1.2%	-0.5%
Chaffee	19.2%	14.7%	3.2%	-6.8%	2.2%	0.0%			-1.2%	11.5%
Cheyenne	2.3%	-0.1%	-7.4%	-1.4%	4.2%	-4.1%		30.0%	-1.2%	22.2%
Clear Creek	15.0%	10.0%	0.0%	64.2%	3.0%	0.0%	34.0%		-1.2%	23.4%
Conejos	21.0%	9.7%	22.7%	20.7%	9.5%	-2.2%			-1.2%	12.0%
Costilla	10.0%	10.0%	13.0%	0.0%	5.0%	0.0%			-1.2%	9.3%
Crowley	17.2%	0.0%	0.4%		0.8%	-20.4%			-1.2%	0.0%
Custer	10.0%	8.0%	6.7%	4.6%	0.6%	1.0%			-1.2%	7.5%
Delta	13.0%	8.0%	10.2%	6.4%	2.0%	5.0%		30.0%	-1.2%	7.5%
Denver	18.9%	-0.5%	15.5%	9.0%	-24.2%			30.0%	-1.2%	7.5%
Dolores	11.5%	8.9%	1.4%	-2.8%	-3.7%	0.6%		30.0%	-1.2%	11.4%
Douglas	-3.2%	1.3%	-4.4%	74.4%	-8.8%	-2.5%			-1.2%	-0.1%
Eagle	35.0%	15.0%	26.6%	0.0%	5.0%	5.0%	0.0%		-1.2%	19.2%
Elbert	-1.4%	-10.0%	-7.7%	19.3%	-5.5%	-2.3%		30.0%	-1.2%	-7.5%
El Paso	8.5%	2.1%	5.1%	2.7%	-0.7%	-1.3%			-1.2%	3.3%
Fremont	2.0%	5.0%	12.7%	2.4%	20.0%	0.0%		30.0%	-1.2%	5.5%
Garfield	30.0%	28.6%	26.9%	4.4%	35.0%	5.0%	9.5%	30.0%	-1.2%	28.8%
Gilpin	6.0%	2.5%	-2.6%	0.0%	3.8%	0.0%	0.0%		-1.2%	-0.4%
Grand	9.0%	4.7%	14.1%	0.3%	1.3%	-1.6%	33.1%		-1.2%	8.6%
Gunnison	6.3%	10.2%	9.8%	33.6%	4.2%	-7.0%	-0.1%	30.0%	-1.2%	7.4%
Hinsdale	20.0%	20.0%	9.6%	0.0%	5.0%	0.0%			-1.2%	17.4%
Huerfano	0.0%	-7.7%	-8.9%	0.0%	2.2%	0.0%		30.0%	-1.2%	0.0%
Jackson	10.0%	5.0%	2.7%	0.0%	2.2%	0.0%		30.0%	-1.2%	7.0%
Jefferson	4.0%	-1.7%	7.7%	1.6%	39.5%	0.0%	0.0%		-1.2%	1.6%
Kiowa	-4.6%	2.7%	0.6%		13.3%	0.0%		30.0%	-1.2%	16.1%
Kit Carson	11.8%	1.8%	-15.3%	2.2%	-3.2%	3.2%		30.0%	-1.2%	-5.2%
Lake	-0.1%	5.1%	0.8%	-1.5%	24.8%	-1.8%	-24.7%		-1.2%	0.6%
La Plata	3.4%	3.9%	2.9%	3.1%	-12.4%	-0.5%		30.0%	-1.2%	17.9%
Larimer	10.2%	1.5%	5.7%	-4.8%	-13.2%	-0.2%		30.0%	-1.2%	2.8%
Las Animas	7.5%	0.0%	0.9%	1.2%	11.0%	-17.0%		30.0%	-1.2%	21.9%
Lincoln	7.8%	1.7%	5.2%	7.4%	1.8%	0.4%		30.0%	-1.2%	3.7%
Logan	-5.1%	6.2%	-2.2%	-0.1%	6.0%	-29.5%		30.0%	-1.2%	2.6%
Mesa	45.1%	19.2%	14.2%	17.6%	5.6%	10.7%		30.0%	-1.2%	19.0%
Mineral	16.0%	25.0%	3.5%	0.0%	2.2%	0.0%			-1.2%	16.4%
Moffat	52.2%	24.0%	29.6%	1.7%	4.4%	-27.9%		30.0%	-1.2%	8.4%
Montezuma	17.1%	9.9%	12.9%	9.2%	-5.3%	3.4%		30.0%	-1.2%	17.4%
Montrose	6.0%	7.0%	13.0%	13.0%	6.0%	3.0%	3.0%	30.0%	-1.2%	7.9%
Morgan	10.9%	-7.1%	1.0%	-2.4%	7.5%	22.7%		30.0%	-1.2%	-0.8%
Otero	0.0%	3.0%	4.2%	2.3%	3.0%	-5.0%			-1.2%	2.3%
Ouray	10.0%	5.0%	9.0%	0.0%	2.2%	0.0%			-1.2%	7.1%
Park	20.5%	6.9%	3.2%	18.4%	4.5%	35.6%	-1.0%		-1.2%	11.5%
Phillips	-1.5%	6.5%	4.2%	-1.8%	-0.6%	-6.2%		30.0%	-1.2%	3.9%
Pitkin	42.7%	30.6%	27.5%	27.5%	2.2%	9.7%			-1.2%	30.9%
Prowers	0.0%	2.0%	1.5%	0.0%	2.2%	0.0%		30.0%	-1.2%	1.6%
Pueblo	-2.7%	0.2%	-6.9%	4.5%	-2.6%	-0.2%			-1.2%	-1.5%
Rio Blanco	189.8%	35.5%	20.5%	0.4%	5.9%	1.7%		30.0%	-1.2%	24.8%
Rio Grande	13.5%	-2.0%	-1.7%	17.5%	-2.0%	-35.1%			-1.2%	1.6%
Routt	25.0%	45.0%	36.6%	36.9%	3.0%	10.0%		30.0%	-1.2%	35.0%
Saguache	8.0%	2.0%	0.0%	0.0%	4.0%	0.0%			-1.2%	3.9%
San Juan	10.9%	8.0%	3.4%	15.3%	-4.3%	1.2%			-1.2%	6.6%
San Miguel	13.4%	23.8%	21.6%	62.7%	3.8%	10.3%	10.7%	30.0%	-1.2%	21.0%
Sedgwick	0.0%	1.0%	0.8%	0.7%	-15.0%	0.0%		30.0%	-1.2%	-3.8%
Summit	38.5%	24.5%	16.4%	0.5%	36.7%	-17.8%			-1.2%	24.0%
Teller	2.0%	-1.3%	2.5%	3.5%	3.5%	6.0%	8.8%		-1.2%	1.6%
Washington	-4.2%	-3.7%	-1.1%	-0.2%	-0.2%	-7.4%		30.0%	-1.2%	10.4%
Weld	-6.3%	-9.4%	2.6%	5.5%	1.1%	-4.3%		30.0%	-1.2%	9.0%
Yuma	14.2%	2.4%	1.7%	-2.2%	-4.2%	-1.1%		30.0%	-1.2%	15.6%
WEIGHTED AVERAGE	15.1%	3.6%	9.6%	4.1%	1.7%	-3.0%	28.7%	30.0%	-1.2%	8.2%

SUMMARY OF 2009 ESTIMATED VALUES

ADDENDUM F

COUNTY	TOTAL	RESIDENTIAL	NON-RESIDENTIAL
Adams	4,400,374,038	1,916,273,172	2,484,100,866
Alamosa	142,901,934	48,515,814	94,386,120
Arapahoe	7,978,143,625	3,911,397,440	4,066,746,185
Archuleta	416,720,397	178,001,354	238,719,043
Baca	76,320,404	6,329,580	69,990,824
Bent	67,832,131	8,055,872	59,776,259
Boulder	5,831,057,522	3,184,854,290	2,646,203,232
Broomfield	1,061,074,998	410,700,072	650,374,926
Chaffee	375,557,250	179,470,520	196,086,730
Cheyenne	182,133,993	3,413,231	178,720,762
Clear Creek	534,704,446	111,222,254	423,482,192
Conejos	54,707,060	25,932,109	28,774,951
Costilla	122,460,874	9,490,731	112,970,143
Crowley	34,840,880	5,686,154	29,154,726
Custer	94,460,116	50,470,380	43,989,736
Delta	342,045,702	163,054,180	178,991,522
Denver	11,719,199,826	4,489,857,355	7,229,342,471
Dolores	60,307,254	11,382,881	48,924,373
Douglas	4,672,026,065	2,745,083,351	1,926,942,714
Eagle	3,800,026,125	2,408,055,208	1,391,970,918
Elbert	264,917,979	175,580,847	89,337,132
El Paso	6,801,070,064	3,624,464,850	3,176,605,214
Fremont	460,861,039	202,060,877	258,800,163
Garfield	4,200,252,242	626,317,500	3,573,934,742
Gilpin	350,986,815	57,021,910	293,964,905
Grand	930,600,991	423,485,260	507,115,731
Gunnison	836,674,352	366,829,230	469,845,122
Hinsdale	58,589,733	27,396,264	31,193,469
Huerfano	116,946,779	31,867,338	85,079,441
Jackson	32,880,959	9,052,069	23,828,890
Jefferson	7,476,191,935	4,256,856,580	3,219,335,355
Kiowa	38,457,719	1,933,690	36,524,029
Kit Carson	113,653,750	19,972,353	93,681,397
Lake	94,462,414	45,749,655	48,712,759
La Plata	3,501,305,193	611,641,320	2,889,663,873
Larimer	4,235,657,284	2,193,478,317	2,042,178,967
Las Animas	842,880,056	53,414,150	789,465,906
Lincoln	74,197,472	11,860,684	62,336,788
Logan	247,513,387	60,197,600	187,315,787
Mesa	2,238,784,793	1,029,406,318	1,209,378,475
Mineral	35,373,268	17,781,313	17,591,955
Moffat	480,145,017	66,962,275	413,182,742
Montezuma	514,191,701	124,951,000	389,240,701
Montrose	623,899,520	262,817,263	361,082,257
Morgan	379,669,935	83,834,640	295,835,295
Otero	119,747,397	44,036,350	75,711,047
Ouray	210,820,359	86,665,866	124,154,493
Park	465,408,279	229,262,839	236,145,440
Phillips	50,865,892	14,194,831	36,671,061
Pitkin	3,633,888,147	2,483,420,840	1,150,467,307
Prowers	122,610,801	24,499,870	98,110,931
Pueblo	1,271,779,797	627,656,233	644,123,564
Rio Blanco	1,025,232,300	41,087,932	984,144,368
Rio Grande	176,207,129	64,073,110	112,134,019
Routt	1,518,070,672	815,760,000	702,310,672
Saguache	63,998,334	17,113,427	46,884,907
San Juan	59,225,352	14,746,550	44,478,802
San Miguel	1,080,548,825	543,448,170	537,100,655
Sedgwick	55,688,228	5,248,263	50,439,965
Summit	1,967,857,048	1,232,800,492	735,056,556
Teller	476,817,905	197,003,317	279,814,588
Washington	124,984,832	10,113,117	114,871,715
Weld	4,989,402,938	1,140,599,850	3,848,803,088
Yuma	378,397,551	27,136,447	351,261,104
	94,708,610,820	41,871,046,753	52,837,564,067

COUNTY TOTAL RESIDENTIAL NON-RESIDENTIAL

526,018,175,291 = ACTUAL VALUE OF RESIDENTIAL
(Residential Assessed / 7.96%)

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

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

**THE ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR
2009 – 2010**

Pursuant to § 39-1-104.2(6) C.R.S.

January 15, 2009

SUMMARY

Section 39-1-104.2(3), C.R.S., is amended by the General Assembly during years of general reassessment by the adoption of a new residential target percentage and residential assessment rate. The figures enacted into law are the product of a study conducted in accordance with § 39-1-104.2(5)(c), C.R.S, by staff of the Division of Property Taxation (Division) under the direction of the Property Tax Administrator. This report documents the preliminary findings of the Residential Assessment Rate Study used for determining the 2009-2010 residential target percentage and the residential assessment rate. The preliminary findings of the study are as follows:

- The 2009-2010 residential target percentage is **46.82 percent**.
- The 2009-2010 projected residential assessment rate is **8.91 percent**.
- The residential assessment rate for 2007 and 2008 was **7.96 percent**. Section 20(4), art. X, COLO. CONST. (TABOR), requires voter approval for an increase to the assessment rate of a property class.

The target percentage listed above is based on known values that were reported by assessors in 2007 and 2008 on their Abstracts of Assessment. As such, the 46.82 percent figure is not anticipated to change. The projected residential assessment rate however, is based largely on estimated 2009 values, and the figure is likely to change prior to our final report in April.

Section 3(1)(b) of article X of the Colorado Constitution and § 39-1-104.2(5)(a), C.R.S., require an adjustment in the residential assessment rate in order to maintain a 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 (2008). The adjustment is intended to stabilize residential real property's share of the property tax base. The study includes three major calculations.

1. Using the total actual 2007 assessed value for nonresidential property, calculate what the total 2007 residential real property value should have been to exactly achieve the 2007 residential real property target percentage of 47.43 percent. Then, adjust the 47.43 percent target percentage to account for 2007 and 2008 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 2009 residential real property target percentage is 46.82 percent.
2. Estimate 2009 values and determine residential real property's share of the tax base assuming the residential assessment rate remains at 7.96 percent. The estimated 2009 tax base share for residential real property at an assessment rate of 7.96 percent is 44.04 percent.
3. Calculate the estimated residential assessment rate necessary to ensure that residential real property's share of the 2009 tax base equals the 2009 residential target percentage of 46.82 percent. The residential assessment rate is projected to be 8.91 percent.

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

The following table lists the estimated changes in assessed value by class of property between 2008 and 2009.

COMPARISON OF 2008 AND ESTIMATED 2009 ASSESSED VALUES BY CLASS

<u>Class of Property</u>	<u>2008 Assessed</u>	<u>Estimated 2009</u>	<u>% Change</u>	<u>% of Total</u>
VACANT LAND	5,662,626,048	6,287,068,387	11.0%	6.7%
RESIDENTIAL	40,409,568,301	41,584,847,746	2.9%	44.0%
COMMERCIAL	24,568,284,284	27,433,419,093	11.7%	29.1%
INDUSTRIAL	2,924,513,948	3,043,485,923	4.1%	3.2%
AGRICULTURAL	837,104,612	854,064,066	2.0%	0.9%
NAT RESOURCES	377,950,820	377,373,365	-0.2%	0.4%
PRODUCING MINES	402,311,464	492,552,380	22.4%	0.5%
OIL & GAS	7,677,144,558	9,777,643,111	27.4%	10.4%
STATE ASSESSED	<u>4,690,502,541</u>	<u>4,573,239,977</u>	<u>-2.5%</u>	<u>4.8%</u>
TOTAL	87,550,006,576	94,423,694,049	7.9%	100.0%

Note: The comparison between 2008 and 2009 is based upon the current residential assessment rate of 7.96 percent. If the 2009 estimated residential rate of 8.91 percent is used, the “% of Total” associated with residential would equal the target percentage of 46.82 percent.

THE TABOR / GALLAGHER CONFLICT AND SCHOOL FUNDING

This is the fourth time that the study resulted in a residential assessment rate calculation greater than the rate most recently enacted into law. Such an occurrence makes relevant a conflict in the Colorado Constitution. Section 3(1)(b) of article X of the Colorado Constitution and § 39-1-104.2(5)(a), C.R.S., require that the rate be adjusted (up or down) to achieve the residential target percentage, but section 20(4)(a) of article X of the Colorado Constitution (TABOR), requires voter approval for an increase. When this occurred in 1999, 2005 and 2007, the General Assembly reenacted the previous residential assessment rate. The rate enacted into law for assessment years 2007 and 2008 was 7.96 percent.

The impact of TABOR’s prohibition against raising the residential assessment rate without voter approval is difficult to estimate across the board for all property taxing jurisdictions. However, due to the passage of SB 07-199, most school districts’ total program mill levies are fixed. Consequently, the TABOR impacts can be estimated for this component of property tax revenue. If the residential assessment rate were increased to 8.91 percent as the Gallagher amendment originally anticipated, Colorado’s 2009 total taxable value would increase from an estimated \$94,423,694,000 to \$99,386,710,000, generating an additional \$107,050,000 of property tax revenue from the school district total program mill levies.

RECAP OF RESIDENTIAL ASSESSMENT RATES

<u>Years</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%
2007-08	7.96%	8.19%

RESIDENTIAL ASSESSMENT RATE ESTIMATION METHODOLOGY

In September through November of the year prior to the effective year of the new rate, data reported in each county's Abstract of Assessment is reviewed, corrected where necessary, and entered into the Residential Assessment Rate Model. County assessors are asked to provide the Division with an electronic version of their qualified residential, commercial, industrial, and vacant land sales that occurred over the 24-months that preceded the new appraisal date. (The appraisal date for tax years 2009 and 2010 is June 30, 2008.) The data requested includes the sale price, sale date, actual value (from the prior base year), and property class code for each qualified sale. Division staff "time-trends" the sales data using a weighted monthly median sales ratio regression analysis to develop preliminary value change estimates for each county submitting data.

In December, Division staff meets with county assessors and appropriate staff to review the time trending results and mutually develop value change estimates for the vacant land, residential, commercial, and industrial property classes. By this time, the county has often begun its own time trending studies, and has been analyzing other appraisal information, such as property income, vacancy rates, and capitalization rates. For the commercial and industrial classes, the percentage change estimates developed with assessors are for real property only. The Division calculates weighted averages between these projections and a statewide change estimate developed for commercial and industrial personal property. The Division estimated no change for 2009 commercial and industrial personal property.

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

and the Department of Local Affairs after consulting with state oil and gas experts and county assessors. 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 state assessed property class, comprised of both personal and real property.

The preliminary results are reported to the General Assembly by January 15, pursuant to 39-1-104(6), C.R.S. All counties will be contacted in April 2009 to update their initial projections. At this time, 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 2008 assessed values and entered into the Residential Assessment Rate Model. The 2009 value estimates are the product of the 2008 abstract values multiplied by the change estimate factors. The updated study results are 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>	2008 assessed values from county abstracts.
<u>Addendum D:</u>	Percentage change estimates from assessors and Division studies.
<u>Addendum E:</u>	Estimated 2009 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>	2007 and 2008 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 – P:</u>	Net increase in production of each subclass of oil and gas leaseholds and land. The sum of these changes is used in the target percentage calculation.
<u>Addenda Q:</u>	Estimated school total program revenue loss with residential rate set at 7.96 percent vs. 8.91 percent.
<u>Addenda R:</u>	History of the residential assessment rate.

(Note: The addenda identified above were submitted as part of this report on January 15, 2009. They are available on request.)