

Division of Property Taxation

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

ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR 2011-2012

Pursuant to § 39-1-104.2(6), C.R.S.

April 15, 2011

FINAL ANALYSIS

The final residential assessment rate estimate for property tax years 2011-2012 is **8.77 percent**. This figure replaces the preliminary estimate of 8.59 percent found in the attached report dated January 14, 2011. The residential target percentage of **46.53 percent** remains unchanged from the figure we provided in our preliminary 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 2011 new construction (built during 2010) will be used to adjust the 2013-2014 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 reported on January 14 and the final percentage change estimates found in this report.

Property Class	Preliminary 2011 Estimate	es Final 2011 Estimates	<u>\$</u>	<u>Difference</u>
Residential	9.4%	9.6%	\$	(68,698,949)
Non-Residential:				
I TOIL ILUDIOUS	17.4%	16.4%	\$	60,029,827
Commercial	11.2%	7.1%	\$	1,088,705,085
Industrial	4.9%	4.4%	\$	19,332,576
Agricultural	+ 5.7%	+ 6.9%	\$	9,960,396
Nat. Resources	s 16.9%	0.4%	\$	67,576,845
Prod. Mines	+13.8%	+ 7.4%	\$	(35,720,668)
Oil and Gas	+32.0%	+28.0%	\$	(249,979,333)
State Assessed	1+ 4.4%	+ 3.4%	\$	(49,073,429)
Non-Residential T	otal:		\$	910,831,299

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

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

Addendum A: 2011 Residential Target Percentage Calculation

The target percentage from the 2009 residential rate study, 46.82 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 46.53 percent. The new construction and production change figures are calculated on Addenda G through O, which are available upon request.

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

Addendum B: 2011 Residential Assessment Rate Calculation

The residential assessment rate shown on Addendum B is our estimate of the residential assessment rate that would achieve a statewide total assessed value consisting of 46.53 percent residential property value and 53.47 percent non-residential property value.

Addendum C: Totals from 2010 Abstracts

Addendum C shows the assessed values reported last year by county assessors on their 2010 Abstracts of Assessment.

Addendum D: 2011 Estimated Values

Addendum D displays 2011 value estimates provided by county assessors and those estimated by the Division.

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

Counties also do not yet have the information they need to revalue the real and personal property classified as natural resources, producing mines and oil and gas. They generally provided percentage change estimates for natural resources and producing mines, and the Division estimated at statewide increase of 28 percent for oil and gas. The oil and gas

estimate was developed using data obtained from the Colorado Oil and Gas Conservation Commission and the Department of Local Affairs after consulting with oil and gas experts and county assessors. The Division also updated its estimate of state assessed property, calculating a statewide increase of 3.4 percent for the state assessed property class.

Addendum E: Projected Rates of Change

This addendum shows the percentage change between the 2010 abstract values shown on addendum C and the 2011 projected values shown on addendum D.

2011 RESIDENTIAL TARGET PERCENTAGE CALCULATION

ADDENDUM A

STEP #1: Calculate the 2009 residential assessed value that would have achieved the 2009 target percentage.

ESTIMATED 2009 RESIDENTIAL ASSESSED	X	0.468242595
		=
ACTUAL 2009 NON-RESIDENTIAL ASSESSED	55,486,961,573	0.531757405
		1.000000000
ESTIMATED 2009 RESIDENTIAL ASSESSED X =	48,859,420,925	

The target percentages shown in step #1 are the non-rounded versions of the target percentages enacted into law in 2009.

STEP #2: Add 2009 + 2010 net new construction and increased production to the 2009 res. and non-res. totals.

ADJUSTED TOTAL NON-RESIDENTIAL	57,716,796,173	
ACTUAL 2009 NON-RESIDENTIAL	55,486,961,573	
TOTAL NON-RESIDENTIAL NEW CONST. & PROD.	2,229,834,600	
2010 - 2008 Net Oil & Gas	720,972,325	Sum of Addenda K - O
2010 - 2008 Net Earth & Stone	-14,286,142	Addendum J
2010 - 2008 Net Coal	-27,388,028	Addendum I
2010 - 2008 Net Mines	-104,390,459	Addendum H
2010 Net Other New Constuction	644,900,448	Addendum G
2009 Net Other New Construction	1,010,026,455	Addendum G
ADJUSTED TOTAL RESIDENTIAL	50,217,445,026	
ESTIMATED 2009 RESIDENTIAL	48,859,420,925	
TOTAL RESIDENTIAL NEW CONSTRUCTION	1,358,024,101	
2010 Net Residential New Construction	<u>554,912,010</u>	Addendum G
2009 Net Residential New Construction	803,112,091	Addendum G

STEP #3: Calculate the 2011 target percentages from 2009 values adjusted for new construction and production.

ADJ 2009 RES ASSESSED	50,217,445,026	46.52596291%		46.53%
		=	OR	
ADJ 2009 OTHER ASSESSED	57,716,796,173	53.47403709%		53.47%

The figure \$55,486,961,573 is the total non-residential taxable value reported on county abstracts in 2009.

The figure \$48,859,420,925 is the hypothetical residential assessed value that would have exactly achieved the 2009 target percentage.

2011 RESIDENTIAL ASSESSMENT RATE CALCULATION

Χ

ADDENDUM B

Estimated 2011

Non-Residential Assessed \$48,885,701,852

Addendum F

Non-Res Target % 53.47403709%

Total Assessed Target Value \$91,419,508,440

Addendum A

Total Assessed Target Value

\$91,419,508,440

Residential Target % 46.52596291%

Addendum A

Residential Assessed Target Value

\$42,533,806,588

Residential Assessed Target Value

\$42,533,806,588

Estimated 2011 Residential Actual Value \$485,213,338,859

Addendum F

Residential Assessment Rate 8.766001093102%

8.77% rounded

TOTALS FROM 2010 COUNTY ABSTRACTS OF ASSESSMENT ADDENDUM C						DDENDUM C				
COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	156,155,870	2,015,295,810	1,680,969,270	311,576,270	19,260,420	7,701,910	-	32,004,830	378,655,300	4,601,619,680
Alamosa	14,142,305	49,791,969	48,777,829	1,049,811	15,273,156	158,009	-	-	13,785,500	142,978,579
Arapahoe	236,088,290	3,988,026,170	3,346,834,380	33,333,050	10,971,650	658,790	-	4,584,900	342,950,200	7,963,447,430
Archuleta Baca	139,357,470 313,988	190,620,740 6,184,864	55,862,090 5,273,108	1,655,920 146,827	6,692,109 16,339,565	400,160 1,222,752	-	20,354,060 5,645,699	9,830,200 36,357,200	424,772,749 71,484,003
Bent	426,439	7,780,068	19,149,797	258,041	16,448,880	680,578	-	865,280	26,854,900	72,463,983
Boulder	179,187,870	3,172,955,440	1,764,909,840	493,862,850	11,542,670	1,642,980	17,520	22,456,220	161,685,800	5,808,261,190
Broomfield	45,696,390	432,519,415	461,645,210	89,521,390	450,190	9,430	-	6,052,730	51,520,400	1,087,415,155
Chaffee	82,069,820	183,857,510	94,301,280	8,665,380	4,704,890	5,111,740	-	-	17,132,500	395,843,120
Cheyenne	221,099	3,468,771	3,517,409	1,344,329	15,401,974	1,857,303	-	84,595,473	16,214,978	126,621,336
Clear Creek Conejos	25,848,320 9,296,355	106,803,850 26,882,628	27,908,320 4,498,032	752,930 695,024	106,740 8,874,151	4,310,610 70,310	360,084,410	-	16,002,200 4,259,900	541,817,380 54,576,400
Costilla	100,252,157	12,785,002	3,586,107	372,078	6,783,742	334,374	-	-	6,576,008	130,689,468
Crowley	305,957	5,890,071	20,218,509	-	4,019,803	385,112	-	-	4,204,008	35,023,460
Custer	24,508,740	53,536,500	7,615,600	250,100	5,837,460	609,200	-	-	3,901,600	96,259,200
Delta	32,522,100	174,448,480	67,435,070	4,635,480	11,946,740	33,493,840	-	1,599,940	29,178,800	355,260,450
Denver	219,158,050	4,574,934,180	6,104,234,510	251,641,350	43,740	-	-	26,940	835,774,200	
Dolores	8,108,003	12,569,645	3,520,326	1,186,053	2,763,519	608,676	-	36,096,749	13,274,400	78,127,371
Douglas Eagle	328,783,960 323,514,540	2,833,355,670 2,470,983,640	1,466,126,830 756,283,660	113,964,890 12,713,200	18,580,170 5,253,220	344,080 885,250	- 57,240	-	158,980,100 61,946,700	4,920,135,700 3,631,637,450
El Paso	378,608,170	3,727,014,550	2,190,288,680	232,206,350	14,210,590	6,501,120	-	_	287,577,100	6,836,406,560
Elbert	25,586,180	186,861,770	25,626,860	1,232,990	14,704,080	1,165,600	-	2,332,460	19,144,800	276,654,740
Fremont	49,630,020	200,886,660	80,425,310	75,858,450	6,642,390	5,476,730	-	4,243,620	29,390,800	452,553,980
Garfield	214,785,450	655,603,940	387,893,450	14,368,840	9,725,660	4,256,640	131,310	1,932,805,840	78,238,500	3,297,809,630
Gilpin	50,192,760	59,662,120	255,678,370	145,690	277,090	10,827,730	350,050	-	7,153,130	384,286,940
Grand Gunnison	193,089,390 236,789,260	440,566,570 369,274,540	109,122,970 118,971,620	105,310,910 3,938,380	7,281,430 7,948,180	232,200 86,864,140	97,944,710 352,960	4,672,580	31,824,200 12,051,600	985,372,380 840,863,260
Hinsdale	21,028,160	30,479,600	7,918,090	206,200	520,890	571,100	59,190	4,072,360	772,100	61,555,330
Huerfano	19,030,637	37,154,055	21,542,784	246,721	6,935,448	509,172	-	14,808,475	24,307,400	124,534,692
Jackson	1,908,781	9,204,136	3,905,701	2,373,179	9,900,213	128,478	-	5,659,015	2,318,100	35,397,603
Jefferson	223,016,960	4,272,079,190	2,305,637,810	264,750,570	11,203,300	2,366,600	57,210	5,650	277,320,600	7,356,437,890
Kiowa	71,490	2,021,420	1,096,100	-	15,055,780	1,217,340	-	8,645,270	4,310,540	32,417,940
Kit Carson	901,256	20,892,443	35,806,336	1,130,444	37,101,771	1,008,900	-	1,363,986	32,997,100	131,202,236
La Plata Lake	219,828,680 22,430,145	635,029,760 52,007,765	400,978,090 10,748,519	45,773,670 610,860	12,642,800 206,989	11,528,060 1,481,916	- 9,549,579	937,311,060	75,132,600 11,180,500	2,338,224,720 108,216,273
Larimer	285,159,470	2,221,433,310	1,317,134,220	286,857,580	18,005,790	4,100,730	-	5,488,503	100,639,700	4,238,819,303
Las Animas	20,504,930	56,915,090	37,775,460	3,417,830	16,851,010	1,909,670	-	240,199,400	73,845,800	451,419,190
Lincoln	1,536,950	11,944,300	14,046,567	195,774	15,354,324	1,720,100	-	13,060,793	25,085,245	82,944,053
Logan	2,727,670	59,135,430	41,308,780	15,360,970	32,395,350	386,970	-	10,384,840	93,285,400	254,985,410
Mesa	168,746,450	1,057,374,460	635,702,630	121,306,990	23,766,650	2,364,370	264,840	193,143,470	113,688,000	2,316,357,860
Mineral Moffat	8,295,150 11,799,760	16,489,530 64,914,940	6,048,940 44,943,750	121,220 2,221,500	915,640 7,422,600	330,180 54,043,050	-	80,000,830	1,319,400 208,030,400	33,520,060 473,376,830
Montezuma	29,492,700	137,677,250	66,942,140	11,327,430	12,691,510	2,096,490	-	241,485,350	41,930,100	543,642,970
Montrose	71,089,940	263,052,510	177,699,750	26,697,860	19,718,760	4,993,910	381,140	-	58,757,700	622,391,570
Morgan	5,882,220	94,448,290	60,660,860	49,314,990	35,994,140	127,720	-	4,645,540	162,531,300	413,605,060
Otero	1,532,363	43,605,990	27,233,688	5,489,951	16,055,089	207,476	-	-	30,081,100	124,205,657
Ouray	72,169,750	92,212,500	33,497,890	522,030	3,295,080	2,744,640	156,600	-	6,201,090	210,799,580
Park Phillips	174,205,530	236,802,860 14,461,060	30,329,722 11,539,280	889,802 154,400	6,778,330 18,298,980	4,382,140	5,156	2 651 000	16,353,000 3,665,700	469,746,540 52,398,490
Pitkin	321,930 399,516,200	2,578,516,740	668,528,380	893,700	7,359,220	306,050 5,489,760	-	3,651,090	26,521,400	3,686,825,400
Prowers	906,500	24,404,070	25,159,030	2,919,370	26,537,560	1,299,580	-	2,977,470	37,807,400	122,010,980
Pueblo	75,071,130	631,402,294	302,221,434	218,744,778	10,314,913	3,088,651	-	-	160,235,700	1,401,078,900
Rio Blanco	7,110,610	43,389,230	28,967,040	326,556,010	12,961,100	34,058,620	-	568,248,780	109,382,000	1,130,673,390
Rio Grande	40,770,972	65,653,148	43,478,539	1,712,989	17,991,142	357,075	-		11,001,258	180,965,123
Routt	238,318,815	759,436,989	294,350,125	7,652,313	22,482,079	57,386,630	-	3,104,378	85,833,000	1,468,564,329
Saguache San Juan	19,195,950 19,153,610	18,034,680 14,790,910	5,696,620 10,560,920	314,420 768,510	12,149,810 1,690	1,241,460 9,608,500	-	-	5,340,700 2,717,900	61,973,640 57,602,040
San Miguel	245,391,020	537,203,510	125,536,060	5,205,340	8,017,130	3,773,100	-	26,180,490	14,608,500	965,915,150
Sedgwick	82,380	5,380,610	3,506,700	141,160	13,347,930	123,963	-	98,000	31,999,189	54,679,932
Summit	267,985,056	1,258,530,777	368,556,692	11,312,337	1,741,461	1,343,936	-	-	29,285,000	1,938,755,259
Teller	83,303,150	195,433,260	107,293,700	5,071,480	1,831,380	2,947,650	86,870,130	-	13,668,800	496,419,550
Washington	220,760	10,777,809	3,922,075	336,457	28,188,375	1,175,162	-	28,079,460	38,185,500	110,885,598
Weld	107,728,310	1,161,744,960	716,330,330	338,006,010	100,980,520	12,734,420	-	1,601,870,660	586,049,300	4,625,444,510
Yuma	1,000,460	28,231,110	25,164,230	10,442,870	56,281,250	895,790	-	100,733,490	49,724,000	272,473,200
TOTALS	5,942,074,798	42,724,826,559	27,132,443,419	3,529,734,298	883,380,213	409,858,623	556,282,045	6,249,483,321	5,220,577,546	92,648,660,822

ADDENDUM D

2011 ESTIMATED VALUES

(With Residential at 7.96 percent)

COUNTY VAC RES COM IND AGR NAT MIN 0&G STA TOTAL Adams 154,594,311 1,954,836,936 1,660,953,458 306,178,403 19,453,024 7,610,670 0 40,966,182 391,643,177 4,536,236,161 Alamosa 15,456,624 51,285,728 49,556,460 1,039,498 15,731,351 163,432 14,258,343 147,491,436 0 0 Arapahoe 252.626.920 3.766.587.840 3,063,016,074 32.083.707 12.029.008 781.890 0 5.868.672 354,713,392 7,487,707,503 Archuleta 87.795.206 141.059.348 49.564.932 1.485.393 7.143.826 396.428 0 26.053.197 10.167.376 323.665.706 Baca 333,400 6,290,000 5,256,944 145,373 16,498,000 1,230,000 0 7,226,495 37,604,252 74,584,464 Bent 425,006 7,796,671 19,130,132 257,120 16,431,398 677,163 0 1,107,558 27,776,023 73,601,071 17.170 Boulder 174.470.513 3.108.843.443 1.706.413.213 470.435.250 13.721.491 1,636,449 28.743.962 167.231.623 5.671.513.114 Broomfield 47,981,210 426,139,534 443,671,582 86,119,933 400,000 9,000 0 7,747,494 53,287,550 1,065,356,303 Chaffee 68,478,613 161,794,609 8,642,494 9,120,242 0 96,140,320 5,092,920 0 17,720,145 366,989,343 Cheyenne 263,399 4,115,048 3,309,404 1,256,833 18,215,140 1,870,992 0 108,282,205 16,771,152 154,084,173 Clear Creek 24,574,870 97,546,880 31,028,693 724,978 111,770 4,401,254 391.526.313 0 16,551,075 566,465,833 Coneios 9.692.039 29,291,228 5.969.500 718.037 11.141.853 70.601 0 0 4.406.015 61.289.273 Costilla 96.172.721 13.110.769 3.608.013 359.257 9.227.035 316.481 0 0 6.801.565 129.595.841 0 0 5.773.240 25.459.020 0 3.962.433 0 4.348.205 39.904.324 Crowley 361.426 Custer 27,947,020 53,476,770 7,776,238 243,785 5,878,160 611.590 0 0 4,035,425 99,968,988 Delta 30.721.100 168,472,510 61,334,995 4,300,715 12,680,694 23,445,688 0 2,047,923 30,179,633 333.183.258 203,853,390 4,356,285,000 5,336,831,306 232,629,768 53,230 0 0 34,483 864,441,255 10,994,128,432 Denver Dolores 7,958,382 12,755,210 3,706,529 1,800,760 2,772,032 607,717 0 46,203,839 13,729,712 89,534,181 Douglas 248,124,820 2,581,954,918 1,383,164,660 109.378.500 17,380,610 381.740 0 0 164.433.117 4.504.818.365 Eagle 216,208,840 1,711,898,310 620,360,950 10,740,528 4,100,910 777,889 56,095 0 64,071,472 2,628,214,994 3,436,408,890 2,092,204,820 El Paso 325.895.810 220,648,250 13.322.770 0 0 297.440.995 6.103.070 6,392,024,605 22,892,850 23,388,960 19,725,232 1,151,705 0 2,985,549 19,801,467 259,235,081 Elbert 168,175,593 1,113,726 5.434.305 0 5.431.834 Fremont 49.133.720 188.833.460 80.203.185 74.671.373 6.974.510 30.398.904 441.081.291 Garfield 137,920,450 467,347,810 352,431,780 13,588,350 10,851,440 4.028.986 131,310 2,473,991,475 80,922,081 3,541,213,682 Gilpin 50,192,760 58,468,878 238,336,382 142,776 279,861 10,394,621 343,049 0 7,398,482 365,556,809 Grand 161,804,180 350.754.550 90.408.560 70.293.432 7.825.750 239 545 106.497.060 0 32.915.770 820.738.848 Gunnison 190.000.000 295.400.000 97.369.254 3.197.509 7.950.000 85.889.307 345.901 5.980.902 12.464.970 698.597.843 70,690 Hinsdale 20,714,040 31,300,260 7,613,149 226,711 522,350 571,100 0 798,583 61,816,883 Huerfano 21,196,026 37,875,786 19,542,278 212,277 7,110,224 478,020 0 18,954,848 25,141,144 130,510,603 Jackson 1.900.000 9.200.000 3.890.865 2.345.040 10.296.222 130.000 0 7.243.539 2.397.611 37.403.277 Jefferson 205,763,049 4,117,652,758 2,204,863,767 261,751,627 13,371,409 2,365,295 57,211 7,232 286,832,697 7,092,665,045 2,050,980 1,098,750 0 15,174,630 0 11,065,946 4,458,392 Kiowa 72,230 1,215,140 35,136,067 Kit Carson 905,000 25,633,641 32,920,766 1,220,906 37,554,161 1,008,000 0 1,745,902 34,128,901 135,117,277 La Plata 173,308,670 579,040,480 384,545,648 43,218,576 12,932,480 11,361,758 0 1,199,758,157 77,709,648 2,481,875,417 9.828,346 Lake 22 430 145 52.007.765 10 718 875 610 252 206 989 1.481.326 0 11.563.991 108.847.689 Larime 232.224.440 2.201.048.393 1.299.332.878 268,336,261 18.251.907 4.017.520 0 7,025,284 104.091.642 4.134.328.325 Las Animas 20.216.469 56.144.892 36.143.506 3.447.170 17.691.555 1.821.422 0 307.455.232 76.378.711 519.298.957 Lincoln 1,536,950 11,585,971 13,765,636 193,490 17,963,352 1,720,100 0 16,717,815 25,945,669 89,428,983 2,385,070 57,875,000 41,150,409 16,373,964 34,428,986 356.566 0 13,292,595 96,485,089 262,347,679 Logan Mesa 132.714.110 848,020,020 576,017,870 113,406,439 23.513.297 3.030.352 524.383 247,223,642 117.587.498 2.062.037.611 Mineral 8,875,810 17,643,794 6,166,945 124,067 894,656 346,680 0 0 1,364,655 35,416,607 Moffat 11,567,082 61,924,772 43,064,088 2,022,621 7,447,461 51,287,765 0 102,401,062 215,165,843 494,880,694 Montezuma 29,769,680 125,827,377 66,648,502 11,160,229 12,423,100 2,116,646 0 309,101,248 43,368,302 600,415,084 367.665 Montrose 60.426.450 239.400.000 161.578.702 24.552.736 21.300.000 4.414.305 0 60.773.089 572.812.947 5,146,943 88,309,151 56,649,980 49,067,961 41,213,290 121,334 0 5,946,291 168,106,124 414,561,075 Morgan 0 Otero 1.527.843 43,474,690 27.240.396 5.397.551 18.122.908 186.851 0 127.063.121 31.112.882 Ouray 69,160,125 78,151,766 34.205.400 155,149 3,289,554 2.739.045 152.987 0 6,413,787 194,267,813 167,676,545 218,313,423 24,718,358 889,752 7,133,790 4,382,082 5,053 0 16,913,908 440,032,911 Park **Phillips** 322.310 14.706.470 11.252.500 153,476 20.632.484 332 750 0 4.673.395 3,791,434 55.864.819 Pitkin 285.235.180 1.919.036.030 587.106.260 744,690 7.471.800 4.641.429 0 0 27.431.084 2.831.666.473 Prowers 826.580 24.695.850 24.688.356 2.893.851 27.989.620 1.613.543 0 3.811.162 39.104.194 125.623.155 221,513,653 Pueblo 73,569,707 591,623,949 317,451,985 10,985,382 3,061,716 0 0 165,731,785 1,383,938,177 Rio Blanco 6.576.760 42.834.330 28.362.200 314.929.640 13.133.200 36.740.340 0 727.358.438 113.133.803 1.283.068.711 Rio Grande 38,094,420 64,956,595 45,780,030 1,771,612 21,472,667 374,600 0 0 11,378,601 183,828,525 126,568,282 569,408,459 244,575,690 6,296,242 24,097,365 66,762,428 0 3,973,604 88,777,072 1,130,459,142 Routt Saguache 19,195,950 18,000,000 5,683,558 312,798 12,399,810 1,239,292 0 0 5,523,886 62,355,294 0 San Juan 16,280,569 11,241,092 9,106,400 668,765 1,606 9,128,560 0 2,811,124 49,238,116 0 33.511.027 San Miguel 241.726.740 476.324.250 116.487.602 4.513.940 8.073.220 3.523.220 15.109.572 899 269 571 0 125,440 33,096,761 Sedawick 82.380 5.111.580 3.694.597 140.327 15.946.276 123,780 58.321.141 0 197.099.770 1.030.278.882 11.770.501 1.731.848 654.526 0 Summit 346.190.902 30.289.476 1.618.015.905 Teller 76.922.128 186,052,464 110,096,680 5,294,437 1,884,321 2,977,894 87.543.525 0 14,137,640 484.909.089 Washington 217,245 10,727,000 3,933,589 330,834 29,423,670 1,137,850 35,941,709 39,495,263 121,207,159 0 Weld 88,587,600 1,102,166,670 712.428.752 337,326,933 115,947,473 12.479.237 0 2.050.394.445 606,150,791 5,025,481,901 Yuma 808,270 0 128,938,867 51,429,533 298,391,461 1,037,580 28,634,060 24,472,660 10,128,244 52,942,247 TOTALS 4,967,739,458 38,622,981,773 25,193,783,893 3,375,698,470 943,929,758 408,101,507 597,466,758 7,999,338,651 5.399.643.356 87.508.683.625

PROJECTED	RATES OF	CHANGE							ADDI	ENDUM E
COUNTY	VAC	RES	СОМ	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	-1.0%	-3.0%	-1.2%	-1.7%	1.0%	-1.2%		28.0%	3.4%	-1.4%
Alamosa	9.3%	3.0%	1.6%	-1.0%	3.0%	3.4%			3.4%	3.2%
Arapahoe	7.0%	-5.6%	-8.5%	-3.7%	9.6%	18.7%		28.0%	3.4%	-6.0%
Archuleta	-37.0%	-26.0%	-11.3%	-10.3%	6.7%	-0.9%		28.0%	3.4%	-23.8%
Baca	6.2%	1.7%	-0.3%	-1.0%	1.0%	0.6%		28.0%	3.4%	4.3%
Bent Boulder	-0.3%	0.2%	-0.1%	-0.4%	-0.1%	-0.5%	2.00/	28.0%	3.4%	1.6%
Broomfield	-2.6% 5.0%	-2.0% -1.5%	-3.3% -3.9%	-4.7% -3.8%	18.9% -11.1%	-0.4% -4.6%	-2.0%	28.0% 28.0%	3.4% 3.4%	-2.4% -2.0%
Chaffee	-16.6%	-12.0%	2.0%	-0.3%	8.2%	78.4%		20.070	3.4%	-7.3%
Cheyenne	19.1%	18.6%	-5.9%	-6.5%	18.3%	0.7%		28.0%	3.4%	21.7%
Clear Creek	-4.9%	-8.7%	11.2%	-3.7%	4.7%	2.1%	8.7%		3.4%	4.5%
Conejos	4.3%	9.0%	32.7%	3.3%	25.6%	0.4%			3.4%	12.3%
Costilla	-4.1%	2.5%	0.6%	-3.4%	36.0%	-5.4%			3.4%	-0.8%
Crowley	18.1%	-2.0%	25.9%		-1.4%	-100.0%			3.4%	13.9%
Custer	14.0%	-0.1%	2.1%	-2.5%	0.7%	0.4%			3.4%	3.9%
Delta	-5.5%	-3.4%	-9.0%	-7.2%	6.1%	-30.0%		28.0%	3.4%	-6.2%
Denver	-7.0%	-4.8%	-12.6%	-7.6%	21.7%	0.00/		28.0%	3.4%	-8.3%
Dolores Douglas	-1.8% -24.5%	1.5% -8.9%	5.3% -5.7%	51.8% -4.0%	0.3% -6.5%	-0.2% 10.9%		28.0%	3.4% 3.4%	14.6% -8.4%
Eagle	-33.2%	-30.7%	-18.0%	-15.5%	-21.9%	-12.1%	-2.0%		3.4%	-27.6%
El Paso	-13.9%	-7.8%	-4.5%	-5.0%	-6.2%	-6.1%	2.070		3.4%	-6.5%
Elbert	-10.5%	-10.0%	-8.7%	-9.7%	34.1%	-1.2%		28.0%	3.4%	-6.3%
Fremont	-1.0%	-6.0%	-0.3%	-1.6%	5.0%	-0.8%		28.0%	3.4%	-2.5%
Garfield	-35.8%	-28.7%	-9.1%	-5.4%	11.6%	-5.3%	0.0%	28.0%	3.4%	7.4%
Gilpin	0.0%	-2.0%	-6.8%	-2.0%	1.0%	-4.0%	-2.0%		3.4%	-4.9%
Grand	-16.2%	-20.4%	-17.1%	-33.3%	7.5%	3.2%	8.7%		3.4%	-16.7%
Gunnison	-19.8%	-20.0%	-18.2%	-18.8%	0.0%	-1.1%	-2.0%	28.0%	3.4%	-16.9%
Hinsdale	-1.5%	2.7%	-3.9%	9.9%	0.3%	0.0%	19.4%	00.00/	3.4%	0.4%
Huerfano	11.4%	1.9%	-9.3%	-14.0%	2.5%	-6.1%		28.0%	3.4%	4.8%
Jackson Jefferson	-0.5% -7.7%	0.0% -3.6%	-0.4% -4.4%	-1.2% -1.1%	4.0% 19.4%	1.2% -0.1%	0.0%	28.0% 28.0%	3.4% 3.4%	5.7% -3.6%
Kiowa	1.0%	1.5%	0.2%	-1.170	0.8%	-0.1%	0.070	28.0%	3.4%	8.4%
Kit Carson	0.4%	22.7%	-8.1%	8.0%	1.2%	-0.1%		28.0%	3.4%	3.0%
La Plata	-21.2%	-8.8%	-4.1%	-5.6%	2.3%	-1.4%		28.0%	3.4%	6.1%
Lake	0.0%	0.0%	-0.3%	-0.1%	0.0%	0.0%	2.9%		3.4%	0.6%
Larimer	-18.6%	-0.9%	-1.4%	-6.5%	1.4%	-2.0%		28.0%	3.4%	-2.5%
Las Animas	-1.4%	-1.4%	-4.3%	0.9%	5.0%	-4.6%		28.0%	3.4%	15.0%
Lincoln	0.0%	-3.0%	-2.0%	-1.2%	17.0%	0.0%		28.0%	3.4%	7.8%
Logan	-12.6%	-2.1%	-0.4%	6.6%	6.3%	-7.9%	22.22/	28.0%	3.4%	2.9%
Mesa Mineral	-21.4% 7.0%	-19.8% 7.0%	-9.4% 2.0%	-6.5% 2.3%	-1.1% -2.3%	28.2% 5.0%	98.0%	28.0%	3.4% 3.4%	-11.0% 5.7%
Moffat	-2.0%	-4.6%	-4.2%	-9.0%	0.3%	-5.1%		28.0%	3.4%	4.5%
Montezuma	0.9%	-8.6%	-0.4%	-1.5%	-2.1%	1.0%		28.0%	3.4%	10.4%
Montrose	-15.0%	-9.0%	-9.1%	-8.0%	8.0%	-11.6%	-3.5%		3.4%	-8.0%
Morgan	-12.5%	-6.5%	-6.6%	-0.5%	14.5%	-5.0%		28.0%	3.4%	0.2%
Otero	-0.3%	-0.3%	0.0%	-1.7%	12.9%	-9.9%			3.4%	2.3%
Ouray	-4.2%	-15.2%	2.1%	-70.3%	-0.2%	-0.2%	-2.3%		3.4%	-7.8%
Park	-3.7%	-7.8%	-18.5%	0.0%	5.2%	0.0%	-2.0%		3.4%	-6.3%
Phillips	0.1%	1.7%	-2.5%	-0.6%	12.8%	8.7%		28.0%	3.4%	6.6%
Pitkin Provers	-28.6%	-25.6% 1.2%	-12.2%	-16.7%	1.5%	-15.5%		20 00/	3.4%	-23.2%
Prowers Pueblo	-8.8% -2.0%	1.2% -6.3%	-1.9% 5.0%	-0.9% 1.3%	5.5% 6.5%	24.2% -0.9%		28.0%	3.4% 3.4%	3.0% -1.2%
Rio Blanco	-2.0% -7.5%	-0.3% -1.3%	-2.1%	-3.6%	1.3%	-0.9% 7.9%		28.0%	3.4%	13.5%
Rio Grande	-6.6%	-1.1%	5.3%	3.4%	19.4%	4.9%		_0.070	3.4%	1.6%
Routt	-46.9%	-25.0%	-16.9%	-17.7%	7.2%	16.3%		28.0%	3.4%	-23.0%
Saguache	0.0%	-0.2%	-0.2%	-0.5%	2.1%	-0.2%			3.4%	0.6%
San Juan	-15.0%	-24.0%	-13.8%	-13.0%	-5.0%	-5.0%			3.4%	-14.5%
San Miguel	-1.5%	-11.3%	-7.2%	-13.3%	0.7%	-6.6%		28.0%	3.4%	-6.9%
Sedgwick	0.0%	-5.0%	5.4%	-0.6%	19.5%	-0.1%		28.0%	3.4%	6.7%
Summit	-26.5%	-18.1%	-6.1%	4.1%	-0.6%	-51.3%	0.007		3.4%	-16.5%
Teller	-7.7% 1.6%	-4.8% 0.5%	2.6%	4.4%	2.9%	1.0%	0.8%	20 00/	3.4%	-2.3%
Washington Wald	-1.6% -17.8%	-0.5% -5.1%	0.3%	-1.7% -0.2%	4.4% 14.8%	-3.2% -2.0%		28.0%	3.4%	9.3% 8.6%
Weld Yuma	3.7%	-5.1% 1.4%	-0.5% -2.7%	-0.2% -3.0%	-5.9%	-2.0% -9.8%		28.0% 28.0%	3.4% 3.4%	8.6% 9.5%
WEIGHTED	5.1 /0	1.7/0	2.1 /0	3.070	0.070	3.070		20.070	J.7/0	J.J/0
AVERAGE	-16.4%	-9.6%	-7.1%	-4.4%	6.9%	-0.4%	7.4%	28.0%	3.4%	-5.5%



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

THE ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR 2011 – 2012

Pursuant to § 39-1-104.2(6) C.R.S.

January 14, 2011

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 2011-2012 residential target percentage and the residential assessment rate. The preliminary findings of the study are as follows:

- The 2011-2012 residential target percentage is **46.53 percent**.
- The 2011-2012 projected residential assessment rate is **8.59 percent**.
- The residential assessment rate for 2009 and 2010 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 2009 and 2010 on their Abstracts of Assessment. As such, the 46.53 percent figure is not anticipated to change. The projected residential assessment rate however, is based largely on estimated 2011 values, and the figure is likely to change prior to our final report in April.

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

- 1. Using the total actual 2009 assessed value for nonresidential property, calculate what the total 2009 residential real property value should have been to exactly achieve the 2009 residential real property target percentage of 46.82 percent. Then, adjust the 46.82 percent target percentage to account for 2009 and 2010 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 2011-2012 residential real property target percentage is 46.53 percent.
- 2. Estimate 2011 values and determine residential real property's share of the tax base assuming the residential assessment rate remains at 7.96 percent. The estimated 2011 tax base share for residential real property at an assessment rate of 7.96 percent is 44.6 percent.
- Calculate the residential assessment rate that is estimated to achieve a statewide total taxable assessed value consisting of 46.53 percent residential property.

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

The following table lists the estimated changes in assessed value by class of property between 2010 and 2011.

COMPARISON OF 2010 AND ESTIMATED 2011 ASSESSED VALUES BY CLASS

Class of Property	2010 Assessed	Estimated 2011	% Change	% of Total
VACANT LAND	5,942,074,798	4,907,709,631	-17.4%	5.7%
RESIDENTIAL	42,724,826,559	38,691,680,722	-9.4%	44.6%
COMMERCIAL	27,132,443,419	24,105,078,808	-11.2%	27.8%
INDUSTRIAL	3,529,734,298	3,356,365,894	-4.9%	3.9%
AGRICULTURAL	883,380,213	933,969,362	5.7%	1.1%
NAT RESOURCES	409,858,623	340,524,662	-16.9%	0.4%
PRODUCING MINES	556,282,045	633,187,427	13.8%	0.7%
OIL & GAS	6,249,483,321	8,249,317,984	32.0%	9.5%
STATE ASSESSED	5,220,577,546	<u>5,448,716,785</u>	<u>4.4%</u>	<u>6.3%</u>
TOTAL	92,648,660,822	86,666,551,274	-6.5%	100.0%

Note: The comparison between 2010 and 2011 is based upon the current residential assessment rate of 7.96 percent. If the 2011 estimated residential rate of 8.59 percent is used, the "% of Total" associated with residential would equal the target percentage of 46.53 percent.

THE TABOR / GALLAGHER CONFLICT AND SCHOOL FUNDING

This is the fifth time that the study resulted in a residential assessment rate calculation greater than the rate most recently enacted into law. Such an occurrence makes relevant a conflict in the Colorado Constitution. Section 3(1)(b) of article X of the Colorado Constitution, and § 39-1-104.2(5)(a), C.R.S., require that the rate be adjusted (up or down) to achieve the residential target percentage, but section 20(4)(a) of article X of the Colorado Constitution (TABOR), requires voter approval for an assessment ratio increase for a property class. When this conflict occurred in 1999, 2005, 2007, and 2009, the General Assembly reenacted the previous residential assessment rate. The rate enacted into law for assessment years 2009 and 2010 was 7.96 percent.

The impact of TABOR's prohibition against raising the residential assessment rate without voter approval is difficult to estimate across the board for all property taxing jurisdictions. However, due to the passage of SB 07-199, most school districts' total program mill levies are fixed. Consequently, this TABOR impact can be estimated as it relates to the total program school mill levy. If the residential assessment rate were increased to 8.59 percent as the Gallagher amendment originally anticipated, Colorado's 2011 total taxable value would increase from an estimated \$86,666,551,000 to \$89,728,833,000, generating approximately \$67,600,000 of additional property tax revenue from the total program mill levies of school districts.

RECAP OF RESIDENTIAL ASSESSMENT RATES

Rate enacted into law	Rate calculated prior to application of TABOR
21.00%	
18.00%	
16.00%	
15.00%	
14.34%	
12.86%	
10.36%	
9.74%	
9.74%	9.83%
9.15%	
7.96%	
7.96%	8.17%
7.96%	8.19%
7.96%	8.85%
	21.00% 18.00% 16.00% 15.00% 14.34% 12.86% 10.36% 9.74% 9.74% 9.15% 7.96% 7.96%

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 2011 and 2012 is June 30, 2010.) The data requested includes the sale price, sale date, actual value (from the prior base year), and property class code for each qualified sale. Division staff "time-trends" the sales data using a weighted monthly median sales ratio regression analysis to develop preliminary value change estimates for each county submitting data.

In December, Division staff meets with county assessors and appropriate staff to review the time trending results and mutually develop value change estimates for the vacant land, residential, commercial, and industrial property classes. Assessors are also asked to provide estimates for agricultural land, natural resources and producing mines if they are ready to do so. By this time, the county has often begun its own time trending studies, and has been analyzing other appraisal information, such as property income, vacancy rates, and capitalization rates. For the commercial and industrial classes, the percentage change estimates developed with assessors are for real property only. The Division calculates weighted averages between these projections and a statewide change estimate developed for commercial and industrial personal property. The Division has estimated a two percent decline for 2011 commercial and industrial personal property.

Division staff members also develop statewide change estimates for oil and gas and state assessed property, and for the three smallest classes, agricultural land, natural resources, and producing mines. Oil and gas is an expanding and volatile class of property that is best approached at a statewide level. Division staff members estimate the change in this class based upon data obtained from the Colorado Oil and Gas Conservation Commission and the Department of Local Affairs after consulting with oil and gas experts and county assessors. For state assessed property, the same appraisers who value the property for tax purposes are asked to project future values based upon financial indicators for the various public utility sectors. The statewide estimates for agricultural land, natural resources, and producing mines are used when the county did not provide its own estimate or when the value of the class is small. The agricultural land estimate is based on changes to the 10-year averages of commodity prices, yields and expenses, while the estimates for natural resources and producing mines are based on estimates provided by some counties and on economic factors. Pursuant to § 39-1-104(6), C.R.S., the preliminary study results are reported to the State Board of Equalization and the General Assembly by January 15 of the year of revaluation (2011). The Division will submit a final report to the General Assembly in April 2011 after receiving updated value projections from county assessors.

ADDENDA

The following addenda are provided with this report.

Addendum A: Target percentage calculation.

Addendum B: Residential assessment rate calculation.

Addendum C: 2008 assessed values from county abstracts.

Addendum D: Percentage change estimates from assessors and Division studies.

Addendum E: Estimated 2009 values - The product of Addenda C and D.

Addendum F: A summary of Addendum E values (Used in the rate calculation).

Addendum G: 2007 and 2008 new construction (Used in target percentage

calculation).

Addendum H: Net increase in metallic mines production (Used in target

percentage calculation).

Addendum I: Net increase in coal mines production (Used in target percentage).

Addendum J: Net increase in earth and stone production (Used in target

percentage).

Addenda K – O: 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.

Addenda P: History of the residential assessment rate.

(Note: The addenda identified above were submitted as part of this report on January 14, 2011. They are available upon request.)