



COLORADO
Department of Local Affairs
Division of Property Taxation

Department of Local Affairs

Division of Property Taxation

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

ESTIMATED RESIDENTIAL ASSESSMENT RATE FOR

2015-2016

Pursuant to § 39-1-104.2(6), C.R.S.

April 15, 2015

FINAL ANALYSIS

The final residential assessment rate estimate for property tax years 2015-2016 is **8.24 percent**. This figure replaces the preliminary estimate of 8.30 percent found in the attached report dated January 15, 2015. The residential target percentage of **45.67 percent** remains unchanged from the preliminary report.

The Division of Property Taxation (Division) would not have been able to conduct either the preliminary or this final report without the cooperation of the county assessors throughout the state at arguably their busiest time during the two-year assessment cycle. Their cooperation and attention to the gathering of this information is critical to the accuracy of this evaluation. The residential assessment rate estimate was revised upon receiving updated value estimates from all sixty-four county assessors for the following property classes: vacant land, residential, commercial, industrial, agricultural, natural resources and producing mines. The estimates do not include new construction because 2015 new construction (built during 2014) will be used to adjust the 2017-2018 target percentage. The statewide estimates developed by the Division for the oil and gas and state assessed property classes were also updated.

The following table lists the preliminary percentage change estimates reported on January 15 and the final percentage change estimates found in this report.

Property Class	Preliminary 2015 Estimates	Final 2015 Estimates	Difference
Residential	14.3%	17.6%	1,272,037,006
Non-Residential			
Vacant	8.2%	13.2%	188,093,671
Commercial	9.4%	14.7%	1,350,313,781
Industrial	5.5%	5.4%	(3,580,595)
Agricultural	11.1%	21.0%	105,537,935
Natural Resources	0.0%	0.6%	2,367,939
Producing Mines	-5.1%	-3.2%	14,110,782
Oil and Gas	-4.0%	-8.4%	(490,576,409)
State Assessed	2.8%	2.8%	0
Non-Residential Total			1,166,267,104

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: 2015 Residential Target Percentage Calculation

The target percentage from the 2013 residential rate study, 45.86 percent, is adjusted to account for the relative additions of residential and non-residential new construction and changes in natural resource production. The new residential target percentage is 45.67 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: 2015 Residential Assessment Rate Calculation

The residential assessment rate shown on Addendum B is our estimate of the residential assessment rate that would achieve a statewide total assessed value consisting of 45.67 percent residential property value and 54.33 percent non-residential property value.

Addendum C: Totals from 2014 Abstracts

Addendum C shows the assessed values reported last year by county assessors on their 2014 Abstracts of Assessment.

Addendum D: 2015 Estimated Values

Addendum D displays 2015 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 an estimated increase of two and one half percent unless the county provided a different figure.

Counties also do not yet have the information they need to revalue the real and personal property classified as natural resources, producing mines and oil and gas. They generally provided percentage change estimates for natural resources and producing mines, and the Division estimated a statewide decrease of -8.4 percent for oil and gas.

The oil and gas estimate was developed using production data obtained from the Colorado Oil and Gas Conservation Commission, U.S. Energy and Information Administration and Colorado Legislative Council 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 2.8 percent for the state assessed property class.

Addendum E: Projected Rates of Change

This addendum shows the percentage change between the 2014 abstract values shown on addendum C and the 2015 projected values shown on Addendum D.

2015 RESIDENTIAL TARGET PERCENTAGE CALCULATION

ADDENDUM A

STEP #1: Calculate the 2013 residential assessed value that would have achieved the 2013 target percentage.

ESTIMATED 2013 RESIDENTIAL ASSESSED	X	0.4586156108	
	-----	=	-----
ACTUAL 2013 NON-RESIDENTIAL ASSESSED	50,144,533,496		0.5413843892
			1.0000000000
ESTIMATED 2013 RESIDENTIAL ASSESSED	X =		42,478,258,176

The target percentages shown in step #1 are the non-rounded versions of the target percentages enacted into law in 2013.

The figure \$50,144,533,496 in cell E8 is the total non-residential taxable value reported on county abstracts in 2013.

The figure \$42,478,258,176 in cell E11 is the hypothetical residential assessed value that would have exactly achieved the 2013 target percentage.

STEP #2: Add 2013 + 2014 net new construction and increased production to the 2013 res. and non-res. totals.

2013 Net Residential New Construction	417,898,457	Addendum G
<u>2014 Net Residential New Construction</u>	<u>536,813,969</u>	Addendum G
TOTAL RESIDENTIAL NEW CONSTRUCTION	954,712,426	
ESTIMATED 2013 RESIDENTIAL	42,478,258,176	
ADJUSTED TOTAL RESIDENTIAL	43,432,970,602	
2013 Net Other New Construction	421,387,118	Addendum G
2014 Net Other New Constuction	488,173,404	Addendum G
2014 - 2012 Net Mines	-86,539,147	Addendum H
2014 - 2012 Net Coal	-5,252,481	Addendum I
2014 - 2012 Net Earth & Stone	29,936,579	Addendum J
<u>2014 - 2012 Net Oil & Gas</u>	<u>682,536,209</u>	Sum of Addenda K - O
TOTAL NON-RESIDENTIAL NEW CONST. & PROD.	1,530,241,682	
ACTUAL 2013 NON-RESIDENTIAL	50,144,533,496	
		93,577,504,098
ADJUSTED TOTAL NON-RESIDENTIAL	51,674,775,178	

STEP #3: Calculate the 2015 target percentages from 2013 values adjusted for new construction and production.

ADJ 2013 RES ASSESSED	43,432,970,602	45.66712232%	OR	45.67%
	-----	=	-----	
ADJ 2013 OTHER ASSESSED	51,674,775,178	54.33287768%		54.33%

2015 RESIDENTIAL ASSESSMENT RATE CALCULATION

ADDENDUM B

Estimated 2015 Non-Residential Assessed \$56,460,441,205 Addendum F	÷	Non-Res Target % 54.33287768% Addendum A	=	Total Assessed Target Value \$103,915,793,930
Total Assessed Target Value \$103,915,793,930	X	Residential Target % 45.66712232% Addendum A	=	Residential Assessed Target Value \$47,455,352,725
Residential Assessed Target Value \$47,455,352,725	÷	Estimated 2015 Residential Actual Value \$576,162,372,437 Addendum F	=	Residential Assessment Rate 8.236454686232% 8.24% rounded

PROJECTED RATES OF CHANGE

ADDENDUM E

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA	TOTAL
Adams	25.4%	19.3%	25.2%	5.4%	23.1%	1.3%	0.0%	-8.4%	2.8%	18.7%
Alamosa	2.5%	4.0%	3.8%	3.4%	29.9%	2.0%	0.0%	0.0%	2.8%	6.4%
Arapahoe	12.1%	25.9%	13.0%	4.2%	6.7%	-0.4%	0.0%	-8.4%	2.8%	18.7%
Archuleta	-0.8%	24.7%	4.6%	3.3%	-0.1%	1.4%	0.0%	-8.4%	2.8%	11.5%
Baca	4.4%	0.8%	0.3%	-4.0%	13.4%	0.4%	0.0%	-8.4%	2.8%	4.2%
Bent	2.2%	-22.1%	-0.1%	-0.4%	10.0%	0.0%	0.0%	-8.4%	2.8%	1.1%
Boulder	54.6%	18.4%	20.1%	9.1%	4.3%	-5.4%	2.5%	-8.4%	2.8%	18.5%
Broomfield	95.7%	13.1%	12.5%	12.3%	9.4%	0.0%	0.0%	-8.4%	2.8%	14.0%
Chaffee	5.2%	3.9%	11.9%	27.8%	-0.4%	13.5%	0.0%	0.0%	2.8%	6.7%
Cheyenne	-1.0%	-8.6%	2.7%	-84.1%	-1.0%	0.1%	0.0%	-8.4%	2.8%	-6.7%
Clear Creek	3.0%	5.0%	2.1%	1.5%	0.0%	6.0%	-2.0%	0.0%	2.8%	-0.2%
Conejos	0.4%	1.0%	2.1%	0.6%	16.7%	-0.1%	0.0%	0.0%	2.8%	4.3%
Costilla	-0.7%	0.4%	-2.3%	-0.1%	25.2%	0.0%	0.0%	0.0%	2.8%	1.7%
Crowley	-0.2%	1.7%	0.1%	-9.2%	10.4%	0.1%	0.0%	0.0%	2.8%	2.0%
Custer	1.0%	1.0%	1.5%	1.0%	7.0%	0.0%	0.0%	0.0%	2.8%	1.5%
Delta	24.2%	-10.0%	1.8%	0.3%	33.4%	-2.4%	0.0%	-8.4%	2.8%	-1.1%
Denver	30.5%	28.3%	28.9%	11.2%	-0.4%	0.0%	0.0%	0.0%	2.8%	26.3%
Dolores	1.0%	1.8%	0.2%	24.3%	30.0%	0.0%	0.0%	-8.4%	2.8%	-3.7%
Douglas	13.9%	17.6%	7.9%	11.2%	-7.1%	9.6%	0.0%	0.0%	2.8%	13.5%
Eagle	39.1%	18.7%	2.9%	2.3%	5.0%	-3.5%	2.5%	0.0%	2.8%	15.5%
El Paso	6.2%	8.1%	3.5%	-1.3%	3.6%	-13.3%	0.0%	0.0%	2.8%	5.9%
Elbert	1.7%	10.3%	2.3%	1.3%	3.0%	4.5%	0.0%	-8.4%	2.8%	7.3%
Fremont	2.0%	8.0%	1.8%	0.5%	0.3%	1.4%	0.0%	-8.4%	2.8%	4.4%
Garfield	23.5%	34.5%	6.5%	-2.5%	5.7%	5.5%	2.5%	-8.4%	2.8%	-0.9%
Gilpin	-2.9%	5.7%	21.1%	0.0%	19.9%	4.9%	0.0%	0.0%	2.8%	14.5%
Grand	-2.8%	-2.0%	-1.2%	-23.4%	0.0%	14.3%	-1.7%	0.0%	2.8%	-4.2%
Gunnison	6.8%	43.9%	2.0%	-6.3%	5.9%	0.5%	2.5%	-8.4%	2.8%	21.7%
Hinsdale	8.8%	5.2%	0.8%	0.0%	39.2%	0.0%	0.0%	0.0%	2.8%	5.6%
Huerfano	0.6%	-3.9%	1.1%	-1.4%	21.9%	0.1%	0.0%	-8.4%	2.8%	0.4%
Jackson	0.0%	0.0%	0.2%	1.4%	0.0%	0.0%	0.0%	-8.4%	2.8%	-2.0%
Jefferson	42.1%	20.6%	5.6%	16.0%	-9.3%	-15.2%	2.5%	-8.4%	2.8%	15.4%
Kiowa	0.5%	4.1%	-0.5%	0.0%	16.6%	0.5%	0.0%	-8.4%	2.8%	4.6%
Kit Carson	0.0%	2.3%	-0.8%	1.1%	5.3%	-1.5%	0.0%	-8.4%	2.8%	2.4%
La Plata	4.6%	12.5%	12.4%	16.7%	-7.2%	2.3%	0.0%	-8.4%	2.8%	2.7%
Lake	0.1%	-1.3%	-9.0%	-2.4%	-0.1%	-0.6%	-4.5%	0.0%	2.8%	-3.2%
Larimer	15.6%	17.0%	15.1%	8.0%	24.7%	-0.2%	0.0%	-8.4%	2.8%	15.2%
Las Animas	-9.2%	-0.2%	11.6%	-10.5%	9.0%	2.1%	0.0%	-8.4%	2.8%	-2.3%
Lincoln	-1.4%	-25.7%	0.0%	2.0%	14.0%	-0.2%	0.0%	-8.4%	2.8%	-2.5%
Logan	6.0%	6.0%	0.4%	1.9%	41.8%	5.0%	0.0%	-8.4%	2.8%	8.8%
Mesa	1.0%	3.7%	3.0%	0.0%	229.1%	0.2%	0.0%	-8.4%	2.8%	5.3%
Mineral	0.0%	1.2%	26.1%	33.4%	8.4%	0.0%	0.0%	0.0%	2.8%	6.0%
Moffat*	-1.0%	-2.0%	-1.5%	0.9%	12.7%	0.9%	See Note	-8.4%	2.8%	-0.6%
Montezuma	0.0%	0.0%	0.3%	0.6%	25.0%	0.0%	0.0%	-8.4%	2.8%	-4.4%
Montrose	-0.1%	9.5%	-4.3%	-2.8%	13.1%	-0.3%	2.5%	0.0%	2.8%	3.4%
Morgan	5.2%	9.9%	6.0%	3.3%	17.9%	1.0%	0.0%	-8.4%	2.8%	5.6%
Otero	0.1%	1.6%	3.5%	-1.8%	22.7%	-16.2%	0.0%	0.0%	2.8%	5.4%
Ouray	-2.7%	5.9%	-4.1%	-4.5%	21.7%	-2.5%	0.0%	0.0%	2.8%	2.0%
Park	-8.1%	7.1%	10.3%	9.7%	0.4%	-5.9%	0.0%	0.0%	2.8%	1.7%
Phillips	17.7%	6.0%	5.0%	17.2%	21.1%	2.2%	0.0%	-8.4%	2.8%	10.8%
Pitkin	3.0%	13.7%	14.9%	6.9%	2.7%	14.3%	0.0%	0.0%	2.8%	12.9%
Prowers	0.0%	-2.0%	0.0%	0.0%	22.0%	0.1%	0.0%	-8.4%	2.8%	5.6%
Pueblo	-2.3%	5.2%	1.9%	7.0%	19.5%	1.4%	0.0%	0.0%	2.8%	4.0%
Rio Blanco	5.3%	1.5%	3.9%	2.5%	5.1%	-0.9%	0.0%	-8.4%	2.8%	-3.6%
Rio Grande	-5.1%	0.3%	-3.5%	-0.1%	20.7%	-2.6%	0.0%	0.0%	2.8%	1.1%
Routt	8.8%	11.2%	14.5%	13.8%	18.0%	7.3%	0.0%	-8.4%	2.8%	10.7%
Saguache	-20.0%	0.0%	0.2%	0.3%	10.0%	0.2%	0.0%	0.0%	2.8%	-2.2%
San Juan**	-15.0%	7.8%	-11.1%	-1.1%	See Note	-14.9%	0.0%	0.0%	2.8%	-7.7%
San Miguel	5.8%	17.5%	-1.2%	0.0%	0.5%	0.1%	0.0%	-8.4%	2.8%	10.9%
Sedgwick	-57.1%	0.1%	-0.8%	0.8%	19.9%	-0.4%	0.0%	-8.4%	2.8%	8.0%
Summit	15.6%	8.9%	9.9%	13.5%	12.7%	35.7%	0.0%	0.0%	2.8%	9.6%
Teller	-7.0%	6.9%	-3.8%	-3.3%	2.5%	-29.6%	-5.7%	0.0%	2.8%	-1.1%
Washington	0.0%	1.2%	1.2%	2.3%	19.5%	0.0%	0.0%	-8.4%	2.8%	3.6%
Weld	27.5%	20.9%	5.2%	1.9%	19.5%	0.8%	0.0%	-8.4%	2.8%	-1.4%
Yuma	7.1%	-9.7%	1.3%	0.5%	19.0%	-1.1%	0.0%	-8.4%	2.8%	1.5%
WEIGHTED AVERAGE	13.2%	17.6%	14.7%	5.4%	21.0%	0.6%	-3.2%	-8.4%	2.8%	11.7%

* Moffat County went from \$417 in the Producing Mines class to \$147,863 with the discovery of personal property.

** San Juan went from \$267 in the Agricultural class to \$9,768 in 2014 with the addition of a 40 acre parcel.



COLORADO
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
2015 – 2016**

Pursuant to § 39-1-104.2(6) C.R.S.

January 15, 2015

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 2015-2016 residential target percentage and the residential assessment rate. The preliminary findings of the study are as follows:

- The 2015-2016 residential target percentage is **45.67 percent**.
- The 2015-20164 projected residential assessment rate is **8.30 percent**.
- The residential assessment rate for 2013 and 2014 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 2013 and 2014 on their Abstracts of Assessment. As such, the 45.67 percent figure is not anticipated to change. The projected residential assessment rate however, is based largely on estimated 2015 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 (2014). 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 2013 assessed value for nonresidential property, calculate what the total 2013 residential real property value should have been to exactly achieve the 2013 residential real property target percentage of 45.86 percent. Then, adjust the 45.86 percent target percentage to account for 2013 and 2014 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 2015-2016 residential real property target percentage is 45.67 percent.
2. Estimate 2015 values and determine residential real property's share of the tax base assuming the residential assessment rate remains at 7.96 percent. The estimated 2015 tax base share for residential real property at an assessment rate of 7.96 percent is 44.64 percent.
3. Calculate the residential assessment rate that is estimated to achieve a statewide total taxable assessed value consisting of 45.67 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 2014 and 2015.

COMPARISON OF 2014 AND ESTIMATED 2015 ASSESSED VALUES BY CLASS

Class of Property	2014 Assessed	Estimated 2015	% Change	% of Total
Vacant	3,723,507,075	4,027,214,346	8.2%	4.0%
Residential	38,997,059,764	44,590,487,840	14.3%	44.6%
Commercial	25,476,625,658	27,877,142,403	9.4%	27.9%
Industrial	3,575,730,313	3,772,664,711	5.5%	3.8%
Agricultural	1,072,839,365	1,192,332,498	11.1%	1.2%
Natural Resources	373,168,406	373,205,159	0.0%	0.4%
Producing Mines	755,239,677	716,686,978	-5.1%	0.7%
Oil and Gas	11,109,318,799	10,661,691,017	-4.0%	10.7%
State Assessed	6,491,475,670	6,673,236,989	2.8%	6.7%
Total	91,574,964,727	99,884,661,941	9.1%	100.0%

Note: The comparison between 2014 and 2015 is based upon the current residential assessment rate of 7.96 percent. If the 2015 estimated residential rate of 8.30 percent is used, the “% of Total” associated with residential would equal the target percentage of 45.67 percent.

THE TABOR / GALLAGHER CONFLICT AND SCHOOL FUNDING

This is the seventh time that the study resulted in a residential assessment rate calculation greater than the rate most recently enacted into law. Such an occurrence makes relevant a conflict in the Colorado Constitution. Section 3(1)(b) of article X of the Colorado Constitution, and § 39-1-104.2(5)(a), C.R.S., require that the rate be adjusted (up or down) to achieve the residential target percentage, but section 20(4)(a) of article X of the Colorado Constitution (TABOR), requires voter approval for an assessment ratio increase for a property class. When this conflict occurred in 1999, 2005, 2007, 2009, 2011 and 2013, the General Assembly reenacted the previous residential assessment rate. The rate enacted into law for assessment years 2013 and 2014 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 8.30 percent, as the Gallagher amendment originally anticipated, Colorado’s 2015 total taxable value would increase from an estimated \$91,574,964,727 to \$99,884,661,941, generating approximately \$42.3 million additional property tax revenue from the total program mill levies of school districts.

RECAP OF RESIDENTIAL ASSESSMENT RATES

<u>Years</u>	<u>Rate enacted into law</u>	<u>Rate calculated by RAR Study</u>
1983-1986	21.00%	
1987	18.00%	
1988	16.00%	
1989-90	15.00%	
1991-92	14.34%	
1993-94	12.86%	
1995-96	10.36%	
1997-98	9.74%	
1999-2000	9.74%	9.83%
2001-02	9.15%	
2003-04	7.96%	
2005-06	7.96%	8.17%
2007-08	7.96%	8.19%
2009-10	7.96%	8.85%
2011-12	7.96%	8.77%
2013-14	7.96%	9.13%

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 2015 and 2016 is June 30, 2014.) 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 performs a time-trending analysis of 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 2.5 percent increase for 2015 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. Currently, division staff members estimate the change in this class based upon data obtained from the U.S. Energy Information Administration, after consulting with county assessors. Prior to this cycle, the Division obtained this information from the Colorado Oil and Gas Conservation Commission (COGCC). Unfortunately, COGCC no longer publishes pricing for oil and gas. 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 (2015). The Division will submit a final report to the General Assembly in April 2015 after receiving updated value projections from county assessors.

ADDENDA

The following addenda are provided with this report.

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

2015 RESIDENTIAL TARGET PERCENTAGE CALCULATION

ADDENDUM A

STEP #1: Calculate the 2013 residential assessed value that would have achieved the 2013 target percentage.

ESTIMATED 2013 RESIDENTIAL ASSESSED		X	0.458615611
		-----	= -----
ACTUAL 2013 NON-RESIDENTIAL ASSESSED	50,144,533,496		0.541384389
			1.000000000
ESTIMATED 2013 RESIDENTIAL ASSESSED	X =	42,478,258,176	

The target percentages shown in step #1 are the non-rounded versions of the target percentages enacted into law in 2013.
 The figure \$50,144,533,496 in cell E8 is the total non-residential taxable value reported on county abstracts in 2013.
 The figure \$42,478,258,176 in cell E11 is the hypothetical residential assessed value that would have exactly achieved the 2013 target percentage.

STEP #2: Add 2013 + 2014 net new construction and increased production to the 2013 res. and non-res. totals.

2013 Net Residential New Construction	417,898,457	Addendum G
<u>2014 Net Residential New Construction</u>	<u>536,813,969</u>	Addendum G
TOTAL RESIDENTIAL NEW CONSTRUCTION	954,712,426	
ESTIMATED 2013 RESIDENTIAL	42,478,258,176	
ADJUSTED TOTAL RESIDENTIAL	43,432,970,602	
2013 Net Other New Construction	421,387,118	Addendum G
2014 Net Other New Constuction	488,173,404	Addendum G
2014 - 2012 Net Mines	-86,539,147	Addendum H
2014 - 2012 Net Coal	-5,252,481	Addendum I
2014 - 2012 Net Earth & Stone	29,936,579	Addendum J
<u>2014 - 2012 Net Oil & Gas</u>	<u>682,536,209</u>	Sum of Addenda K - O
TOTAL NON-RESIDENTIAL NEW CONST. & PROD.	1,530,241,682	
ACTUAL 2013 NON-RESIDENTIAL	50,144,533,496	
		93,577,504,098
ADJUSTED TOTAL NON-RESIDENTIAL	51,674,775,178	

STEP #3: Calculate the 2015 target percentages from 2013 values adjusted for new construction and production.

ADJ 2013 RES ASSESSED	43,432,970,602	45.66712232%	OR	45.67%
	-----	= -----		
ADJ 2013 OTHER ASSESSED	51,674,775,178	54.33287768%		54.33%

2015 RESIDENTIAL ASSESSMENT RATE CALCULATION

ADDENDUM B

Estimated 2015 Non-Residential Assessed \$55,294,174,101 Addendum F	÷	Non-Res Target % 54.33287768% Addendum A	=	Total Assessed Target Value \$101,769,272,056
---	---	--	---	--

Total Assessed Target Value \$101,769,272,056	X	Residential Target % 45.66712232% Addendum A	=	Residential Assessed Target Value \$46,475,097,955
--	---	--	---	---

Residential Assessed Target Value \$46,475,097,955	÷	Estimated 2015 Residential Actual Value \$560,182,008,037 Addendum F	=	Residential Assessment Rate 8.296428176644% 8.30% rounded
---	---	---	---	--

2015 PERCENTAGE CHANGE ESTIMATES

ADDENDUM D

Red font = Percentage estimates provided by county or developed from consultation with county in December 2014.
 Green font = Statewide estimates by DPT.

Commercial/Industrial percentages are weighted averages between the real property county estimate and a statewide commercial/industrial personal property estimate of 2.5%.

COUNTY	VAC	RES	COM	IND	AGR	NAT	MIN	O&G	STA
Adams	20.0%	20.0%	10.2%	4.0%	7.0%	3.0%	0.0%	-4.0%	2.8%
Alamosa	1.0%	2.0%	2.1%	2.2%	12.0%	5.0%	0.0%	-4.0%	2.8%
Arapahoe	10.0%	23.0%	11.5%	3.3%	4.0%	25.0%	0.0%	-4.0%	2.8%
Archuleta	-7.0%	5.0%	2.0%	0.4%	0.0%	0.0%	0.0%	-4.0%	2.8%
Baca	0.0%	4.6%	2.9%	0.1%	12.0%	0.0%	0.0%	-4.0%	2.8%
Bent	0.0%	4.0%	0.1%	0.6%	12.0%	0.0%	0.0%	-4.0%	2.8%
Boulder	13.0%	9.9%	16.0%	13.0%	10.0%	0.0%	0.0%	-4.0%	2.8%
Broomfield	0.0%	15.0%	0.3%	1.5%	8.0%	0.0%	0.0%	-4.0%	2.8%
Chaffee	0.0%	3.5%	1.6%	1.7%	2.5%	0.0%	0.0%	-4.0%	2.8%
Cheyenne	3.0%	-4.0%	3.7%	2.1%	10.0%	0.0%	0.0%	-4.0%	2.8%
Clear Creek	-1.3%	9.5%	0.8%	1.5%	0.0%	0.0%	-10.0%	-4.0%	2.8%
Conejos	5.0%	5.0%	0.3%	1.1%	10.0%	2.0%	0.0%	-4.0%	2.8%
Costilla	2.0%	0.0%	1.5%	2.3%	3.0%	0.0%	0.0%	-4.0%	2.8%
Crowley	0.0%	0.0%	0.1%	2.2%	0.0%	0.0%	0.0%	-4.0%	2.8%
Custer	1.0%	1.0%	2.0%	0.0%	5.0%	0.0%	0.0%	-4.0%	2.8%
Delta	2.0%	-2.0%	-1.3%	-0.8%	20.0%	0.0%	0.0%	-4.0%	2.8%
Denver	30.0%	18.0%	17.9%	12.6%	10.0%	0.0%	0.0%	-4.0%	2.8%
Dolores	2.0%	5.0%	0.2%	0.2%	3.0%	0.0%	0.0%	-4.0%	2.8%
Douglas	10.0%	20.0%	7.0%	7.6%	0.0%	0.0%	0.0%	-4.0%	2.8%
Eagle	10.5%	14.8%	7.4%	1.3%	5.0%	0.0%	0.0%	-4.0%	2.8%
El Paso	4.9%	9.0%	0.3%	1.2%	10.0%	0.0%	0.0%	-4.0%	2.8%
Elbert	1.5%	10.0%	1.2%	0.1%	0.0%	0.0%	0.0%	-4.0%	2.8%
Fremont	0.0%	8.6%	0.3%	1.8%	10.0%	0.0%	0.0%	-4.0%	2.8%
Garfield	30.0%	35.4%	6.2%	0.4%	0.0%	0.0%	0.0%	-4.0%	2.8%
Gilpin	-2.8%	5.9%	-1.4%	1.0%	0.0%	-2.0%	0.0%	-4.0%	2.8%
Grand	3.0%	6.0%	3.8%	1.1%	10.0%	0.0%	-10.0%	-4.0%	2.8%
Gunnison	10.0%	25.0%	0.2%	0.1%	10.0%	0.0%	0.0%	-4.0%	2.8%
Hinsdale	0.0%	5.0%	0.1%	0.6%	3.0%	0.0%	0.0%	-4.0%	2.8%
Huerfano	2.5%	0.0%	-1.6%	0.1%	1.0%	0.0%	0.0%	-4.0%	2.8%
Jackson	0.0%	0.0%	0.2%	1.4%	10.0%	0.0%	0.0%	-4.0%	2.8%
Jefferson	8.0%	8.5%	1.7%	1.3%	0.0%	0.0%	0.0%	-4.0%	2.8%
Kiowa	0.0%	0.0%	1.1%	0.0%	-1.0%	0.0%	0.0%	-4.0%	2.8%
Kit Carson	0.0%	3.0%	3.0%	2.2%	7.0%	0.0%	0.0%	-4.0%	2.8%
La Plata	5.0%	6.0%	3.0%	3.0%	5.0%	0.0%	1.0%	-4.0%	2.8%
Lake	2.5%	0.0%	-6.4%	0.1%	0.0%	0.0%	5.0%	-4.0%	2.8%
Larimer	11.4%	18.0%	13.1%	5.9%	2.4%	-3.0%	0.0%	-4.0%	2.8%
Las Animas	0.0%	0.0%	0.3%	0.5%	3.0%	0.0%	0.0%	-4.0%	2.8%
Lincoln	0.0%	7.0%	0.3%	2.0%	13.0%	5.0%	0.0%	-4.0%	2.8%
Logan	2.0%	2.0%	1.2%	1.5%	8.0%	2.0%	2.0%	-4.0%	2.8%
Mesa	3.0%	7.0%	1.2%	-6.1%	10.0%	10.0%	10.0%	-4.0%	2.8%
Mineral	0.0%	2.0%	0.6%	0.8%	17.0%	1.0%	0.0%	-4.0%	2.8%
Moffat	-5.0%	-5.0%	0.3%	-0.5%	1.7%	-5.4%	0.0%	-4.0%	2.8%
Montezuma	0.0%	0.0%	0.3%	0.6%	0.0%	0.0%	0.0%	-4.0%	2.8%
Montrose	6.0%	7.0%	-6.8%	-5.0%	10.0%	0.0%	0.0%	-4.0%	2.8%
Morgan	5.3%	9.9%	6.1%	3.2%	28.1%	0.0%	0.0%	-4.0%	2.8%
Otero	1.0%	4.0%	0.4%	1.7%	15.0%	-1.0%	0.0%	-4.0%	2.8%
Ouray	-6.0%	6.0%	-0.3%	2.3%	3.0%	0.0%	0.0%	-4.0%	2.8%
Park	-1.3%	3.0%	-0.5%	1.0%	10.0%	1.0%	0.0%	-4.0%	2.8%
Phillips	1.0%	5.0%	1.2%	0.5%	19.0%	4.0%	0.0%	-4.0%	2.8%
Pitkin	0.0%	15.0%	13.9%	0.0%	10.0%	30.0%	0.0%	-4.0%	2.8%
Prowers	0.0%	0.0%	0.5%	1.3%	20.0%	0.0%	0.0%	-4.0%	2.8%
Pueblo	-2.0%	2.0%	2.1%	2.3%	10.0%	0.0%	0.0%	-4.0%	2.8%
Rio Blanco	-0.5%	0.0%	0.5%	2.5%	10.0%	-5.0%	0.0%	-4.0%	2.8%
Rio Grande	5.0%	5.0%	0.4%	0.5%	5.0%	0.0%	0.0%	-4.0%	2.8%
Routt	8.0%	17.0%	6.5%	4.8%	8.0%	4.0%	0.0%	-4.0%	2.8%
Saguache	-5.0%	5.0%	0.2%	0.3%	10.0%	0.0%	0.0%	-4.0%	2.8%
San Juan	-10.0%	-2.0%	-14.3%	0.3%	0.0%	-1.0%	0.0%	-4.0%	2.8%
San Miguel	15.0%	15.0%	4.7%	0.2%	5.0%	0.0%	0.0%	-4.0%	2.8%
Sedgwick	0.0%	3.9%	2.1%	2.2%	15.0%	0.0%	0.0%	-4.0%	2.8%
Summit	11.0%	6.0%	8.5%	8.2%	5.0%	5.0%	0.0%	-4.0%	2.8%
Teller	-0.8%	9.0%	-3.7%	-3.3%	10.0%	-15.0%	0.0%	-4.0%	2.8%
Washington	0.0%	10.0%	2.1%	2.3%	15.0%	0.0%	0.0%	-4.0%	2.8%
Weid	30.0%	25.0%	6.9%	8.7%	20.0%	10.0%	0.0%	-4.0%	2.8%
Yuma	11.5%	20.0%	16.0%	6.0%	10.0%	0.0%	0.0%	-4.0%	2.8%
Weighted Avg.	8.2%	14.3%	9.4%	5.5%	11.1%	0.0%	-5.1%	-4.0%	2.8%

SUMMARY OF 2015 ESTIMATED VALUES

ADDENDUM F

COUNTY	TOTAL	RESIDENTIAL	NON-RESIDENTIAL
Adams	5,457,918,152	2,405,916,468	3,052,001,684
Alamosa	167,841,476	54,825,413	113,016,063
Arapahoe	8,893,410,973	4,691,319,015	4,202,091,958
Archuleta	302,935,031	150,914,873	152,020,158
Baca	86,732,342	7,739,106	78,993,236
Bent	81,469,100	8,056,464	73,412,636
Boulder	6,478,313,765	3,505,749,034	2,972,564,731
Broomfield	1,215,590,682	551,768,820	663,821,862
Chaffee	365,859,778	182,555,805	183,303,973
Cheyenne	170,547,815	4,725,453	165,822,361
Clear Creek	557,982,582	106,366,493	451,616,089
Conejos	67,633,271	31,252,111	36,381,161
Costilla	124,077,275	14,530,315	109,546,960
Crowley	40,355,810	6,135,570	34,220,240
Custer	102,106,235	57,103,956	45,002,279
Delta	308,020,380	141,005,712	167,014,667
Denver	13,342,055,970	5,380,135,731	7,961,920,239
Dolores	117,943,273	12,372,686	105,570,588
Douglas	5,494,320,415	3,321,405,108	2,172,915,307
Eagle	2,969,013,276	2,070,595,366	898,417,910
El Paso	6,796,102,448	3,879,460,235	2,916,642,214
Elbert	280,758,382	185,989,331	94,769,051
Fremont	434,583,408	202,157,988	232,425,420
Garfield	3,259,918,753	493,159,147	2,766,759,606
Gilpin	337,734,673	57,924,123	279,810,550
Grand	712,398,105	352,483,252	359,914,853
Gunnison	623,059,157	311,867,138	311,192,020
Hinsdale	64,730,230	31,768,170	32,962,060
Huerfano	122,180,962	41,262,343	80,918,619
Jackson	43,668,192	9,651,116	34,017,076
Jefferson	7,532,166,180	4,532,454,392	2,999,711,787
Kiowa	39,135,028	2,162,220	36,972,808
Kit Carson	142,820,655	24,165,416	118,655,239
La Plata	2,027,075,919	589,588,027	1,437,487,892
Lake	233,839,975	49,651,734	184,188,241
Larimer	4,918,902,364	2,731,491,612	2,187,410,752
Las Animas	402,697,646	57,568,340	345,129,306
Lincoln	174,550,969	12,563,778	161,987,191
Logan	276,415,422	61,115,666	215,299,755
Mesa	1,907,522,795	796,198,256	1,111,324,538
Mineral	39,588,241	19,132,918	20,455,323
Moffat	467,042,043	52,064,987	414,977,056
Montezuma	686,111,543	123,854,050	562,257,493
Montrose	501,565,548	215,422,779	286,142,769
Morgan	502,280,863	98,395,723	403,885,140
Otero	140,127,305	42,550,148	97,577,157
Ouray	157,939,711	80,196,441	77,743,270
Park	402,346,714	208,625,738	193,720,976
Phillips	84,607,174	16,498,913	68,108,261
Pitkin	2,957,302,075	2,025,775,071	931,527,004
Prowers	130,237,763	24,211,358	106,026,405
Pueblo	1,718,068,028	580,514,521	1,137,553,507
Rio Blanco	1,161,671,753	38,858,730	1,122,813,023
Rio Grande	179,396,012	69,513,795	109,882,218
Routt	1,127,234,253	588,586,857	538,647,396
Saguache	70,509,970	22,688,841	47,821,129
San Juan	41,048,994	9,818,406	31,230,587
San Miguel	811,990,484	466,695,875	345,294,609
Sedgwick	57,971,768	5,797,069	52,174,699
Summit	1,669,748,236	1,093,421,324	576,326,912
Teller	539,834,648	191,084,685	348,749,963
Washington	137,363,735	11,689,693	125,674,042
Weid	9,360,478,189	1,442,102,975	7,918,375,214
Yuma	265,808,026	35,831,160	229,976,866
	99,884,661,941	44,590,487,840	55,294,174,101

560,182,008,037 = ACTUAL VALUE OF RESIDENTIAL
 (Residential Assessed / 7.96%)

NEW CONSTRUCTION

ADDENDUM G

<u>2014 NEW CONSTRUCTION</u>			<u>w CBOE</u>	<u>2013 NEW CONSTRUCTION</u>			
COUNTY	RES NC	OTHER NC	TOTAL NC	COUNTY	RES NC	OTHER NC	TOTAL NC
ADAMS	22,030,300	32,947,400	54,977,700	ADAMS	16,884,430	30,400,870	47,285,300
ALAMOSA	837,666	1,327,199	2,164,865	ALAMOSA	799,917	3,202,486	4,002,403
ARAPAHOE	31,120,038	14,325,741	45,445,779	ARAPAHOE	25,680,170	19,417,990	45,098,160
ARCHULETA	2,110,420	1,200,230	3,310,650	ARCHULETA	1,230,300	494,540	1,724,840
BACA	71,715	150,592	222,307	BACA	130,095	1,185,171	1,315,266
BENT	12,200	208,290	220,490	BENT	6,066	109,908	115,974
BOULDER	21,912,874	10,641,766	32,554,640	BOULDER	22,822,424	14,313,270	37,135,694
BROOMFIELD	14,822,870	831,850	15,654,720	BROOMFIELD	6,038,660	6,199,080	12,237,740
CHAFFEE	2,327,073	506,886	2,833,959	CHAFFEE	1,717,347	1,220,030	2,937,377
CHEYENNE	72,834	718,183	791,017	CHEYENNE	51,769	230,698	282,467
CLEAR CREEK	92,670	14,100	106,770	CLEAR CREEK	2,570,920	3,203,680	5,774,600
CONEJOS	462,628	282,088	744,716	CONEJOS	179,294	32,253	211,547
COSTILLA	295,933	165,705	461,638	COSTILLA	136,775	605,772	742,547
CROWLEY	35,952	2,867	38,819	CROWLEY	20,093	415,370	435,463
CUSTER	440,730	23,970	464,700	CUSTER	1,355,300	962,720	2,318,020
DELTA	469,040	3,159,140	3,628,180	DELTA	453,570	929,250	1,382,820
DENVER	109,525,570	60,817,090	170,342,660	DENVER	80,153,221	28,675,619	108,828,840
DOLORES	108,531	1,927,912	2,036,443	DOLORES	60,807	110,208	171,015
DOUGLAS	58,269,136	59,175,012	117,444,148	DOUGLAS	45,693,057	30,605,034	76,298,091
EAGLE	12,295,230	2,446,400	14,741,630	EAGLE	9,562,280	2,245,680	11,807,960
EL PASO	87,434,400	38,592,160	126,026,560	EL PASO	58,808,410	33,083,880	91,892,290
ELBERT	1,759,980	306,120	2,066,100	ELBERT	967,810	467,740	1,435,550
FREMONT	1,116,620	887,220	2,003,840	FREMONT	1,161,420	934,280	2,095,700
GARFIELD	2,349,210	2,335,000	4,684,210	GARFIELD	883,630	4,648,960	5,532,590
GILPIN	1,608,140	10,103,430	11,711,570	GILPIN	965,500	755,700	1,721,200
GRAND	3,034,670	782,440	3,817,110	GRAND	2,818,360	985,610	3,803,970
GUNNISON	4,151,230	1,599,350	5,750,580	GUNNISON	2,532,500	461,300	2,993,800
HINSDALE	122,560	76,900	199,460	HINSDALE	20,460	0	20,460
HUERFANO	474,491	1,493,519	1,968,010	HUERFANO	86,295	488,300	574,595
JACKSON	0	0	0	JACKSON	1,279,958	0	1,279,958
JEFFERSON	29,663,868	12,675,259	42,339,127	JEFFERSON	25,100,062	20,717,772	45,817,834
KIOWA	16,680	(140,350)	(123,670)	KIOWA	14,050	400,460	414,510
KIT CARSON	244,000	952,665	1,196,665	KIT CARSON	78,694	1,845,182	1,923,876
LA PLATA	7,626,310	29,025,660	36,651,970	LA PLATA	4,983,280	7,665,260	12,648,540
LAKE	224,506	(22,599)	201,907	LAKE	55,992	97,877,278	97,933,270
LARIMER	44,800,851	19,308,176	64,109,027	LARIMER	33,508,437	15,287,343	48,795,780
LAS ANIMAS	646,140	205,960	852,100	LAS ANIMAS	462,520	1,530,020	1,992,540
LINCOLN	104,356	26,575,909	26,680,265	LINCOLN	103,051	2,971,116	3,074,167
LOGAN	172,890	4,132,070	4,304,960	LOGAN	93,330	293,260	386,590
MESA	7,405,270	13,261,940	20,667,210	MESA	6,372,600	6,421,810	12,794,410
MINERAL	64,524	153,849	218,373	MINERAL	141,703	64,342	206,045
MOFFAT	122,556	676,381	798,937	MOFFAT	85,301	1,844,827	1,930,128
MONTEZUMA	496,515	355,404	851,919	MONTEZUMA	551,350	486,550	1,037,900
MONTROSE	1,505,120	1,667,760	3,172,880	MONTROSE	1,097,060	2,159,931	3,256,991
MORGAN	856,630	3,683,550	4,540,180	MORGAN	546,490	3,502,700	4,049,190
OTERO	63,215	580,271	643,486	OTERO	51,699	504,746	556,445
OURAY	800,950	544,060	1,345,010	OURAY	923,380	317,360	1,240,740
PARK	1,411,790	1,174,040	2,585,830	PARK	1,291,140	233,130	1,524,270
PHILLIPS	95,420	3,054,700	3,150,120	PHILLIPS	143,210	1,147,530	1,290,740
PITKIN	14,826,780	2,459,370	17,286,150	PITKIN	11,781,920	3,471,250	15,253,170
PROWERS	106,344	268,254	374,598	PROWERS	89,351	52,744	142,095
PUEBLO	3,194,301	2,881,954	6,076,255	PUEBLO	2,618,616	5,094,451	7,713,067
RIO BLANCO	375,550	772,140	1,147,690	RIO BLANCO	536,670	299,190	835,860
RIO GRANDE	695,623	772,325	1,467,948	RIO GRANDE	557,025	693,647	1,250,672
ROUTT	4,184,750	3,295,920	7,480,670	ROUTT	3,182,570	1,758,260	4,940,830
SAGUACHE	438,720	449,360	888,080	SAGUACHE	1,040,722	1,543,742	2,584,464
SAN JUAN	53,081	580	53,661	SAN JUAN	42,541	0	42,541
SAN MIGUEL	2,866,690	3,502,100	6,368,790	SAN MIGUEL	2,807,164	61,549	2,868,713
SEDGWICK	934,058	0	934,058	SEDGWICK	(609)	195,710	195,101
SUMMIT	11,233,277	11,604,334	22,837,611	SUMMIT	14,854,806	6,815,721	21,670,527
TELLER	1,009,430	1,158,640	2,168,070	TELLER	1,220,170	656,590	1,876,760
WASHINGTON	16,069	339,616	355,685	WASHINGTON	181,540	2,593,289	2,774,829
WELD	20,970,294	93,633,826	114,604,120	WELD	18,052,724	44,046,509	62,099,233
YUMA	222,700	2,121,720	2,344,420	YUMA	259,060	2,448,450	2,707,510
TOTAL	536,813,969	488,173,404	1,024,987,373	TOTAL	417,898,457	421,387,118	839,285,575

METALLIC MINES ANALYSIS WORKSHEET - 2014

ADDENDUM H

Molybdenum (6110)	2012 \$/TON	2014 TONS	Calculated A.V. 2012	MOLY(6110) 2012	MOLY(6110) 2014	2014 \$/TON
CLEAR CREEK	\$38.02	8,184,967	\$311,196,996	341,101,950	367,571,390	\$44.91
GRAND - COMBINED WITH CLEAR CREEK				74,465,050	36,492,330	
LAKE	\$2.06	6,185,282	\$12,741,681	0	\$12,712,014	\$2.06
		14,370,249	323,938,677	415,567,000	\$416,775,734	
Precious Metals (6120)	2012 \$/TON	2014 TONS	Calculated A.V. 2012	PREC(6120) 2012	PREC(6120) 2014	2014 \$/TON
HINSDALE	\$98.28	688	\$67,641	\$54,910	\$205,490	\$298.57
MOFFAT		1,938	\$0	\$0	\$417	
PARK	\$1.13	59,277	\$66,811	\$17,700	\$66,890	\$1.13
TELLER	\$5.13	22,487,105	\$115,392,414	\$110,365,080	\$128,799,590	\$5.73
		22,549,008	115,526,866	110,437,690	\$129,072,387	
Base Metals (6130)	2012 \$/TON	2014 TONS	Calculated A.V. 2012	BASE (6130) 2012	BASE (6130) 2014	2014 \$/TON
COSTILLA	\$0.00	0	\$0	\$0	\$0	\$0.00
FREMONT	\$0.00	0	\$0	\$0	\$0	\$0.00
LAKE	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN JUAN	\$0.00	0	\$0	\$0	\$0	\$0.00
		0	\$0	\$0	\$0	
Strategic Metals (6140)	2012 \$/TON	2014 TONS	Calculated A.V. 2012	STRA(6140) 2012	STRA(6140) 2014	2014 \$/TON
JEFFERSON	\$0.00	0	\$0	\$0	\$0	\$0.00
MESA	\$0.00	0	\$0	\$0	\$0	\$0.00
MONTROSE	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN MIGUEL	\$0.00	0	\$0	\$0	\$0	\$0.00
		0	\$0	\$0	\$0	
Oil Shale/Retort (6150)	2012 \$/TON	2014 TONS	Calculated A.V. 2012	RETO(6150) 2012	RETO(6150) 2014	2014 \$/TON
GARFIELD	\$0.00	0	\$0	\$0	\$0	\$0.00
		0	\$0	\$0	\$0	
Totals		36,919,257	\$439,465,543	\$526,004,690	\$545,848,121	
INCREASE OR DECREASE			-\$86,539,147			

COAL MINES (ANALYSIS WORKSHEET - 2014)

ADDENDUM I

	2012 \$/TON	2014 TONS	CALCULATED 2012 ASSESSED VALUE	TRUE 2012 ASSESSED VALUE	TRUE 2014 ASSESSED VALUE	2014 \$/TON
ADAMS	\$0.00	0	\$0	\$0	\$0	\$0.00
ALAMOSA	\$0.00	0	\$0	\$0	\$0	\$0.00
ARAPAHOE	\$0.00	0	\$0	\$0	\$0	\$0.00
ARCHULETA	\$0.00	0	\$0	\$0	\$0	\$0.00
BACA	\$0.00	0	\$0	\$0	\$0	\$0.00
BENT	\$0.00	0	\$0	\$0	\$0	\$0.00
BOULDER	\$0.00	0	\$0	\$0	\$0	\$0.00
BROOMFIELD	\$0.00	0	\$0	\$0	\$0	\$0.00
CHAFFEE	\$0.00	0	\$0	\$0	\$0	\$0.00
CHEYENNE	\$0.00	0	\$0	\$0	\$0	\$0.00
CLEAR CREEK	\$0.00	0	\$0	\$0	\$0	\$0.00
CONEJOS	\$0.00	0	\$0	\$0	\$0	\$0.00
COSTILLA	\$0.00	0	\$0	\$0	\$0	\$0.00
CROWLEY	\$0.00	0	\$0	\$0	\$0	\$0.00
CUSTER	\$0.00	0	\$0	\$0	\$0	\$0.00
DELTA	\$1.88	4,131,101	\$7,766,501	\$4,201,920	\$6,387,640	\$1.55
DENVER	\$0.00	0	\$0	\$0	\$0	\$0.00
DOLORES	\$0.00	0	\$0	\$0	\$0	\$0.00
DOUGLAS	\$0.00	0	\$0	\$0	\$0	\$0.00
EAGLE	\$0.00	0	\$0	\$0	\$0	\$0.00
EL PASO	\$0.00	0	\$0	\$0	\$0	\$0.00
ELBERT	\$0.00	0	\$0	\$0	\$0	\$0.00
FREMONT	\$0.00	0	\$0	\$0	\$0	\$0.00
GARFIELD	\$4.49	0	\$0	\$2,200	\$0	\$0.00
GILPIN	\$0.00	0	\$0	\$0	\$0	\$0.00
GRAND	\$0.00	0	\$0	\$0	\$0	\$0.00
GUNNISON	\$3.19	6,579,426	\$20,973,415	\$28,425,240	\$21,106,440	\$3.21
HINSDALE	\$0.00	0	\$0	\$0	\$0	\$0.00
HUERFANO	\$0.00	0	\$0	\$0	\$0	\$0.00
JACKSON	\$0.00	0	\$0	\$0	\$0	\$0.00
JEFFERSON	\$0.00	0	\$0	\$0	\$0	\$0.00
KIOWA	\$0.00	0	\$0	\$0	\$0	\$0.00
KIT CARSON	\$0.00	0	\$0	\$0	\$0	\$0.00
LA PLATA	\$3.55	734,992	\$2,612,003	\$2,156,010	\$2,425,810	\$3.30
LAKE	\$0.00	0	\$0	\$0	\$0	\$0.00
LARIMER	\$0.00	0	\$0	\$0	\$0	\$0.00
LAS ANIMAS	\$0.00	0	\$0	\$0	\$0	\$0.00
LINCOLN	\$0.00	0	\$0	\$0	\$0	\$0.00
LOGAN	\$0.00	0	\$0	\$0	\$0	\$0.00
MESA	\$0.00	0	\$0	\$0	\$0	\$0.00
MINERAL	\$0.00	0	\$0	\$0	\$0	\$0.00
MOFFAT	\$2.59	3,024,355	\$7,825,622	\$8,871,770	\$23,672,150	\$7.83
MONTEZUMA	\$0.00	0	\$0	\$0	\$0	\$0.00
MONTROSE	\$4.32	281,372	\$1,214,708	\$1,554,580	\$1,037,880	\$3.69
MORGAN	\$0.00	0	\$0	\$0	\$0	\$0.00
OTERO	\$0.00	0	\$0	\$0	\$0	\$0.00
OURAY	\$0.00	0	\$0	\$0	\$0	\$0.00
PARK	\$0.00	0	\$0	\$0	\$0	\$0.00
PHILLIPS	\$0.00	0	\$0	\$0	\$0	\$0.00
PITKIN	\$0.00	0	\$0	\$0	\$0	\$0.00
PROWERS	\$0.00	0	\$0	\$0	\$0	\$0.00
PUEBLO	\$0.00	0	\$0	\$0	\$0	\$0.00
RIO BLANCO	\$3.30	3,510,759	\$11,590,452	\$10,960,910	\$10,210,140	\$2.91
RIO GRANDE	\$0.00	0	\$0	\$0	\$0	\$0.00
ROUTT	\$2.07	7,235,627	\$14,978,568	\$16,041,120	\$15,564,050	\$2.15
SAGUACHE	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN JUAN	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN MIGUEL	\$0.00	0	\$0	\$0	\$0	\$0.00
SEDGWICK	\$0.00	0	\$0	\$0	\$0	\$0.00
SUMMIT	\$0.00	0	\$0	\$0	\$0	\$0.00
TELLER	\$0.00	0	\$0	\$0	\$0	\$0.00
WASHINGTON	\$0.00	0	\$0	\$0	\$0	\$0.00
WELD	\$0.00	0	\$0	\$0	\$0	\$0.00
YUMA	\$0.00	0	\$0	\$0	\$0	\$0.00
Totals		25,497,632	\$66,961,269	\$72,213,750	\$80,404,110	
INCREASE OR DECREASE			-\$5,252,481		\$80,421,659	

EARTH & STONE ANALYSIS WORKSHEET - 2014

ADDENDUM J

	2012	2014	CALCULATED	TRUE	TRUE	2014
	\$/TON	TONS	2012 ASSESSED	2012 ASSESSED	2014 ASSESSED	2014
			VALUE	VALUE	VALUE	\$/TON
ADAMS	\$0.90	3,570,093	\$3,220,204	\$2,622,970	\$3,014,460	\$0.84
ALAMOSA	\$0.85	69,383	\$58,970	\$18,303	\$63,103	\$0.91
ARAPAHOE	\$0.31	41,288	\$12,797	\$7,740	\$12,555	\$0.30
ARCHULETA	\$1.22	70,661	\$86,294	\$192,500	\$63,610	\$0.90
BACA	\$0.57	46,929	\$26,708	\$17,132	\$17,314	\$0.37
BENT	\$0.45	44,039	\$19,746	\$14,981	\$24,270	\$0.55
BOULDER	\$0.79	886,645	\$701,459	\$699,857	\$320,247	\$0.36
BROOMFIELD	\$0.00	0	\$0	\$0	\$0	\$0.00
CHAFFEE	\$0.91	361,242	\$328,515	\$383,060	\$356,810	\$0.99
CHEYENNE	\$0.00	0	\$0	\$0	\$0	\$0.00
CLEAR CREEK	\$0.53	3,111,117	\$1,645,163	\$953,240	\$1,484,800	\$0.48
CONEJOS	\$0.83	103,263	\$85,322	\$47,063	\$189,801	\$1.84
COSTILLA	\$0.86	68,175	\$58,587	\$46,312	\$44,882	\$0.66
CROWLEY	\$0.51	37,716	\$19,113	\$20,172	\$20,748	\$0.55
CUSTER	\$1.03	30,612	\$31,580	\$8,810	\$12,470	\$0.41
DELTA	\$1.27	397,694	\$506,249	\$201,730	\$398,390	\$1.00
DENVER	\$0.00	0	\$0	\$0	\$0	\$0.00
DOLORES	\$1.52	2,668	\$4,058	\$2,663	\$4,513	\$1.69
DOUGLAS	\$2.24	166,463	\$372,859	\$305,100	\$297,080	\$1.78
EAGLE	\$0.71	631,659	\$451,027	\$508,850	\$583,460	\$0.92
EL PASO	\$0.58	2,864,173	\$1,656,731	\$1,465,480	\$1,927,350	\$0.67
ELBERT	\$152.86	124,632	\$19,051,854	\$28,280	\$62,060	\$0.50
FREMONT	\$0.87	3,216,002	\$2,806,376	\$1,986,100	\$2,951,520	\$0.92
GARFIELD	\$0.59	1,161,002	\$682,301	\$939,840	\$988,230	\$0.85
GILPIN	\$0.00	0	\$0	\$0	\$0	\$0.00
GRAND	\$0.71	252,811	\$179,678	\$251,120	\$214,780	\$0.85
GUNNISON	\$2.83	325,980	\$922,026	\$367,300	\$595,720	\$1.83
HINSDALE	\$0.00	0	\$0	\$0	\$0	\$0.00
HUERFANO	\$0.50	52,989	\$26,389	\$9,964	\$38,729	\$0.73
JACKSON	\$0.77	25,120	\$19,278	\$17,140	\$8,365	\$0.33
JEFFERSON	\$0.76	5,678,586	\$4,329,376	\$3,404,222	\$4,763,968	\$0.84
KIOWA	\$0.31	78,716	\$24,023	\$22,130	\$23,790	\$0.30
KIT CARSON	\$0.33	119,127	\$39,766	\$42,173	\$58,596	\$0.49
LA PLATA	\$0.91	805,383	\$732,993	\$949,130	\$735,010	\$0.91
LAKE	\$0.85	71,280	\$60,566	\$80,930	\$67,456	\$0.95
LARIMER	\$0.58	2,274,576	\$1,320,468	\$1,156,750	\$1,647,220	\$0.72
LAS ANIMAS	\$0.52	21,939	\$11,345	\$74,180	\$70,840	\$3.23
LINCOLN	\$0.31	2,462	\$774	\$14,550	\$3,640	\$1.48
LOGAN	\$0.33	161,316	\$52,679	\$55,310	\$56,440	\$0.35
MESA	\$0.71	1,461,568	\$1,038,105	\$895,940	\$1,956,240	\$1.34
MINERAL	\$0.00	8,108	\$0	\$0	\$8,039	\$0.99
MOFFAT	\$0.86	748,007	\$644,170	\$398,329	\$794,981	\$1.06
MONTEZUMA	\$1.17	351,474	\$412,205	\$186,640	\$481,810	\$1.37
MONTRORSE	\$1.06	575,749	\$608,714	\$363,140	\$657,230	\$1.14
MORGAN	\$0.31	585,174	\$182,899	\$41,230	\$156,820	\$0.27
OTERO	\$0.51	131,830	\$67,628	\$28,993	\$73,337	\$0.56
OURAY	\$0.89	12,375	\$10,994	\$17,180	\$12,470	\$1.01
PARK	\$1.04	232,791	\$242,091	\$201,740	\$490,430	\$2.11
PHILLIPS	\$0.46	119,391	\$55,499	\$78,080	\$60,185	\$0.50
PITKIN	\$0.89	63,351	\$56,160	\$87,700	\$62,610	\$0.99
PROWERS	\$0.43	708,012	\$307,729	\$525,066	\$291,907	\$0.41
PUEBLO	\$0.77	\$2,142,465	\$1,655,334	\$1,628,920	\$2,015,735	\$0.94
RIO BLANCO	\$9.55	718,267	\$6,862,483	\$1,873,650	\$2,557,180	\$3.56
RIO GRANDE	\$1.95	0	\$0	\$72,052	\$42,579	\$0.00
ROUTT	\$0.94	425,191	\$400,637	\$360,320	\$375,830	\$0.88
SAGUACHE	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN JUAN	\$0.00	0	\$0	\$0	\$1,919	\$0.00
SAN MIGUEL	\$0.00	11,834	\$0	\$0	\$21,870	\$1.85
SEDGWICK	\$0.00	33,343	\$0	\$0	\$10,080	\$0.30
SUMMIT	\$0.87	303,429	\$264,382	\$348,714	\$294,509	\$0.97
TELLER	\$0.84	69,164	\$58,427	\$56,170	\$53,950	\$0.78
WASHINGTON	\$0.29	64,083	\$18,375	\$19,698	\$15,151	\$0.24
WELD	\$0.62	9,435,377	\$5,807,569	\$4,203,230	\$6,486,430	\$0.69
YUMA	\$0.26	216,868	\$56,256	\$56,480	\$62,920	\$0.29
Totals		45,293,592	\$58,294,933	\$28,358,354	\$38,106,439	
INCREASE OR DECREASE			\$29,936,579			

PRIMARY OIL ANALYSIS WORKSHEET 2014

ADDENDUM K

	2012 \$/BBL	2014 BBLs	CALCULATED 2012 ASSESSED VALUE	TRUE 2012 ASSESSED VALUE	TRUE 2014 ASSESSED VALUE	Calculated 2014 \$/BBL
ADAMS	\$79.41	369,472	\$29,340,690	\$29,340,690	\$23,090,360	\$62.50
ALAMOSA	\$0.00	0	\$0	\$0	\$0	\$0.00
ARAPAHOE	\$4.16	901,410	\$3,746,040	\$3,746,040	\$19,120,682	\$21.21
ARCHULETA	\$85.13	2,597	\$221,070	\$221,070	\$160,770	\$61.91
BACA	\$30.21	25,534	\$771,345	\$771,345	\$1,870,594	\$73.26
BENT	\$0.00	1,493	\$0	\$200,503	\$74,190	\$49.69
BOULDER	\$69.16	219,607	\$15,186,990	\$15,176,617	\$11,441,806	\$52.10
BROOMFIELD	\$120.50	87,720	\$10,570,140	\$10,570,140	\$5,494,990	\$62.64
CHAFFEE	\$0.00	0	\$0	\$0	\$0	\$0.00
CHEYENNE	\$483.80	50,964	\$24,656,356	\$24,656,356	\$26,698,808	\$523.88
CLEAR CREEK	\$0.00	0	\$0	\$0	\$0	\$0.00
CONEJOS	\$0.00	0	\$0	\$0	\$0	\$0.00
COSTILLA	\$0.00	0	\$0	\$0	\$0	\$0.00
CROWLEY	\$0.00	0	\$0	\$0	\$0	\$0.00
CUSTER	\$0.00	0	\$0	\$0	\$0	\$0.00
DELTA	\$0.00	3,044	\$0	\$0	\$35,490	\$11.66
DENVER	\$0.00	0	\$0	\$0	\$0	\$0.00
DOLORES	\$71.47	17,450	\$1,247,104	\$1,247,104	\$892,983	\$51.17
DOUGLAS	\$0.00	0	\$0	\$0	\$0	\$0.00
EAGLE	\$0.00	0	\$0	\$0	\$0	\$0.00
EL PASO	\$0.00	0	\$0	\$0	\$0	\$0.00
ELBERT	\$58.64	31,648	\$1,855,930	\$1,855,930	\$2,220,620	\$70.17
FREMONT	\$274.32	68,997	\$18,927,080	\$18,927,080	\$5,237,100	\$75.90
GARFIELD	\$57.99	2,400,288	\$139,195,410	\$139,195,410	\$112,180,700	\$46.74
GILPIN	\$0.00	0	\$0	\$0	\$0	\$0.00
GRAND	\$0.00	0	\$0	\$0	\$0	\$0.00
GUNNISON	\$0.00	0	\$0	\$0	\$0	\$0.00
HINSDALE	\$0.00	0	\$0	\$0	\$0	\$0.00
HUERFANO	\$0.00	0	\$0	\$0	\$0	\$0.00
JACKSON	\$0.00	157,789	\$0	\$7,604,239	\$7,694,734	\$48.77
JEFFERSON	\$0.00	487	\$0	\$0	\$40,286	\$82.72
KIOWA	\$0.00	164,990	\$0	\$16,242,680	\$11,650,480	\$70.61
KIT CARSON	\$172.45	3,137	\$540,977	\$540,977	\$142,717	\$45.49
LA PLATA	\$66.29	31,019	\$2,056,180	\$2,056,180	\$1,298,900	\$41.87
LAKE	\$0.00	0	\$0	\$0	\$0	\$0.00
LARIMER	\$40.79	133,496	\$5,444,982	\$5,444,982	\$9,257,659	\$69.35
LAS ANIMAS	\$0.00	0	\$0	\$0	\$0	\$0.00
LINCOLN	\$13.23	2,319,189	\$30,688,940	\$30,688,940	\$62,148,980	\$26.80
LOGAN	\$75.58	200,210	\$15,132,110	\$15,132,110	\$13,897,420	\$69.41
MESA	\$107.78	58,584	\$6,314,010	\$6,314,010	\$4,330,250	\$73.92
MINERAL	\$0.00	0	\$0	\$0	\$0	\$0.00
MOFFAT	\$0.00	497,263	\$0	\$18,880,801	\$30,171,506	\$60.68
MONTEZUMA	\$27.21	303,962	\$8,270,190	\$8,270,190	\$7,667,260	\$25.22
MONTROSE	\$0.00	0	\$0	\$0	\$0	\$0.00
MORGAN	\$42.11	123,559	\$5,203,150	\$5,203,150	\$9,091,240	\$73.58
OTERO	\$0.00	0	\$0	\$0	\$0	\$0.00
OURAY	\$0.00	0	\$0	\$0	\$0	\$0.00
PARK	\$0.00	0	\$0	\$0	\$0	\$0.00
PHILLIPS	\$0.00	0	\$0	\$0	\$0	\$0.00
PITKIN	\$0.00	0	\$0	\$0	\$0	\$0.00
PROWERS	\$113.28	7,143	\$809,173	\$809,173	\$547,507	\$76.65
PUEBLO	\$0.00	0	\$0	\$0	\$0	\$0.00
RIO BLANCO	\$691.60	50,796	\$35,130,720	\$35,130,720	\$32,902,020	\$647.73
RIO GRANDE	\$0.00	0	\$0	\$0	\$0	\$0.00
ROUTT	\$85.81	53,803	\$4,616,820	\$4,616,820	\$4,262,170	\$79.22
SAGUACHE	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN JUAN	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN MIGUEL	\$0.00	0	\$0	\$0	\$0	\$0.00
SEDGWICK	\$0.00	67,812	\$0	\$0	\$8,950	\$0.13
SUMMIT	\$0.00	0	\$0	\$0	\$0	\$0.00
TELLER	\$0.00	0	\$0	\$0	\$0	\$0.00
WASHINGTON	\$75.75	408,433	\$30,937,318	\$30,937,318	\$30,028,302	\$73.52
WELD	\$35.55	54,303,385	\$1,930,583,900	\$1,930,583,900	\$4,026,417,010	\$74.15
YUMA	\$17.10	13,878	\$237,340	\$237,340	\$18,780	\$1.35
Totals		63,079,159	\$2,321,683,965	\$2,364,601,815	\$4,460,095,264	
INCREASE OR DECREASE			-\$42,917,850			

SECONDARY OIL ANALYSIS WORKSHEET 2014

ADDENDUM L

	2012 \$/BBL	2014 BARRELS	CALCULATED 2010 ASSESSED VALUE	TRUE 2012 ASSESSED VALUE	TRUE 2014 ASSESSED VALUE	Calculated 2014 \$/BBL
ADAMS	\$30.13	11,654	\$351,193	\$829,520	\$647,660	\$55.57
ALAMOSA	\$0.00	0	\$0	\$0	\$0	\$0.00
ARAPAHOE	\$0.00	0	\$0	\$0	\$0	\$0.00
ARCHULETA	\$0.00	0	\$0	\$0	\$0	\$0.00
BACA	\$52.43	22,497	\$1,179,513	\$2,009,848	\$1,520,464	\$67.59
BENT	\$0.00	0	\$0	\$0	\$0	\$0.00
BOULDER	\$0.00	0	\$0	\$0	\$0	\$0.00
BROOMFIELD	\$0.00	0	\$0	\$0	\$0	\$0.00
CHAFFEE	\$0.00	0	\$0	\$0	\$0	\$0.00
CHEYENNE	\$63.32	83,753	\$5,303,086	\$64,050,607	\$62,273,164	\$743.53
CLEAR CREEK	\$0.00	0	\$0	\$0	\$0	\$0.00
CONEJOS	\$0.00	0	\$0	\$0	\$0	\$0.00
COSTILLA	\$0.00	0	\$0	\$0	\$0	\$0.00
CROWLEY	\$0.00	0	\$0	\$0	\$0	\$0.00
CUSTER	\$0.00	0	\$0	\$0	\$0	\$0.00
DELTA	\$0.00	0	\$0	\$0	\$0	\$0.00
DENVER	\$0.00	0	\$0	\$0	\$0	\$0.00
DOLORES	\$0.00	0	\$0	\$0	\$0	\$0.00
DOUGLAS	\$0.00	0	\$0	\$0	\$0	\$0.00
EAGLE	\$0.00	0	\$0	\$0	\$0	\$0.00
EL PASO	\$0.00	0	\$0	\$0	\$0	\$0.00
ELBERT	\$0.00	0	\$0	\$0	\$0	\$0.00
FREMONT	\$0.00	0	\$0	\$0	\$0	\$0.00
GARFIELD	\$0.00	0	\$0	\$0	\$0	\$0.00
GILPIN	\$0.00	0	\$0	\$0	\$0	\$0.00
GRAND	\$0.00	0	\$0	\$0	\$0	\$0.00
GUNNISON*	\$0.00	231	\$0	\$72,280	\$0	\$0.00
HINSDALE	\$0.00	0	\$0	\$0	\$0	\$0.00
HUERFANO	\$0.00	0	\$0	\$0	\$0	\$0.00
JACKSON	\$46.92	43,609	\$2,045,928	\$3,016,238	\$2,516,441	\$57.70
JEFFERSON	\$0.00	0	\$0	\$0	\$0	\$0.00
KIOWA	\$0.00	0	\$0	\$94,750	\$0	\$0.00
KIT CARSON	\$0.00	0	\$0	\$0	\$0	\$0.00
LA PLATA	\$0.00	0	\$0	\$0	\$0	\$0.00
LAKE	\$0.00	0	\$0	\$0	\$0	\$0.00
LARIMER	\$68.99	85,004	\$5,864,312	\$4,048,628	\$5,165,595	\$60.77
LAS ANIMAS	\$0.00	0	\$0	\$0	\$0	\$0.00
LINCOLN	\$0.00	0	\$0	\$0	\$0	\$0.00
LOGAN	\$56.62	13,621	\$771,197	\$991,800	\$837,440	\$61.48
MESA	\$0.00	0	\$0	\$0	\$0	\$0.00
MINERAL	\$0.00	0	\$0	\$0	\$0	\$0.00
MOFFAT	\$47.52	17,663,309	\$839,415,336	\$1,447,215	\$1,305,935	\$0.07
MONTEZUMA	\$0.00	0	\$0	\$429,980	\$0	\$0.00
MONTROSE	\$0.00	0	\$0	\$0	\$0	\$0.00
MORGAN	\$7.21	3,657	\$26,353	\$2,241,070	\$247,120	\$67.57
OTERO	\$0.00	0	\$0	\$0	\$0	\$0.00
OURAY	\$0.00	0	\$0	\$0	\$0	\$0.00
PARK	\$0.00	0	\$0	\$0	\$0	\$0.00
PHILLIPS	\$0.00	0	\$0	\$0	\$0	\$0.00
PITKIN	\$0.00	0	\$0	\$0	\$0	\$0.00
PROWERS	\$0.00	0	\$0	\$0	\$0	\$0.00
PUEBLO	\$0.00	0	\$0	\$0	\$0	\$0.00
RIO BLANCO	\$62.90	3,989,005	\$250,889,425	\$253,764,600	\$248,236,630	\$62.23
RIO GRANDE	\$0.00	0	\$0	\$0	\$0	\$0.00
ROUTT	\$0.00	0	\$0	\$0	\$0	\$0.00
SAGUACHE	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN JUAN	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN MIGUEL	\$0.00	0	\$0	\$0	\$0	\$0.00
SEDGWICK	\$0.00	0	\$0	\$0	\$0	\$0.00
SUMMIT	\$0.00	0	\$0	\$0	\$0	\$0.00
TELLER	\$0.00	0	\$0	\$0	\$0	\$0.00
WASHINGTON	\$57.52	64,285	\$3,697,676	\$4,199,454	\$3,748,984	\$58.32
WELD	\$44.91	49,144	\$2,207,028	\$3,778,720	\$2,947,270	\$59.97
YUMA	\$0.00	0	\$0	\$250	\$0	\$0.00
Totals	\$8.41	22,029,769	\$1,111,751,047	\$340,974,960	\$329,446,703	\$20.23
INCREASE OR DECREASE			\$770,776,087			

* Number of barrels reported on abstract was reported by the oil & gas companies as amount produced. The amount produced was retained or used in flaring.

PRIMARY GAS ANALYSIS WORKSHEET 2014

ADDENDUM M

	2012 \$/MCF	2014 MCFs	CALCULATED 2012 ASSESSED VALUE	TRUE 2012 ASSESSED VALUE	TRUE 2014 ASSESSED VALUE	2014 \$/MCF
ADAMS	\$4.62	4,454,204	\$20,596,687	\$26,900,340	\$16,752,440	\$3.76
ALAMOSA	\$0.00	0	\$0	\$0	\$0	\$0.00
ARAPAHOE	\$5.70	528,778	\$3,014,158	\$2,935,620	\$2,177,424	\$4.12
ARCHULETA	\$2.13	15,776,437	\$33,630,810	\$22,898,240	\$24,322,920	\$1.54
BACA	\$1.46	73,504	\$107,060	\$1,738,772	\$1,405,316	\$19.12
BENT	\$1.89	254,047	\$480,627	\$629,022	\$543,890	\$2.14
BOULDER	\$3.17	2,711,580	\$8,597,466	\$9,748,630	\$6,293,926	\$2.32
BROOMFIELD	\$2.59	1,634,329	\$4,225,771	\$4,895,610	\$3,871,010	\$2.37
CHAFFEE	\$0.00	0	\$0	\$0	\$0	\$0.00
CHEYENNE	\$2.66	333,682	\$887,504	\$3,561,154	\$1,710,329	\$5.13
CLEAR CREEK	\$0.00	0	\$0	\$0	\$0	\$0.00
CONEJOS	\$0.00	0	\$0	\$0	\$0	\$0.00
COSTILLA	\$0.00	0	\$0	\$0	\$0	\$0.00
CROWLEY	\$0.00	0	\$0	\$0	\$0	\$0.00
CUSTER	\$0.00	0	\$0	\$0	\$0	\$0.00
DELTA	\$2.71	41,953	\$113,781	\$40,310	\$36,150	\$0.86
DENVER	\$0.00	0	\$0	\$0	\$0	\$0.00
DOLORES	\$2.64	285,319	\$752,460	\$1,071,895	\$523,963	\$1.84
DOUGLAS	\$0.00	0	\$0	\$0	\$0	\$0.00
EAGLE	\$0.00	0	\$0	\$0	\$0	\$0.00
EL PASO	\$0.00	0	\$0	\$0	\$0	\$0.00
ELBERT	\$6.38	108,536	\$692,842	\$1,025,800	\$462,710	\$4.26
FREMONT	\$0.00	0	\$0	\$0	\$0	\$0.00
GARFIELD	\$2.38	623,876,372	\$1,481,764,986	\$1,521,413,940	\$1,218,389,480	\$1.95
GILPIN	\$0.00	0	\$0	\$0	\$0	\$0.00
GRAND	\$0.00	0	\$0	\$0	\$0	\$0.00
GUNNISON	\$2.62	546,340	\$1,428,723	\$4,191,930	\$797,260	\$1.46
HINSDALE	\$0.00	0	\$0	\$0	\$0	\$0.00
HUERFANO	\$0.85	852,255	\$722,600	\$1,068,243	\$118,248	\$0.14
JACKSON	\$0.00	0	\$0	\$0	\$0	\$0.00
JEFFERSON	\$0.00	0	\$0	\$0	\$0	\$0.00
KIOWA	\$3.20	389,176	\$1,245,251	\$1,214,060	\$1,075,490	\$2.76
KIT CARSON	\$2.06	30,907	\$63,697	\$118,013	\$57,582	\$1.86
LA PLATA	\$1.85	358,145,014	\$661,576,191	\$763,570,820	\$561,585,440	\$1.57
LAKE	\$0.00	0	\$0	\$0	\$0	\$0.00
LARIMER	\$4.51	438,613	\$1,978,152	\$1,668,548	\$1,559,902	\$3.56
LAS ANIMAS	\$1.71	94,298,846	\$160,797,171	\$158,538,450	\$101,642,020	\$1.08
LINCOLN	\$17.70	304,584	\$5,392,073	\$844,950	\$864,100	\$2.84
LOGAN	\$7.51	202,076	\$1,518,488	\$697,430	\$620,280	\$3.07
MESA	\$2.61	38,573,021	\$100,663,230	\$108,017,660	\$54,607,740	\$1.42
MINERAL	\$0.00	0	\$0	\$0	\$0	\$0.00
MOFFAT	\$4.01	15,364,387	\$61,570,900	\$53,392,716	\$43,062,553	\$2.80
MONTEZUMA	\$2.70	2,566,978	\$6,920,642	\$3,630,780	\$3,054,500	\$1.19
MONTROSE	\$0.00	0	\$0	\$0	\$0	\$0.00
MORGAN	\$3.66	297,228	\$1,087,768	\$284,330	\$685,210	\$2.31
OTERO	\$0.00	0	\$0	\$0	\$0	\$0.00
OURAY	\$0.00	0	\$0	\$0	\$0	\$0.00
PARK	\$0.00	0	\$0	\$0	\$0	\$0.00
PHILLIPS	\$2.34	1,805,971	\$4,222,646	\$4,411,050	\$4,117,700	\$2.28
PITKIN	\$0.00	0	\$0	\$0	\$0	\$0.00
PROWERS	\$2.31	603,729	\$1,393,786	\$1,607,124	\$1,270,176	\$2.10
PUEBLO	\$0.00	0	\$0	\$0	\$0	\$0.00
RIO BLANCO	\$1.86	6,307,428	\$11,756,609	\$188,423,450	\$86,895,790	\$13.78
RIO GRANDE	\$0.00	0	\$0	\$0	\$0	\$0.00
ROUTT	\$0.88	26,518	\$23,398	\$31,610	\$21,100	\$0.80
SAGUACHE	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN JUAN	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN MIGUEL	\$2.37	927,358	\$2,193,257	\$14,085,410	\$6,753,740	\$7.28
SEDGWICK	\$2.32	0	\$0	\$104,620	\$144,270	\$0.00
SUMMIT	\$0.00	0	\$0	\$0	\$0	\$0.00
TELLER	\$0.00	0	\$0	\$0	\$0	\$0.00
WASHINGTON	\$2.57	1,225,714	\$3,154,451	\$3,682,837	\$2,560,994	\$2.09
WELD	\$4.82	298,882,827	\$1,440,803,378	\$1,118,705,670	\$1,170,625,790	\$3.92
YUMA	\$2.34	30,815,162	\$72,202,146	\$90,105,180	\$57,591,210	\$1.87
Totals		1,502,682,873	\$4,095,578,708	\$4,115,254,214	\$3,376,200,653	
INCREASE OR DECREASE			-\$19,675,506			

SECONDARY GAS ANALYSIS WORKSHEET 2014

ADDENDUM N

	2012 \$/MCF	2014 MCFS	CALCULATED 2012 ASSESSED VALUE	TRUE 2012 ASSESSED VALUE	TRUE 2014 ASSESSED VALUE	Calculated 2014 \$/MCF
ADAMS	\$3.94	12,780	\$50,353	\$73,960	\$46,410	\$3.63
ALAMOSA	\$0.00	0	\$0	\$0	\$0	\$0.00
ARAPAHOE	\$0.00	0	\$0	\$0	\$0	\$0.00
ARCHULETA	\$0.00	0	\$0	\$0	\$0	\$0.00
BACA	\$0.00	0	\$0	\$0	\$0	\$0.00
BENT	\$0.00	0	\$0	\$0	\$0	\$0.00
BOULDER	\$0.00	0	\$0	\$0	\$0	\$0.00
BROOMFIELD	\$0.00	0	\$0	\$0	\$0	\$0.00
CHAFFEE	\$0.00	0	\$0	\$0	\$0	\$0.00
CHEYENNE	\$1.17	10,936	\$12,795	\$341,421	\$1,031,194	\$94.29
CLEAR CREEK	\$0.00	0	\$0	\$0	\$0	\$0.00
CONEJOS	\$0.00	0	\$0	\$0	\$0	\$0.00
COSTILLA	\$0.00	0	\$0	\$0	\$0	\$0.00
CROWLEY	\$0.00	0	\$0	\$0	\$0	\$0.00
CUSTER	\$0.00	0	\$0	\$0	\$0	\$0.00
DELTA	\$0.00	0	\$0	\$0	\$0	\$0.00
DENVER	\$0.00	0	\$0	\$0	\$0	\$0.00
DOLORES	\$0.00	0	\$0	\$0	\$0	\$0.00
DOUGLAS	\$0.00	0	\$0	\$0	\$0	\$0.00
EAGLE	\$0.00	0	\$0	\$0	\$0	\$0.00
EL PASO	\$0.00	0	\$0	\$0	\$0	\$0.00
ELBERT	\$0.00	0	\$0	\$0	\$0	\$0.00
FREMONT	\$0.00	0	\$0	\$0	\$0	\$0.00
GARFIELD	\$0.00	0	\$0	\$0	\$0	\$0.00
GILPIN	\$0.00	0	\$0	\$0	\$0	\$0.00
GRAND	\$0.00	0	\$0	\$0	\$0	\$0.00
GUNNISON	\$0.00	0	\$0	\$0	\$0	\$0.00
HINSDALE	\$0.00	0	\$0	\$0	\$0	\$0.00
HUERFANO	\$0.00	434,226	\$0	\$0	\$52,546	\$0.12
JACKSON	\$0.00	0	\$0	\$0	\$0	\$0.00
JEFFERSON	\$0.00	0	\$0	\$0	\$0	\$0.00
KIOWA	\$0.00	0	\$0	\$0	\$0	\$0.00
KIT CARSON	\$0.00	0	\$0	\$0	\$0	\$0.00
LA PLATA	\$0.00	0	\$0	\$0	\$0	\$0.00
LAKE	\$0.00	0	\$0	\$0	\$0	\$0.00
LARIMER	\$0.00	0	\$0	\$0	\$0	\$0.00
LAS ANIMAS	\$0.00	0	\$0	\$0	\$0	\$0.00
LINCOLN	\$0.00	0	\$0	\$0	\$0	\$0.00
LOGAN	\$3.89	1,211	\$4,711	\$8,510	\$2,170	\$1.79
MESA	\$0.00	0	\$0	\$0	\$0	\$0.00
MINERAL	\$0.00	0	\$0	\$0	\$0	\$0.00
MOFFAT	\$2.44	0	\$0	\$1,507	\$0	\$0.00
MONTEZUMA	\$2.23	0	\$0	\$19,940	\$0	\$0.00
MONTROSE	\$0.00	0	\$0	\$0	\$0	\$0.00
MORGAN	\$2.20	0	\$0	\$2,790	\$0	\$0.00
OTERO	\$0.00	0	\$0	\$0	\$0	\$0.00
OURAY	\$0.00	0	\$0	\$0	\$0	\$0.00
PARK	\$0.00	0	\$0	\$0	\$0	\$0.00
PHILLIPS	\$0.00	0	\$0	\$0	\$0	\$0.00
PITKIN	\$0.00	0	\$0	\$0	\$0	\$0.00
PROWERS	\$0.00	0	\$0	\$0	\$0	\$0.00
PUEBLO	\$0.00	0	\$0	\$0	\$0	\$0.00
RIO BLANCO	\$0.00	111,976	\$0	\$0	\$149,390	\$1.33
RIO GRANDE	\$0.00	0	\$0	\$0	\$0	\$0.00
ROUTT	\$0.00	0	\$0	\$0	\$0	\$0.00
SAGUACHE	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN JUAN	\$0.00	0	\$0	\$0	\$0	\$0.00
SAN MIGUEL	\$0.00	0	\$0	\$0	\$0	\$0.00
SEDGWICK	\$0.00	0	\$0	\$0	\$0	\$0.00
SUMMIT	\$0.00	0	\$0	\$0	\$0	\$0.00
TELLER	\$0.00	0	\$0	\$0	\$0	\$0.00
WASHINGTON	\$2.14	26,255	\$56,186	\$46,852	\$57,934	\$2.21
WELD	\$4.73	979	\$4,631	\$4,802,570	\$180	\$0.18
YUMA	\$0.00	0	\$0	\$0	\$0	\$0.00
Totals		598,363	\$128,675	\$5,297,550	\$1,339,824	\$12.95
INCREASE OR DECREASE			-\$5,168,875			

OIL & GAS ANALYSIS WORKSHEET 2014 - OTHER

ADDENDUM O

	2012 \$/MCF	2014 MCFS	CALCULATED 2012 ASSESSED VALUE	TRUE 2012 ASSESSED VALUE	TRUE 2014 ASSESSED VALUE	Calculated 2014 \$/MCF
DOLORES (7145)	\$0.90	46,258,203	\$41,621,682	\$46,938,986	\$47,307,972	\$1.02
HUERFANO (7145)	\$0.20	4,933,106	\$965,539	\$2,270,309	\$3,719,896	\$0.75
JACKSON (7145)	\$0.62	129,054	\$80,271	\$266,102	\$76,682	\$0.59
MONTEZUMA (7145)	\$0.73	391,155,707	\$285,754,287	\$299,424,030	\$369,960,190	\$0.95
CHEYENNE (7147)	\$0.00	0	\$0	\$0	\$0	\$0.00
		442,476,070	\$328,421,779	\$348,899,427	\$421,064,740	
NET ASSESSED DIFFERENCE			(\$20,477,648)			

SUBCLASS	NET ASSESSED DIFFERENCES
Primary Oil	(\$42,917,850)
Secondary Oil	\$770,776,087
Primary Gas	(\$19,675,506)
Secondary Gas	(\$5,168,875)
Other Gas	(\$20,477,648)
TOTAL NET ASSESSED DIFF	<u>\$682,536,209</u>

ADDENDUM P

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 the 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 adjustment begins by first calculating what the total assessed value of residential property needed to be during the prior year of reappraisal in order for residential property's share of the total value to exactly match the residential target percentage. Then, the assessed value attributable to residential new construction reported during the prior two years 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 1983 TO 1986

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. During this period, real property was on a four year reassessment cycle.

1987 AND 1988

In 1986, the state board of equalization (state board) requested that the Division of Property Taxation (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 occurring in 1989 (1988 level of value), 1991 (1990 level of value), and 1993 (1992 level of value). This subsection was later amended to include 1995 (1994 level of value), 1997 (1996 level of value), and for each subsequent year of reappraisal.

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 via the Abstracts of Assessment 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). During the 1991 legislative session, the rounding convention was changed from the nearest whole percentage 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 were enacted into law, § 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.

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: Pitkin, Denver, and Arapahoe.

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 a 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 the 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 assessment rate for a class of property, and the overall entity revenue generation and spending.

Mill levy increases were 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. 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 and the Division of the surge in residential values just prior to the June 30, 1992, appraisal date. Generally, the assessors did not complete the trending of sales data to the new level of value in time to be included in the residential assessment rate study conducted in 1992. Previous repeal of the state board's authority to adjust the rate required that the 12.86 percent residential assessment rate stand for 1993-1994.

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 updated reappraisal value estimates. 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 in August, 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 in August, 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

The procedures used in 1997 were used again 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) the Division asked county assessors to provide sales data and conducted its own time trending analysis of those sales. Time trending is a linear regression technique that analyzes the rate of change to the ratio between a property's sales price and its actual value.

In January 1999, the residential target percentage was established at 46.49 percent, and the residential assessment rate was estimated to be 9.90 percent. In April, after contacting all county assessors and revising the value estimates, the residential assessment rate was determined to be 9.83 percent. After county Abstracts of Assessment were submitted in August 1999, it was determined that the residential assessment rate should have been calculated at 9.81 percent. This meant that final rate estimate of 9.83 percent was the most accurate estimate that the rate study had produced to this point. However, because of TABOR, the General Assembly chose not to take the issue to voters and reenacted the 9.74 percent residential assessment rate for 1999-2000.

2001 AND 2002

Because of the accuracy of the previous study, the procedures followed in determining the 1999-2000 residential assessment rate were used again in 2001-2002 rate, and they have remained relatively unchanged since that time.

In January, the 2001-2002 residential rate was estimated to be 9.35 percent, and the residential target percentage was established at 46.61 percent. After contacting all county assessors in April and revising the value estimates, the estimated residential assessment rate was adjusted to 9.15 percent. The General Assembly enacted the 9.15 percent residential assessment rate and the 46.61 percent target percentage into law for 2001-2002. The 2001 Abstracts of Assessment submitted in August revealed that the residential assessment rate should have been 9.09 percent.

2003 AND 2004

In January 2003, the rate was estimated to be 8.18 percent, and the residential target percentage was established at 47.08 percent. After contacting county assessors in April, the rate estimate was adjusted to 7.96 percent. The 7.96 percent rate and the 47.08 percent target percentage were enacted into law by the General Assembly for 2003-2004. The 2003 Abstracts of Assessment submitted in August later revealed that the residential rate should have been 7.91 percent.

2005 AND 2006

In January 2005, the rate was estimated at 8.13 percent, and the residential target percentage was established at 47.22 percent. After contacting all county assessors in April, the rate was adjusted to 8.17 percent. Because an increase to the residential assessment rate can only be made with voter approval, the General Assembly chose not to take the issue to voters, and it reenacted the 7.96 percent rate and the new target percentage of 47.22 percent in HB05-1289. The 2005 Abstracts of Assessment submitted in August later revealed that the residential assessment rate had been correctly calculated at 8.17 percent.

2007 AND 2008

In January 2007, the rate was estimated to be 8.00 percent and the residential target percentage was established at 47.43 percent. After contacting all county assessors in April and updating the estimates for each class of property, the rate was adjusted to 8.19 percent. Once again, because an increase to the residential assessment rate can only be made with voter approval, the General Assembly chose to reenact the 7.96 percent residential rate as well as the 47.43 percent target percentage in HB07-1177.

The 2007 Abstracts of Assessment submitted in August later revealed that the calculated residential assessment rate should have been 8.44 percent. The difference between the final estimate of 8.19 percent and 8.44 percent was almost entirely attributable to the estimate for the oil and gas property class.

In April 2007, the Division estimated that the oil and gas class would drop by 15.9 percent, but later that year, county Abstracts of Assessment revealed that the property class dropped by only 1.4 percent. Part of the error may have been caused by a slowdown of the rate at which production volumes were reported on the COGCC's web site, causing an under-estimate in the amount of production that occurred. However, the greater portion of the error is attributable to the fact that unlike prior years, the percentage change to the assessed value of oil and gas land for 2007 did not correlate strongly to the change in the value of production that occurred in the prior year. In 2006, the value of statewide oil gas production (quantity sold per month X Colorado average monthly price) dropped by 14.1 percent, but the corresponding assessed value of oil and gas land in 2007 dropped by only 5.2 percent. In addition, although the Division estimated a 20 percent increase in the value of oil and gas personal property, the statewide assessed value of personal property actually increased by 44 percent. Because this property class had grown to comprise 8.5 percent of the state's total taxable value in 2007, compared to 3.6 percent of the total in 2003, the error in the oil and gas estimate had a much greater effect on the residential assessment rate study than it would have had in prior years.

2009 AND 2010

In January 2009, the rate was estimated to be 8.91 percent and the residential target percentage was established at 46.82 percent. After contacting all county assessors in April and updating the estimates for each class of property, the rate was adjusted to 8.85 percent. Once again, because an increase to the residential assessment rate can only be made with voter approval, the General Assembly chose to reenact the 7.96 percent residential rate as well as the 46.82 percent target percentage in HB09-1360.

The 2009 Abstracts of Assessment submitted in August later revealed that the calculated residential assessment rate should have been 9.20 percent. Again, the difference between the final estimate of 8.85 percent and the correct figure of 9.20 percent was almost entirely attributable to the estimate for the oil and gas property class.

Because of the 2007 experience with the oil and gas estimate, Division staff had decided to place greater emphasis on the opinions of assessors and others knowledgeable with oil and gas. The estimate that had been calculated by the Division using its traditional approach (using production figures and commodity prices obtained from the COGCC and the Division of Local Government) called for an increase of 38 percent, but the assessors and/or key staff in each of the largest oil and gas counties believed that the increase would be much less than 38 percent. The Division adjusted

its estimate downward to an increase of 30 percent, which was also Legislative Council's estimate at the time. Later that year, county Abstracts of Assessment showed that the oil and gas class increased by 54.5 percent. Because the property class had also grown to comprise 12.1 percent of the state's total taxable value, the error to the oil and gas estimate had a much greater effect on the residential assessment rate study than it would have had in prior years.

2011 AND 2012

In January 2011, the rate was estimated to be 8.59 percent and the residential target percentage was established at 46.53 percent. After contacting all county assessors in April and updating the estimates for each class of property, the rate was adjusted to 8.77 percent. Once again, because of TABOR language necessitating voter approval of any assessment rate increase, the General Assembly chose to reenact the 7.96 percent residential rate in HB11-1305.

2013 AND 2014

In January 2013, the rate was estimated to be 9.09 percent and the residential target percentage was established at 45.86 percent. After contacting all county assessors in April and updating the estimates for each class of property, the rate was adjusted to 9.13 percent. Once again, because of TABOR language necessitating voter approval of any assessment rate increase, the General Assembly chose to reenact the 7.96 percent residential rate in HB13-1319.

RECAP OF RESIDENTIAL ASSESSMENT RATES

<u>Years</u>	<u>Rate enacted into law</u>	<u>Rate calculated by RAR Study</u>
1983-1986	21.00%	
1987	18.00%	
1988	16.00%	
1989-90	15.00%	
1991-92	14.34%	
1993-94	12.86%	
1995-96	10.36%	
1997-98	9.74%	
1999-2000	9.74%	9.83%
2001-02	9.15%	
2003-04	7.96%	
2005-06	7.96%	8.17%
2007-08	7.96%	8.19%
2009-10	7.96%	8.85%
2011-12	7.96%	8.77%
2013-14	7.96%	9.13%