

This Week Property Owners Received Valuations From the Denver Assessor. Now What?

During the first week of May in every odd numbered year, Colorado's county assessors are required to inform every property owner of the full valuation that they have assigned to each property. Unless revised downward through the state-mandated appeal process, that valuation will be the basis of the property tax charged for this year and for 2024.

The valuation you receive by letter is the assessor's best guess as to what your property might have sold for on June 30th of the previous (even-numbered) year. That assumes, however, that the condition of your home is the same on Jan. 1st of this year and next year as it was on June 30th of last year. If your house is bigger or smaller on January 1st, that year's valuation and therefore your property taxes must be adjusted accordingly.

The system actually *depends on* your participation in correcting the assessor's valuation, which was the result of a computer-driven "mass appraisal" system, because there's no way for the assessor's staff of human appraisers to create a valuation of every home in the City & County of Denver. Those appraisers will, however, read or listen to your appeal of the valuation which their system generated for your home.

Bottom line, therefore, is that you owe it to yourself and to the county to help the assessor come up with the proper valuation for your home. So how do you do that?

For non-residential and commercial properties, which pay roughly

four times the property tax per \$100,000 valuation, a whole industry has arisen to help property owners (for a fee) to appeal their property tax valuation.



Residential taxes are so much lower in Colorado that there's not enough profit for professionals to make, leaving residential homeowners to fight their own battle for lower valuations and therefore lower property taxes.

The county assessors are expected to make it easy for taxpayers to determine whether the assessor guessed correctly at their home's value as of June 30, 2022. Your first step is to find your home at www.denvergov.org/property/. Note that after you enter your address, you may need to scroll down to see and click on your address. (I mistakenly thought the website was defective and not responding.)

Once you're on your home's web page you'll see a tab "Neighborhood Sales" which lists all the qualified sales that occurred during the eligible period, which is the 24 months prior to June 30, 2022.

Don't make the mistake of thinking that a home which sold after June 30, 2022 (not shown, by the way, under that tab), can be used in your appeal. You may only cite comps which sold during that 24-month period ending June 30, 2022.

To make the list of sales useful, click on the "Square Footage" header to find homes similar in size to yours. Once you find good comps to use in your appeal, you need to "time adjust" their sale prices.

Time adjustment is based on how much Denver homes increased in

There's also talk of reducing the assessment rate, which is currently 6.765%. That means that a home with a \$1 million value has an "assessed value" of \$67,650, against which the mill levy is applied.

The typical Colorado mill levy is around 100 mills which means that before those two discounts, the tax on a million-dollar home would be \$6,765. With the million dollar value already reduced by \$15,000, the tax is lowered by \$101.47. With the \$40,000 discount, the tax would be lowered by an additional \$169.13.

Find three other versions of this article at www.JimSmithColumns.com, one each for Jefferson County, Douglas/Arapahoe Counties, and Aurora/Adams County.

value during those 24 months. The Denver assessor has announced that the percentage increase in values from June 30, 2020, to June 30, 2022, for the City & County of Denver is 33%. Divide that by 24 months, and the increase in value for residential properties in Denver was 1.375% per month.

So, if a sale occurred six months prior to June 30, 2022, you need to increase its sale price by six times 1.375%, which computes to 8.25%. That "time adjusted" price is what you need to cite in your appeal.

Note: If, by chance, you bought your home *on June 30, 2022*, don't assume that your purchase price will be the assessor's valuation of your home, because, regardless of what you paid for your home on June 30, 2022, its valuation is based on what eligible comps indicate it *should* have sold for. Your home would be only one of several comps used by the assessor to value your home.

Using the procedure described

above, if you find your home was overvalued, you need to protest using an online form that is under the "Assessment Protest" tab on your home's web page, where you can log in as "Guest."

Your appeal is due in the assessor's office by June 8, 2023. You can mail or fax your protest, but I recommend an in-person meeting, which you can request by calling 720-913-4164. The assessor's office is on the 4th floor of the Wellington Webb Municipal Building, 201 W. Colfax Ave., and is open from 8am to 3pm.

If your protest is rejected, the appeal options are explained well on the Notice of Valuation letter which you received in the mail.

You Can Find My Previous "Real Estate Today" Columns Online

I have been writing this column for nearly 20 years, and you may find that some of my previous columns are relevant to you. Find them at www.JimSmithColumns.com.

That website contains a link for requesting to receive this column by email in the future.

State Program Pays \$150 When You Replace Your Gas-Powered Lawn Mower With an Electric One

Last week I promoted the idea of replacing your gas-powered lawn mower, trimmer and other garden tools with electric ones. A reader alerted me to a Colorado program that provides financial incentives for doing just that.

The program, which is detailed at www.MowDownPollution.org, provides for the following: a \$75 voucher for any handheld electric yard tool when a gas version of that tool is recycled; a \$75 voucher for an electric lawn mower without the requirement that a gas mower be recycled; and a \$150 voucher for an electric lawn mower when you recycle a gas mower.

First you sign up for the program, and get a confirmation email. Then you have 21 days to recycle your lawn mower (for which they provide a list of local recyclers), then you get a voucher which you can redeem at selected Ace Hardware and Home Depot stores, also listed on that website.

Before you can recycle a gas-powered tool, you must drain both the gas and oil. Denver residents can call the At Your Door Special Collection curbside pickup service at 800-449-7587 for an appointment to recycle that gas and oil.

Only one voucher per household is allowed per year.

Proposal to Reduce Property Taxes Shouldn't Affect Effort to Obtain the Correct Valuation of Your Home

You may have read that the General Assembly will be putting a proposal on the November ballot which would reduce your property taxes by reducing the valuation of your home by \$40,000.

If your home is valued by the assessor at \$400,000, your tax will be based on a value of \$360,000, resulting in a 10% reduction in your property tax burden. If your home is worth \$4 million, that \$40,000 reduction results in a 1% reduction in your tax burden. Last year that discount was set at \$15,000.



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