

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

During the first week of May in every odd numbered year, Colorado's county assessors are required to notify every property owner of the full valuation which the assessor has 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 that year and the following year.

The valuation you receive by letter or postcard 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 as of 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 that the assessor's staff of human appraisers could create a valuation for every home in your county. 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?

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.

This proposal is "progressive" in that it benefits those with less expensive homes the most.

For example, if your home is valued by the assessor at \$400,000, the mill levy will be applied to only \$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.

So how do you do that? For commercial properties, which pay roughly four times the property tax per \$100,000, a whole industry has arisen to help property owners (for a fee) get their valuations reduced. Residential taxes are so much lower that those professionals don't solicit business from residential property owners to assist them in arguing for lower valuations and thereby lower property taxes.

The county assessors are expected to make it easy for property owners to determine whether they correctly estimated your home's value as of June 30, 2022. For Douglas County, your first step is to visit the assessor's website <https://douglas.co.us/assessor/>, where you can click on the link for 2023/2024 Property Valuation.

For Arapahoe County, the website is <https://arapahogov.com/187/Property-Search>, but it is not nearly as user friendly as Douglas County's. (If your home is in a different county, Google that county assessor's website and the process should be similar to what I describe below.)

On the assessor's web page for you own home, you should be able to look for qualified neighborhood 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 can be used in your appeal. It has to be a property sold during that 24-month

period ending June 30, 2022. That discount for tax purposes is already \$15,000.

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 \$101.47 lower. With the \$40,000 discount, the tax would be another \$169.13 lower.

period ending June 30, 2022.

Moreover, if you find a good comp to use in your appeal, you need to "time adjust" its sale price. Douglas County does that calculation for you on each comp.

Time adjustment is based on how much homes increased in value during those 24 months. The Arapahoe County assessor has announced that the percentage increase in values from June 30, 2020 to June 30, 2022 for that county is 42%. Divide that by 24 months, and the increase in values for residential properties is 1.75% per month. If, for example, a sale occurred six months prior to June 30, 2022, you need to increase its sale price by $6 \times 1.75\%$ which computes to 10.5%. 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 will be

only one of three or more comps that the assessor uses to value your home.

Using the procedure described above, it's possible that your home was valued correctly, but if it was overvalued, you need to appeal using a form that is hopefully on the assessor's website.

Your form is due in the assessor's office by June 8, 2023, so you'll want to mail it by June 1st if you can't deliver it in person to the assessor's office. My recommendation is always to request an in-person meeting with the assessor's office.

Spend some time surfing around your county assessor's website to learn about the appeal process.

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.

On that web page there's a link to request getting future columns by email subscription.

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 a 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 need to drain both the gas and oil. In both Douglas and Arapahoe Counties, call (720) 200-1592 to request a pickup appointment.

Only one voucher per household is allowed per year, according to the website.



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