

This Week Homeowners Received Updated Valuations From the County Assessor

Taxes in Colorado can't be raised without a vote of the people, so why do your property taxes go up every other year? The answer is simple — while the **rate** of taxation (the "mill levy") can't be increased without a vote of the people, the **valuation** of your home does go up based on the market, thereby raising your property taxes.

Unlike many states (for example, California), Colorado's constitution requires that property taxes be based on the full valuation of the property. It is not based on what you paid for your house, but on what it might have sold for on June 30 of every even numbered year based on the actual sales of comparable homes in your neighborhood, with "neighborhood" defined by type of home, not just locale. One example in Golden is "high end townhomes" and skips around a wide swath of north and south Golden proper.

While the full valuation of your home for next year's tax bill may be based on what it would have sold for on June 30th of **last** year, that valuation is based on what your home was like on January 1st of **this**

year. So, if you made a major improvement since last June that was completed by January 1st and that was permitted (the only way the assessor knows about it), your valuation would be based on what your improved home would have sold for last June!

Fortunately, since the valuation of your home is based on what it would have sold for on June 30th of last year, that valuation does not reflect the extreme bidding up of home prices we have seen since last June.

The mill levy for your home is not applied to that full valuation but to 7.15% of it. That's called the "assessed valuation." As a quick and easy example, if your home is worth \$1,000,000, the assessed valuation is \$71,500, and if your mill levy is 100 mills, your tax for 2021 and 2022 for that million dollar home would be \$7,150. ("Mill" is from the Latin word for thousand, so the mill levy is applied to each thousand dollars of assessed valuation. Thus, 71.5 thousand dollars multiplied by 100 mills = \$7,150.)

TABOR, Douglas Bruce's 1996 "Taxpayer Bill of Rights," limits how much money any taxing jurisdic-

tion can retain based on population growth plus inflation. Unless a taxing jurisdiction has "de-Bruced," that jurisdiction must refund the excess to its taxpayers. The preferred method, however, is to lower the mill levy so that less money is collected in the first place. In some cases, the yearly decline in mill levies due to increased property values has resulted in little or no increase in the property tax bill.

Overall, county assessors have determined that home valuations increased by ½ percent per month over the 24-month assessment cycle from July 2018 to June 2020, so if your home's 2021 valuation has increased by a lot more than 12% over its 2019 valuation, and there have been no permitted improvements or additions to your property during that two-year period, then you may have a basis for appealing your new valuation.

In my own case, the valuation increase over that period was 34.2%, so I will be appealing my new valuation, since I have made no capital improvements to my home since 2018. I won my appeal two years ago, so my 2018 valuation is acceptable to me. If you didn't appeal in 2019, or if your appeal wasn't successful, you may want to appeal even if your 2020 valuation's increase is close to that 12% average valuation increase.

Any appeal must cite **qualified**

comparable sales which you'll only find by clicking on the "Sales" tab on the assessor's web page for **your** home. Any other comps will be rejected, so don't ask me or your own agent to find any for you. Remember to "age" the sold prices by 1/2 percent for each month that a given comp's sale occurred prior to June 2020.

REAL ESTATE TODAY



By JIM SMITH, Realtor®

Green Home of the Month



Each month we feature a different home from the 2020 Metro Denver Green Homes Tour. This Genesee Mountain home on Chief Hosa Road is owned by Barry Rosenberg and Lee Fisher. It is all-electric—no propane. The architect was Peter Ewers, who specializes in Net Zero Energy homes, and this is one of them. The solar panels (grid-tied) provide all the electricity to heat the home, cook, provide hot water and everything else, including charging their Nissan Leaf. The home has straw bale walls with stucco on the north and east sides of the house. The foundation was poured using Durisol brand ICFs (insulated concrete forms). The well water is purified using UV light. You'll learn a lot from this home! See my video at www.GreenHomeoftheMonth.com

Don't Let Service People Take Advantage of You

It makes me angry when I hear of service providers telling a homeowner they need a new furnace, water heater or other major repair when they don't. I got a call recently from a single older woman who has owned her home for a couple decades, the type of homeowner who is often targeted by sales persons to spend money they shouldn't on repairs and replacements.

In her case, she was told she needed both a new furnace and new water heater, but, knowing I am in real estate, she called me for advice. I listened to her describe the issues she was facing, and recommended she call vendors I trusted. The result? She needed only some minor fixes and no big expenditures.

Women often encounter this problem when it comes to auto repair as well, since they tend not to be mechanically minded or experienced. It burns me up to hear about such sto-

ries, so here's a little advice, in case you can relate to this situation.

If you need (or think you need) a home repair, whether it's plumbing, electrical, painting, roof replacement, or anything else, call me or your favorite real estate agent (preferably a Realtor), and ask them to recommend a vendor. We deal with such vendors so often, and they count on our referrals for future business. If we refer you to a vendor — **and you tell the vendor we did** — he or she is less likely to take advantage of you, even if they wanted to, because they know that would jeopardize future referrals. We don't get a referral fee from such vendors, so you can trust our recommendations.

Use this same strategy when, for example, you need service for your car. Call a Realtor you trust to get a referral to a trusted mechanic to enjoy similar protection against being taken advantage of.

Updated West Denver Home Just Listed by David Dlugasch

This newly remodeled starter home at **642 S. Perry Street** has great curb appeal and comes with stainless steel appliances. It has a gas range, granite counter tops, tile flooring, and new carpeting in both bedrooms. There is nice wood laminate flooring in the living room and lots of natural light. The washer and dryer are included. The detached 3-car garage is oversized, with an office or flex room in the same structure. The back yard is fenced in and private with a patio area to relax on and two grassy areas to play on. It's move-in ready! Watch a narrated video tour at www.DenverHome.info, then call your agent or **David Dlugasch** at 303-908-4835 for a private showing.



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