

Sales Tax Is Lower, But Property Taxes Are Higher in Unincorporated Areas

It's a common misconception that taxes are lower in unincorporated areas of each county, but that only applies to sales tax. I don't know of any unincorporated area where property taxes are lower than they are in incorporated cities and towns.

Moreover, newer subdivisions in unincorporated areas typically have "metropolitan tax districts" that were created by the developer to pay for infrastructure — streets, gutters, sidewalks, water and sewer mains, etc. — which can make property taxes quite a bit higher than in the older areas of incorporated cities and towns.

Compare, for example, the mill levy for the City of Golden with the multiple mill levies in unincorporated areas of Jefferson County.

In Jeffco's oldest incorporated city, Golden, the city's mill levy is only 12.34 mills. (The total mill levy for Golden is 85.389, the rest being for county government and for Jeffco Public Schools.)

In those homes which are not in the City of Golden but have Golden addresses, the mill levies to provide the same services (police, fire, parks, water and sewer infrastructure, etc.) are always higher. A good example is Mesa View Estates, the 1980s neighborhood behind the Jeffco Fairgrounds. Homes in that neighborhood have mill levies from four tax jurisdictions to provide the same services that are included in the City of Golden's single mill levy.

Those four mill levies are: water & sanitation (6.786 mills); parks & recreation (6.829 mills); County sheriff (2.46 mills); and fire protection (13.196 mills). That's a total of 29.271 mills, or over 2½ times what the City of Golden collects to provide the same services.

Thus, a \$1 million home in the City of Golden would have an annual property tax bill of **\$5,934**, whereas a \$1 million home in Mesa View Estates would have an annual property tax bill of **\$7,042**.

It's even worse for homes in the Table Rock subdivision north of Golden but with Golden addresses. There the mill levy for police, fire, parks and water totals 18.447 (less than in Mesa View Estates), but there's a levy of 31 mills by the Table Rock Metropolitan District, raising the annual property tax bill to **\$8,513**.

There are many newer subdivisions with metropolitan tax districts which charge 50 or more mills, making the property tax bills that much higher. The most extreme example I have found is the Vauxmont Metropolitan Tax District serving Candelas in northern Arvada. Its mill levy is 77.93, making the annual tax bill for a \$1 million home **\$12,142**. Again, compare that to the **\$5,934** tax bill for a \$1 million home in the City of Golden.

Candelas, however, is in the City of Arvada, not unincorporated Jeffco. Older sections of Arvada, such as Scenic Heights, do not have metropolitan tax districts, but they do have separate mill levies for fire

protection and for parks and recreation districts. Similarly, Lakewood wasn't incorporated until 1969, by which time there were multiple fire, water and parks districts already charging a mill levy. Still, the total mill levy in both Arvada and Lakewood — minus any metropolitan tax districts — is under 100 mills. Virtually all unincorporated areas of the county have total mill levies that are above 100.

Denver's mill levy of 74.618 mills is even lower than Golden's, although there are some metropolitan tax districts within Denver, such as Westerly Creek in Central Park (formerly Stapleton), which charges 60.867 additional mills.

As a side note, I sit on the Rules & Regulations Committee of our MLS and have suggested, without success so far, that listings in RE-colorado include the mill levy instead of, or in addition to, the dollar amount of property taxes.

Sales taxes can only be levied by incorporated cities and towns and by state constituted districts such as RTD and SCFD. I'm not aware of any county-level sales taxes. If you buy a truck or car worth, say, \$100,000, you could easily save \$3,000 in sales tax by registering it in an unincorporated area of the county, but that may not be enough to compensate for the additional

property taxes you will be paying.

By the way, property tax is also levied as "ownership" tax on that \$100,000 truck or car.

How Are Property Taxes Calculated in Colorado?

Property taxes are charged through a **mill levy**. Each "mill" (from the Latin word for thousand) is a tax of one dollar for each thousand dollars of your home's assessed valuation.

In Colorado, the **assessed** value of residential real estate is currently calculated at 6.95% of the home's **full valuation**. Thus, if the county assessor determines that your home is worth \$1 million, its assessed valuation would be \$69,500, and the mill levy for each taxing jurisdiction would be applied to that lower value. A mill levy of 100 mills would thus produce a property tax bill of \$6,950 (which is 100 x 69.5)

The Colorado constitution requires county assessors to determine what each property **could have sold for** on June 30th of each even-numbered year (2020, 2022, 2024, etc.) and apply mill levies to 6.95% of that full valuation for the following two tax years.

Evidence Mounts That Gas Stoves Are Harmful to Health

A study published last week in the journal **Environmental Science & Technology** found at least 12 hazardous air pollutants, including benzene, a carcinogenic, are being emitted by virtually all gas ranges. The study, limited to California, included 159 stoves in 16 counties. It found benzene emitted from 99% of the sampled stoves. Find a link for that study in the posting of this article at www.GoldenREblog.com.

Although the study did not include other gas appliances such as forced air furnaces and water heaters, it makes sense that the same pollutants are being emitted from

those and other gas appliances, too.

Gas appliances are also a source of carbon monoxide, a poisonous gas, and carbon dioxide, a greenhouse gas, which is also unhealthy in high concentrations.

This report adds another reason why homeowners should consider abandoning natural gas (or propane) and moving toward having all-electric homes, especially now that there are widely available and efficient heat pump HVAC systems, heat pump water heaters, and induction cooktops. Rita and I have used all three of these appliances plus an electric grill, which we love.



Wire Fraud Can Rob Buyers of Their Life Savings

An October article for **Bloomberg BusinessWeek** describes an increasingly common cyber crime perpetrated against home buyers.

Since most title companies want the money for closings wired to their bank accounts, scammers have mastered the art of impersonating real estate agents, loan officers and escrow agents and sending highly credible emails providing the wrong wiring instructions for buyers' down payments. These down payments can often be in the hundreds of thousands of dollars, and if the authorities aren't notified of the deception within minutes, those wired funds are typically out of the country and not recoverable.

That's why all buyers should be

suspicious of any email containing wiring instructions and always call the title company to get the correct wiring instructions verbally. And don't call the number for the title company that's in the suspicious email! Look up the phone number or get it from your paperwork.

Wire fraud is so common that one of my favorite title companies, First Integrity Title, has a wire fraud warning instead of music on hold when you call them. After several times on hold with them, it can become pretty annoying, but that just shows how important they consider the warning to be, because too many home buyers have lost their life savings **and** the home that they were about to close on.



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