

Section II

Administration

COLORADO PROPERTY TAX

OVERVIEW

The Colorado property tax system provides revenue exclusively for local government services. The largest share of property tax revenue (50.6 percent) goes to support the state's public schools. County governments claim the next largest share (25.5 percent), followed by special districts (17.5 percent), municipal governments (5.2 percent), and junior colleges (01.2 percent).

The authority for property taxation is both constitutional and statutory. Article X of the Colorado Constitution provides that all property is taxable unless declared exempt by the Constitution, and that the actual value of taxable property shall be determined under the general laws to secure just and equalized valuations. The specific statutes pertaining to property taxation are found in Title 39, Articles 1 through 14, Colorado Revised Statutes.

Under the general laws of Colorado, county assessors are required to value all taxable property within their territorial jurisdictions. The State Board of Equalization (state board) has supervision over the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes. The Division of Property Taxation (Division), under direction of the Property Tax Administrator (administrator), coordinates implementation of property tax laws throughout Colorado's sixty-four counties.

Revenue derived from 2007 property taxes (payable 2008) will increase statewide for every local government type. Table 1 lists the percentage increases in property tax revenue between taxes payable in 2007 and taxes payable in 2008. The combined revenue increase from taxes payable in 2008 is 13.26 percent.

TABLE 1
REVENUE CHANGE BY ENTITY TYPE
Tax Years 2006-2007

Taxing Entity	% Increase
School District K-12	12.40%
Junior Colleges	18.63%
Counties	14.09%
Municipalities	12.59%
Special Districts	14.44%
Combined Increase	13.26%

STATE BOARD OF EQUALIZATION

The State Board of Equalization consists of the Governor, the President of the Senate, the Speaker of the House of Representatives, or their designees, and two members appointed by the Governor with consent of the Senate. Each appointed member must be a qualified appraiser, a former assessor, or a person who has knowledge and experience in property taxation. The state board members for 2007 were Lyle C. Kyle, Chairperson and appointee of the Governor; Charles Brown, Vice-Chair and appointee of the Governor; Michael Schuster, designee of Joan Fitz-Gerald, President of the Senate; Representative Joel Judd, designee of Andrew Romanoff, Speaker of the House of Representatives; and Craig R. Welling, designee of Governor Bill Ritter, Jr.

Duties and Responsibilities

The state board supervises the administration of property tax laws and the equalization of the values of classes and subclasses of taxable property. Duties of the state board are found primarily in Article X, Sections 3 and 15 of the Colorado Constitution and in Title 39, Articles 1 and 9, Colorado Revised Statutes.

Among its duties, the state board reviews the findings and conclusions of the annual study contractor and orders reappraisals in counties found not in compliance. The annual study was initiated by a 1982

amendment to the Colorado Constitution to ensure that all assessors value property at the same level of value, using standardized procedures and statistical measurements. The study is conducted by an independent auditing firm contracted by the Director of Research, Colorado Legislative Council, § 39-1-104(16), C.R.S. The study and the resulting orders of reappraisal are the primary means of achieving statewide equalization.

The importance of the state board's equalization function is due in part to the relationship that exists between assessed values and state aid to schools. Generally, if the property in a school district is under-assessed, it is likely that the district will receive more state revenue than it is entitled. When the results of a reappraisal order indicate that the affected school district(s) received too much state revenue, the state board will order the county (not the school district) to pay back the excess funding. During the 1980s and early 1990s, this occasionally required the repayment of substantial revenue to the state. In more recent years, significant improvements in the quality of county assessments have resulted in far fewer reappraisal orders and far smaller repayments of excess state aid to schools.

The state board also reviews county Abstracts of Assessment, decisions of county boards of equalization (county boards), and the policies and recommendations of the Property Tax Administrator.

STATE BOARD ENFORCEMENT

The following is a brief history of recent enforcement actions by the State Board of Equalization.

2007 Enforcement and Repayment

On October 10, 2007, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council. Based on these findings, the state board issued no orders of reappraisal. They did, however, review the status of a prior reappraisal order given to Costilla County.

In 2005, Costilla County was issued a reappraisal order. At the state board meeting on October 11, 2006, the board

determined that the reappraisal was successfully completed, and ordered the county to payback the state aid to schools as well as the supervision reimbursement costs by the end of 2007.

At the state board meeting in October 2007, the Costilla County Deputy Assessor provided the state board with a document detailing the County's 2007 expenditures. Although the entire \$17,964.97 had not yet been spent, the remaining portion was slated to be used for education of assessor personnel and a list of proposed courses was submitted.

The board also reviewed the progress of their 2005 recommendations for both Rio Grande and Jackson Counties.

The state board's initial recommendation asked Rio Grande County to determine the productive capability of agricultural land by implementing the National Resource Conservation Service (NRCS) soil survey by 2007 for 2008. The county completed the soil survey in 2007, which was verified by Carl Ross of Rocky Mountain Valuation Specialists, Inc.

The recommendation made by the state board to implement a five-year cycle for physical inspections in Jackson County was also reviewed. The Jackson County Assessor indicated that as of October 10, 2007, 45 percent of the inspections had been completed.

2006 Enforcement and Repayment

On October 11, 2006, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council. Based on these findings, the board issued no orders of reappraisal. They did, however, review the results of the reappraisal order given to Costilla County in 2005 for all single-family residential properties in the county.

The board determined that the reappraisal was successfully completed, and it ordered the county to make the following paybacks and reimbursements.

County	Supervision Reimbursement	State Aid To Schools Payback
Costilla	\$17,964.97	\$968.09*

* + interest on state aid payback at six percent annually.

The board approved Costilla County's request to repay the excess state equalization payments to schools by the end of 2007. In addition, the state board approved a three percent reduction in excess of the prime rate for 2004, 2005, 2006 and 2007.

The board also approved the county's request to employ the "Bledsoe Plan" for the repayment of the supervision costs allowing the county to choose an alternative method of repaying the costs associated with the state's supervision of the reappraisal. The Bledsoe Plan authorizes counties to increase the assessor's budget by the supervision reimbursement money for expenditures that will enhance their operational effectiveness.

2005 Enforcement and Repayment

On October 11, 2005, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council. Based on the findings, the state board issued a reappraisal order for the residential property class in Costilla County, it ordered Rio Grande County to comply with a procedural requirement to use a soil survey conducted by the United States Natural Resource Conservation Service (NRCS) when classifying and valuing agricultural land, and it ordered Jackson County to submit a plan for detailing the methodologies and time frames the county will use to physically inspect agricultural outbuildings.

The board also reviewed the results of a reappraisal order issued to Fremont County in 2004, and pursuant to the reappraisal, it ordered the repayment of excess state aid to schools at the interest rate to be reduced by three percent during the repayment period.

The board also ordered the repayment of the cost of supervising the reappraisal.

The county did so via the Bledsoe Plan which allowed the county to apply the supervision reimbursement money to the assessor's budget for 2006. The county requested the funds be used to purchase desktop computers, GPS-enabled computers, various types of software and maps.

County	Supervision Reimbursement	State Aid To Schools Payback
Fremont	\$54,751	\$131,263

+ interest on state aid payback based on the rate set by the Colorado Banking Commissioner, reduced by three percent under the authority of the state board.

2004 Enforcement and Repayment

On October 4, 2004, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council.

After considering all evidence and testimony, the state board concluded that the Fremont County commercial/industrial property classes were out of compliance and issued an order of reappraisal to the county.

2003 Enforcement and Repayment

On October 14, 2003, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council.

After considering all evidence and testimony, the state board concluded that 2003 class values for all 64 counties were in compliance with Colorado assessment law, and no orders were issued requiring the reappraisal of a class or sub-class of property.

DIVISION OF PROPERTY TAXATION

Under the general laws of Colorado, the Property Tax Administrator (Administrator) heads the Division of Property Taxation. The Administrator is appointed by the State Board of Equalization to serve a five-year term, and until a successor is appointed and qualified.

A primary responsibility of the Division is to administer the implementation of property tax law throughout the 64 counties so that valuations are fair, uniform, and defensible, thereby ensuring that each property class contributes only its fair share of the total property tax revenue. In other words, the Division's goal is equalization of valuation and proper distribution of property taxes throughout the state.

The Division is comprised of four sections: Administrative Resources, Appraisal Standards, Exempt Properties, and State Assessed Properties.

Administrative Resources

Administrative Resources prepares and publishes administrative manuals, procedures and instructions. It conducts schools and seminars regarding the administrative functions of the assessors' offices. It conducts field studies and provides statewide assistance in title conveyance, mapping, abstracting valuations, certification of values to taxing entities, and feasibility studies. The section also investigates taxpayer complaints. It is responsible for various studies and reports such as the residential assessment rate study and the Property Tax Administrator's Annual Report to the General Assembly and State Board of Equalization. It also coordinates with agencies having an interest in property taxation. In addition, the field staff works closely with assessors in all areas of property taxation.

Appraisal Standards

Appraisal Standards prepares and publishes appraisal manuals, procedures and instructions. It holds schools and seminars regarding all areas of appraisal. It conducts field studies and provides statewide assistance in agricultural land classification, natural resources and personal property valuation, as well as assistance in the valuation of residential, commercial and industrial properties. The section assists in reappraisal efforts, reviews internal appraisal forms used by assessors, and investigates and responds to taxpayer complaints.

Exempt Properties

The Exemptions Section is responsible for determining qualification for exemption from property taxation for properties that are owned and used for religious, charitable and private school purposes. Exempt property owners are required to file annual reports with the Division to continue exemption. The section provides assistance to counties and taxpayers with inquiries about exempt properties, conducts hearings on denied exemption applications and revocations of exemption, and defends appeals of such denials and revocations.

State Assessed Properties

The State Assessed Section values all public utilities, rail transportation companies, and airlines doing business in Colorado. The company valuations are then apportioned to the counties for collection of local property tax. The section conducts research projects in connection with state assessed companies; assists counties and taxpayers with inquiries on the assessment of public utilities, rail transportation companies, and airlines; hears protests of the assigned values and defends appeals of such valuations.

2007 VALUE INFORMATION

Statewide Assessed Values for 2007

For 2007, Colorado assessed values increased by \$10.60 billion, or 14.22 percent from the prior year. The increase resulted from the general reappraisal of property to the 2006 level of value. Table 2 displays the percentage changes by property class.

Class	2006-2007 Change	Percentage of Total
Vacant Land	30.09%	6.9%
Residential	14.50%	46.2%
Commercial	18.78%	28.1%
Industrial	2.45%	3.4%
Agricultural	0.16%	1.0%
Natural Resources	12.19%	0.5%
Producing Mines	67.48%	0.3%
Oil and Gas	-1.44%	8.5%
State Assessed	8.51%	5.2%
Net Total	14.22%	100.0%

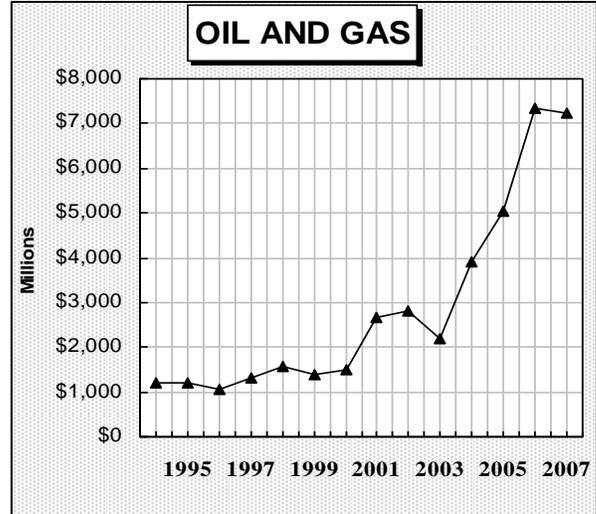
For real property classified as vacant land, residential, commercial and industrial, the increases in value reflect market value changes that occurred between June 30, 2004 and June 30, 2006. The increases also reflect property newly constructed or placed in service during 2007.

Unlike other classes, property classified as state assessed is valued annually by the Division of Property Taxation using unitary valuation procedures. The state assessed class includes property owned by public utilities, airlines and railroads. The State Assessed Section of the Division values each company and allocates a portion of the value to Colorado. That value is then apportioned to the appropriate counties based on the location of the company's operating property or business activity. The 8.5 percent increase in state assessed value for 2007 is due to increases in the transportation sector, a rebound in the telecommunications industry and pipeline expansion. In 2007, construction of the Rockies Express Pipeline contributed \$42.4 million dollars in assessed value.

The value established for agricultural land is based on the earning or productive capacity of the land regardless of the property's market value or its highest and best use. As a result, the actual values of agricultural property are often much lower than their market values and tend to be stable from year to year.

Oil and Gas and Other Production Classes

Since 2000, Colorado has experienced a 386.24 percent increase in the total assessed value of the oil and gas class. Although we saw a slight (-1.44%) decrease in the total assessed oil and gas value for 2007, this class of taxable property contains the third highest total assessed value for 2007, up from sixth highest in 2000. A recent history of the assessed value for the class is shown below.



Year	Value	% of Total	Change
2000	\$1.49	3.1%	7.8%
2001	\$2.65	4.5%	78.5%
2002	\$2.80	4.6%	5.6%
2003	\$2.20	3.6%	-21.4%
2004	\$3.91	6.0%	77.6%
2005	\$5.06	7.2%	29.4%
2006	\$7.33	9.8%	45.0%
2007	\$7.22	8.5%	-1.4%

The value of oil and gas land is calculated as a percentage of the sale price obtained for the product at the wellhead. This makes oil and gas among the most volatile of classes because the market prices of natural gas and crude oil can change considerably from year to year. When the prices rise or fall, the production volumes of the commodities tend to increase or decrease in harmony with the changes in price, magnifying the effect of price changes on the assessed value of the property class. For example, natural gas production in 2006 (2007 values) was approximately 1,155,354,115 MCFs with an average price of \$4.26 per MCF. By comparison, the 2002 production (2003 values) was approximately 832,380,000 MCFs with an average price of \$2.42 per MCF.

According to the Colorado Oil and Gas Conservation Commission, Colorado had over 35,000 active wells in the state at the close of 2007. Approximately, 83 percent of those are located in six counties: Weld, Garfield, Yuma, La Plata, Las Animas and Rio Blanco.

The value of land in the other production classes, natural resources and producing mines, is also calculated as a percentage of the money obtained from selling the product. Like oil and gas, the value of producing mines is subject to a high level of volatility, but the class comprises only 0.3 percent of the state's total value. Nearly 98 percent of that value is located in the counties of Clear Creek, Grand, Lake, and Teller. The primary mineral produced in the first three counties is molybdenum, while in Teller it is gold. Due to the small number of mining operations in Colorado, the total value is sensitive not only to changes in commodity prices, but also to business decisions of the operators and to decisions rendered on property tax appeals.

Regional and Local Values in 2007

The 14.2 percent increase did not occur uniformly across Colorado. At the county level, the changes in value ranged from an increase of 58.3 percent in Costilla County to a decrease of 4.9 percent in Las Animas County. The range of value changes is more dramatic when observed at the taxing entity level.

Counties with the greatest increases fall primarily into two groups: those with large percentage increases to the residential class and those with a large portion of their value comprised of oil and gas property.

The largest increases in residential value for 2007 occurred in western slope counties with the highest increase in Gunnison County (53.4%). Generally, these counties also saw large increases in the values of commercial property and vacant land.

Although oil and gas property comprises only 8.5 percent of the state's total assessed value, 95.1 percent of the oil and gas value is concentrated in ten counties. In two of those counties, Rio Blanco and Las Animas, at least 70 percent of their taxable value is classified as oil and gas. This is significant because the Constitutional Taxpayer Bill of Rights (TABOR) prohibits a mill levy increase without voter approval. This restriction can subject the tax base of certain local governments to the volatility inherent to the oil and gas class. Table 4 lists the top ten oil and gas producing counties for 2007 as well as the percentage of their increases in total value.

County	2007 Assessed Oil and Gas	% Change 2006-2007	% Value in Oil and Gas
Garfield	1,867,052,350	6.98%	65.3%
Weld	1,744,572,440	0.48%	39.1%
La Plata	1,597,383,850	-19.42%	55.6%
Rio Blanco	548,344,581	26.47%	76.1%
Las Animas	441,005,390	-12.42%	71.0%
Montezuma	189,116,000	29.81%	41.7%
Yuma	162,763,890	11.56%	54.2%
Moffat	112,615,630	-5.88%	23.8%
Cheyenne	106,580,598	6.51%	73.6%
San Miguel	100,418,330	-7.70%	11.1%

See Table 5 on the following page for the value changes in taxable value for each county from 2006 to 2007.

**TABLE 5
CHANGE IN TAXABLE VALUES FROM 2006 TO 2007**

COUNTY	2007 ASSESSED VALUES			2006 ASSESSED VALUES			INCREASE OR DECREASE		
	Non-Residential	Residential	Total	Non-Residential	Residential	Total	Non-Res	Residential	Total
Adams	2,387,638,820	2,136,421,180	4,524,060,000	2,156,972,370	2,090,024,670	4,246,997,040	10.69%	2.22%	6.52%
Alamosa	84,497,550	43,989,700	128,487,250	79,157,790	36,344,730	115,502,520	6.75%	21.03%	11.24%
Arapahoe	3,535,970,890	4,150,158,740	7,686,129,630	3,127,075,850	3,793,975,220	6,921,051,070	13.08%	9.39%	11.05%
Archuleta	208,232,487	147,711,828	355,944,315	143,158,301	104,152,898	247,311,199	45.46%	41.82%	43.93%
Baca	63,497,180	6,219,268	69,716,448	61,141,204	5,687,299	66,828,503	3.85%	9.35%	4.32%
Bent	47,085,493	7,698,196	54,783,689	45,857,956	7,668,929	53,526,885	2.68%	0.38%	2.35%
Boulder	2,532,243,660	3,042,062,070	5,574,305,730	2,279,556,900	2,751,583,576	5,031,140,476	11.08%	10.56%	10.80%
Broomfield	627,163,900	401,630,866	1,028,794,766	570,306,960	351,866,104	922,173,064	9.97%	14.14%	11.56%
Chaffee	178,455,400	150,415,080	328,870,480	161,881,200	133,440,710	295,321,910	10.24%	12.72%	11.36%
Cheyenne	141,496,455	3,368,017	144,864,472	135,666,617	3,304,477	138,971,094	4.30%	1.92%	4.24%
Clear Creek	256,388,560	99,594,300	355,982,860	157,858,620	91,953,600	249,812,220	62.42%	8.31%	42.50%
Conejos	25,126,487	22,997,881	48,124,368	24,121,853	21,033,614	45,155,467	4.16%	9.34%	6.57%
Costilla	106,889,231	8,522,506	115,411,737	65,370,588	7,560,097	72,930,685	63.51%	12.73%	58.25%
Crowley	29,245,057	5,743,663	34,988,720	27,511,462	5,553,760	33,065,222	6.30%	3.42%	5.82%
Custer	42,927,050	45,071,420	87,998,470	38,143,010	39,425,340	77,568,350	12.54%	14.32%	13.45%
Delta	156,143,450	144,422,280	300,565,730	135,486,460	114,770,960	250,257,420	15.25%	25.84%	20.10%
Denver	6,262,106,900	4,395,297,930	10,657,404,830	5,118,383,100	3,930,201,030	9,048,584,130	22.35%	11.83%	17.78%
Dolores	42,021,367	10,063,604	52,084,971	33,959,352	7,514,545	41,473,897	23.74%	33.92%	25.58%
Douglas	1,901,853,000	2,649,807,160	4,551,660,160	1,680,328,330	2,390,842,970	4,071,171,300	13.18%	10.83%	11.80%
Eagle	1,154,416,500	2,018,655,620	3,173,072,120	879,257,260	1,405,984,100	2,285,241,360	31.29%	43.58%	38.85%
El Paso	3,005,896,850	3,468,628,570	6,474,525,420	2,672,686,540	3,025,409,240	5,698,095,780	12.47%	14.65%	13.63%
Elbert	89,266,850	186,271,120	275,537,970	85,611,130	169,680,590	255,291,720	4.27%	9.78%	7.93%
Fremont	250,711,410	179,083,150	429,794,560	216,305,091	157,157,551	373,462,642	15.91%	13.95%	15.08%
Garfield	2,412,852,480	445,051,030	2,857,903,510	2,195,904,810	361,578,510	2,557,483,320	9.88%	23.09%	11.75%
Gilpin	292,065,560	54,714,490	346,780,050	262,075,310	52,884,610	314,959,920	11.44%	3.46%	10.10%
Grand	428,840,870	375,359,700	804,200,570	312,714,150	298,129,900	610,844,050	37.14%	25.90%	31.65%
Gunnison	454,803,930	315,813,110	770,617,040	303,951,600	205,906,440	509,858,040	49.63%	53.38%	51.14%
Hinsdale	29,594,540	22,565,230	52,159,770	25,893,780	16,918,350	42,812,130	14.29%	33.38%	21.83%
Huerfano	79,954,019	34,051,988	114,006,007	65,888,920	29,339,686	95,228,606	21.35%	16.06%	19.72%
Jackson	23,171,028	8,582,770	31,753,798	21,199,100	8,267,330	29,466,430	9.30%	3.82%	7.76%
Jefferson	3,001,086,160	4,290,559,020	7,291,645,180	2,715,442,170	3,995,315,490	6,710,757,660	10.52%	7.39%	8.66%
Kiowa	31,273,000	1,827,830	33,100,830	31,563,760	1,825,690	33,389,450	-0.92%	0.12%	-0.86%
Kit Carson	89,110,899	19,406,403	108,517,302	81,071,043	19,175,487	100,246,530	9.92%	1.20%	8.25%
La Plata	2,328,562,470	546,642,460	2,875,204,930	2,566,894,960	436,296,680	3,003,191,640	-9.28%	25.29%	-4.26%
Lake	51,883,817	42,608,149	94,491,966	47,396,874	37,466,827	84,863,701	9.47%	13.72%	11.35%
Larimer	1,873,179,388	2,113,806,310	3,986,985,698	1,589,659,136	1,998,483,390	3,588,142,526	17.84%	5.77%	11.12%
Las Animas	568,652,960	52,099,600	620,752,560	606,132,100	46,354,650	652,486,750	-6.18%	12.39%	-4.86%
Lincoln	58,614,786	11,527,155	70,141,941	58,271,035	10,931,569	69,202,604	0.59%	5.45%	1.36%
Logan	146,427,230	56,098,620	202,525,850	136,619,310	53,706,850	190,326,160	7.18%	4.45%	6.41%
Mesa	952,271,940	829,810,890	1,782,082,830	683,068,750	645,904,400	1,328,973,150	39.41%	28.47%	34.09%
Mineral	16,028,410	13,654,300	29,682,710	13,002,510	11,702,660	24,705,170	23.27%	16.68%	20.15%
Moffat	421,638,530	52,255,990	473,894,520	375,093,540	41,636,970	416,730,510	12.41%	25.50%	13.72%
Montezuma	346,340,940	106,866,270	453,207,210	276,030,550	92,941,100	368,971,650	25.47%	14.98%	22.83%
Montrose	318,258,710	235,164,270	553,422,980	252,780,280	178,371,580	431,151,860	25.90%	31.84%	28.36%
Morgan	289,572,160	89,182,380	378,754,540	285,956,500	81,405,730	367,362,230	1.26%	9.55%	3.10%
Otero	72,554,742	42,280,359	114,835,101	70,758,920	40,571,915	111,330,835	2.54%	4.21%	3.15%
Ouray	115,973,260	78,479,600	194,452,860	83,816,390	60,899,290	144,715,680	38.37%	28.87%	34.37%
Park	205,597,768	207,391,250	412,989,018	173,378,333	184,205,770	357,584,103	18.58%	12.59%	15.49%
Phillips	34,933,340	13,187,800	48,121,140	34,487,240	12,496,680	46,983,920	1.29%	5.53%	2.42%
Pitkin	882,655,050	1,844,508,320	2,727,163,370	659,035,590	1,275,051,130	1,934,086,720	33.93%	44.66%	41.01%
Prowers	101,154,810	23,860,190	125,015,000	101,245,060	23,150,380	124,395,440	-0.09%	3.07%	0.50%
Pueblo	605,977,750	611,629,110	1,217,606,860	545,646,360	540,571,040	1,086,217,400	11.06%	13.15%	12.10%
Rio Blanco	691,773,592	29,012,350	720,785,942	553,811,890	23,931,720	577,743,610	24.91%	21.23%	24.76%
Rio Grande	107,206,480	64,009,710	171,216,190	89,090,420	49,686,450	138,776,870	20.33%	28.83%	23.38%
Routt	573,972,930	520,649,920	1,094,622,850	422,155,740	390,834,840	812,990,580	35.96%	33.21%	34.64%
Saguache	41,051,370	16,076,570	57,127,940	36,118,741	13,894,569	50,013,310	13.66%	15.70%	14.23%
San Juan	41,717,080	13,400,050	55,117,130	30,725,910	9,890,950	40,616,860	35.77%	35.48%	35.70%
San Miguel	479,997,600	421,860,510	901,858,110	440,173,010	340,635,740	780,808,750	9.05%	23.85%	15.50%
Sedgwick	27,606,920	5,141,300	32,748,220	27,422,960	4,831,720	32,254,680	0.67%	6.41%	1.53%
Summit	615,728,387	949,698,396	1,565,426,783	499,297,661	775,173,872	1,274,471,533	23.32%	22.51%	22.83%
Teller	252,990,639	196,087,850	449,078,489	228,521,560	167,527,250	396,048,810	10.71%	17.05%	13.39%
Washington	100,633,607	10,291,005	110,924,612	101,689,050	10,100,442	111,789,493	-1.04%	1.89%	-0.77%
Weld	3,246,930,110	1,216,058,280	4,462,988,390	3,055,145,060	1,133,000,390	4,188,145,450	6.28%	7.33%	6.56%
Yuma	273,997,590	26,171,380	300,168,970	244,312,530	24,074,760	268,387,290	12.15%	8.71%	11.84%
Total	45,815,911,399	39,331,276,064	85,147,187,463	40,199,240,558	34,350,208,817	74,549,449,375	13.97%	14.50%	14.22%

Personal Property in 2007

In 2007, personal property accounted for 11.65 percent of Colorado's property tax base; that percentage varied substantially from county to county. Although most personal property is assessed locally, 40.77 percent of personal property is classified as state assessed. In 2007, 92.12 percent of the state assessed property value was personal. All taxable personal property is assessed at 29 percent of its actual value.

Under the Colorado Constitution and statutes, certain categories of business personal property are exempt from taxation, including

equipment used for agricultural purposes, business industry materials and supplies held for consumption, and personal property under common ownership with a total actual value of no more than \$2,500 per county. In addition, a provision found in the constitution, allows any taxing entity to "enact cumulative uniform exemptions and credits to reduce or end business personal property taxes," § 20(8)(b), art. X, COLO. CONST.

Table 6 lists the state assessed, locally assessed and total taxable personal property by county, and the total percentage of value comprised of personal property.

**TABLE 6
DISTRIBUTION OF PERSONAL PROPERTY IN 2007**

County	State Assd. Personal	% of Total	Locally Assd. Personal	% of Total	Total Personal	% of Total	Total Real	Total Assd. Value
Adams	287,137,310	6.35%	497,699,490	11.00%	784,836,800	17.35%	3,739,223,200	4,524,060,000
Alamosa	10,105,300	7.86%	7,708,270	6.00%	17,813,570	13.86%	110,673,680	128,487,250
Arapahoe	281,317,990	3.66%	469,229,850	6.10%	750,547,840	9.76%	6,935,581,790	7,686,129,630
Archuleta	9,235,871	2.59%	8,416,802	2.36%	17,652,673	4.96%	338,291,642	355,944,315
Baca	28,353,113	40.67%	2,598,480	3.73%	30,951,593	44.40%	38,764,855	69,716,448
Bent	12,276,367	22.41%	1,132,298	2.07%	13,408,665	24.48%	41,375,024	54,783,689
Boulder	134,432,670	2.41%	390,365,810	7.00%	524,798,480	9.41%	5,049,507,250	5,574,305,730
Broomfield	38,642,420	3.76%	103,393,530	10.05%	142,035,950	13.81%	886,758,816	1,028,794,766
Chaffee	12,891,090	3.92%	8,826,400	2.68%	21,717,490	6.60%	307,152,990	328,870,480
Cheyenne	11,983,838	8.27%	12,558,408	8.67%	24,542,246	16.94%	120,322,226	144,864,472
Clear Creek	10,847,820	3.05%	43,134,540	12.12%	53,982,360	15.16%	302,000,500	355,982,860
Conejos	3,636,852	7.56%	1,018,855	2.12%	4,655,707	9.67%	43,468,661	48,124,368
Costilla	4,405,677	3.82%	771,460	0.67%	5,177,137	4.49%	110,234,600	115,411,737
Crowley	3,529,200	10.09%	497,927	1.42%	4,027,127	11.51%	30,961,593	34,988,720
Custer	3,580,710	4.07%	619,350	0.70%	4,200,060	4.77%	83,798,410	87,998,470
Delta	20,606,950	6.86%	28,340,400	9.43%	48,947,350	16.29%	251,618,380	300,565,730
Denver	771,192,620	7.24%	779,914,390	7.32%	1,551,107,010	14.55%	9,106,297,820	10,657,404,830
Dolores	10,966,479	21.05%	1,152,819	2.21%	12,119,298	23.27%	39,965,673	52,084,971
Douglas	129,327,161	2.84%	234,958,400	5.16%	364,285,561	8.00%	4,187,374,599	4,551,660,160
Eagle	50,730,970	1.60%	84,771,340	2.67%	135,502,310	4.27%	3,037,569,810	3,173,072,120
El Paso	238,615,550	3.69%	460,832,020	7.12%	699,447,570	10.80%	5,775,077,850	6,474,525,420
Elbert	13,849,310	5.03%	3,996,290	1.45%	17,845,600	6.48%	257,692,370	275,537,970
Fremont	22,298,230	5.19%	82,560,710	19.21%	104,858,940	24.40%	324,935,620	429,794,560
Garfield	51,637,560	1.81%	284,058,500	9.94%	335,696,060	11.75%	2,522,207,450	2,857,903,510
Gilpin	4,792,610	1.38%	35,798,930	10.32%	40,591,540	11.71%	306,188,510	346,780,050
Grand	25,205,660	3.13%	35,345,360	4.40%	60,551,020	7.53%	743,649,550	804,200,570
Gunnison	10,433,750	1.35%	40,687,870	5.28%	51,121,620	6.63%	719,495,420	770,617,040
Hinsdale	733,664	1.41%	389,410	0.75%	1,123,074	2.15%	51,036,696	52,159,770
Huerfano	15,359,009	13.47%	8,850,609	7.76%	24,209,618	21.24%	89,796,389	114,006,007
Jackson	2,013,946	6.34%	1,226,159	3.86%	3,240,105	10.20%	28,513,693	31,753,798
Jefferson	227,222,860	3.12%	464,779,570	6.37%	692,002,430	9.49%	6,599,642,750	7,291,645,180
Kiowa	3,882,540	11.73%	849,660	2.57%	4,732,200	14.30%	28,368,630	33,100,830
Kit Carson	17,477,257	16.11%	4,893,347	4.51%	22,370,604	20.61%	86,146,698	108,517,302
La Plata	61,236,990	2.13%	224,835,700	7.82%	286,072,690	9.95%	2,589,132,240	2,875,204,930
Lake	8,399,646	8.89%	4,118,042	4.36%	12,517,688	13.25%	81,974,278	94,491,966
Larimer	87,028,830	2.18%	323,240,122	8.11%	410,268,952	10.29%	3,576,716,746	3,986,985,698
Las Animas	51,076,350	8.23%	100,066,880	16.12%	151,143,230	24.35%	469,609,330	620,752,560
Lincoln	19,944,078	28.43%	2,206,977	3.15%	22,151,055	31.58%	47,990,886	70,141,941
Logan	43,818,400	21.64%	19,033,200	9.40%	62,851,600	31.03%	139,674,250	202,525,850
Mesa	90,209,520	5.06%	131,683,310	7.39%	221,892,830	12.45%	1,560,190,000	1,782,082,830
Mineral	907,410	3.06%	1,880,400	6.34%	2,787,810	9.39%	26,894,900	29,682,710
Moffat	160,889,000	33.95%	36,969,820	7.80%	197,858,820	41.75%	276,035,700	473,894,520
Montezuma	34,051,780	7.51%	30,972,550	6.83%	65,024,330	14.35%	388,182,880	453,207,210
Montrose	46,569,570	8.41%	29,395,860	5.31%	75,965,430	13.73%	477,457,550	553,422,980
Morgan	133,583,990	35.27%	45,887,330	12.12%	179,471,320	47.38%	199,283,220	378,754,540
Otero	19,803,422	17.25%	7,302,086	6.36%	27,105,508	23.60%	87,729,593	114,835,101
Ouray	4,902,330	2.52%	3,016,670	1.55%	7,919,000	4.07%	186,533,860	194,452,860
Park	13,262,575	3.21%	2,783,423	0.67%	16,045,998	3.89%	396,943,020	412,989,018
Phillips	2,592,970	5.39%	3,031,170	6.30%	5,624,140	11.69%	42,497,000	48,121,140
Pitkin	20,310,880	0.74%	51,380,430	1.88%	71,691,310	2.63%	2,655,472,060	2,727,163,370
Prowers	39,882,590	31.90%	6,680,150	5.34%	46,562,740	37.25%	78,452,260	125,015,000
Pueblo	113,686,730	9.34%	116,247,870	9.55%	229,934,600	18.88%	987,672,260	1,217,606,860
Rio Blanco	56,632,250	7.86%	126,797,298	17.59%	183,429,548	25.45%	537,356,394	720,785,942
Rio Grande	8,589,110	5.02%	6,603,140	3.86%	15,192,250	8.87%	156,023,940	171,216,190
Routt	73,563,190	6.72%	38,552,310	3.52%	112,115,500	10.24%	982,507,350	1,094,622,850
Saguache	4,900,840	8.58%	803,050	1.41%	5,703,890	9.98%	51,424,050	57,127,940
San Juan	1,832,415	3.32%	802,940	1.46%	2,635,355	4.78%	52,481,775	55,117,130
San Miguel	11,971,020	1.33%	15,440,810	1.71%	27,411,830	3.04%	874,446,280	901,858,110
Sedgwick	10,213,390	31.19%	1,222,860	3.73%	11,436,250	34.92%	21,311,970	32,748,220
Summit	25,983,960	1.66%	60,755,449	3.88%	86,739,409	5.54%	1,478,687,374	1,565,426,783
Teller	13,676,616	3.05%	43,365,840	9.66%	57,042,456	12.70%	392,036,033	449,078,489
Washington	19,680,917	17.74%	3,495,971	3.15%	23,176,888	20.89%	87,747,724	110,924,612
Weld	370,314,480	8.30%	314,629,810	7.05%	684,944,290	15.35%	3,778,044,100	4,462,988,390
Yuma	27,449,960	9.14%	22,412,120	7.47%	49,862,080	16.61%	250,306,890	300,168,970
TOTALS	4,045,687,563	4.75%	5,876,990,842	6.90%	9,922,678,405	11.65%	75,224,509,058	85,147,187,463

RESIDENTIAL ASSESSMENT RATE

In 1982, the electorate passed Constitutional Amendment One. A portion of the amendment dealt with the residential assessment rate, and that portion is referred to as the “Gallagher Amendment.”

The purpose of the Gallagher Amendment is to stabilize residential real property’s share of the statewide property tax base. From 1958 to 1982, the percentage of total assessed value comprised of residential property increased from 29 to 44 percent. This occurred primarily because market value increases to residential property greatly outpaced market value increases to non-residential property.

To counter this trend, the Gallagher Amendment requires a biennial adjustment of the residential assessment rate to ensure that the rate of change to the state’s total assessed value be the same for both residential and non-residential property, after excluding certain categories of value. The excluded categories are new construction, destroyed property, and changes in production volumes of natural resource property. The current residential assessment rate is 7.96 percent of assessed value. In contrast, the assessment rate for most classes of non-residential property is fixed at 29 percent. A history of changes to the residential assessment rate is shown in Table 7.

TABLE 7	
Residential Assessment Rate	
Years	Rate
Prior to 1983	30%
1983-1986	21%
1987	18%
1988	16%
1989-1990	15%
1991-1992	14.34%
1993-1994	12.86%
1995-1996	10.36%
1997-1998	9.74%
1999-2000	9.74%
2001-2002	9.15%
2003-2004	7.96%
2005-2006	7.96%
2007-2008	7.96%

Adjustment of the residential assessment rate is governed by § 3(1)(b) of Article X of the Colorado Constitution and § 39-1-104.2(5), C.R.S. During years of change in the level of value (odd numbered years), the legislature is required to enact into law the residential assessment rate estimated to achieve the same percentage split between residential and non-residential property that existed in the prior year, except for the excluded categories. The residential portion of the split, or “target percentage,” is also enacted into law. The target percentage itself is adjusted to account for the excluded items. The current residential target percentage is 47.43 percent.

Section 39-1-104.2(5)(c), C.R.S., requires the Property Tax Administrator to complete a documented study, calculating the target percentage and estimating the residential assessment rate needed to achieve it. The findings are used by the legislature for enacting the new target percentage and residential assessment rate.

2007 Residential Rate Calculation

Three major calculations are required to determine the residential assessment rate. (NOTE: The following example portrays the calculation of the rate for tax years 2007 and 2008):

- 1) **Calculate the 2007 Target Percentage** - The 2005 target percentage was adjusted to account for new construction, destroyed property and changes to the volumes of natural resource production. To do so, a hypothetical total assessed value of residential property in 2005 was calculated that, if achieved, would have resulted in residential property comprising exactly 47.22 percent (rounded) of the total taxable assessed value. The value of 2005 and 2006 residential net new construction was then added to that figure. The value of 2005 and 2006 non-residential net new construction and the values associated with changes in production volumes of the natural resources classes were added to the total assessed value of 2005 non-residential property. The new target percentage of 47.43 percent represents the residential portion of the total adjusted value.

2) **Estimate 2007 values** – Because the residential assessment rate study is completed prior to the establishment of new actual and assessed values, the most sensitive step involves an estimation of what those values will be. In November/December 2006, employees of the Administrative Resources Section interviewed the assessor and appropriate staff in every county to obtain their estimates of value changes. In addition, a linear regression technique known as time trending was used to develop estimates from county sales data. For the oil and gas class, a statewide estimate was developed using data obtained from the Colorado Oil and Gas Conservation Commission. For state assessed property, appraisers in the State Assessed Section estimated value changes for the industries they value, resulting in an overall estimate for the state assessed class. The value estimates in this step do not include 2007 new construction.

3) **Calculate the new rate** – The 2007 study calculated a new residential assessment rate of 8.19 percent. That figure, when multiplied by the estimated actual value of residential property, results in an assessed value estimate that is 47.43 percent (rounded) of the estimated 2007 total taxable value. In other words, it is the rate estimated to achieve the 2007 target percentage.

Although the study indicated that the residential assessment rate should be adjusted upward to 8.19 percent, Section 20(4) of Article X of the Colorado Constitution prohibits an increase of the rate without statewide voter approval. Therefore, the legislature maintained the residential assessment rate at 7.96 percent for tax years 2007 and 2008.

Shift of Assessed Values and Tax Burden

Table 8, on the following page, calculates the savings to residential taxpayers from the inception of the Gallagher Amendment through 2007. It does so by comparing the taxes paid by residential property owners to an estimate of the taxes they would have paid had the Gallagher Amendment not been enacted. The estimated savings to residential property owners is \$12,897,780,448

The table begins with 1987, because the residential assessment rate remained at 21 percent until 1987. The contents of each row in the table are described below.

- Column 1 Hypothetical residential assessment rate of 21 percent.
- Column 2 Actual residential assessment rate for each particular year.
- Column 3 Actual average mill levy.
- Column 4 Hypothetical average mill levy, had the residential rate been 21 percent every year. This is calculated by dividing the total actual revenue received in each year (Row 9), by the total assessed value, had the residential rate been 21 percent (Row 8).
- Column 5 Actual total residential assessed value.
- Column 6 Actual total statewide assessed value as certified by county commissioners when mill levies were certified.
- Column 7 Total hypothetical residential assessed value, had the residential rate remained at 21 percent.
- Column 8 Hypothetical total assessed value, had the residential assessment rate remained at 21 percent.
- Column 9 Total actual statewide property tax revenue.
- Column 10 Total hypothetical tax revenue attributable to residential property, had the residential rate remained at 21 percent. This is calculated by multiplying the hypothetical mill levy at 21 percent (Row 4) by the hypothetical residential assessed value at 21 percent (Row 7).
- Column 11 Total actual property tax revenue.
- Column 12 Savings to residential taxpayers, Row 10 minus Row 11.

**TABLE 8
SHIFT OF PROPERTY TAX BURDEN DUE TO THE GALLAGHER AMENDMENT**

Tax Year	Res. Rate w/o Gallagher	Actual Res. Rate	Avg. Actual Mill Levy	Avg. Mill Levy at 21%	Total True Res. Assd. Value	Total True Assd. Value	Total Res. Assd. Value at 21%	Total Assd. Value at 21%	Total TRUE Revenue	Res. Revenue at 21%	Res. Revenue at True Rate	Savings to Res Taxpayers
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
1987	21.00%	18.00%	0.061631	0.057041	\$16,082,851,000	\$33,305,709,386	\$18,763,326,167	\$35,986,184,553	\$2,052,676,764	\$1,070,273,054	\$991,208,269	\$79,064,785
1988	21.00%	16.00%	0.068941	0.060260	\$14,565,525,000	\$31,594,514,873	\$19,117,251,563	\$36,146,241,436	\$2,178,165,007	\$1,152,001,612	\$1,004,165,343	\$147,836,269
1989	21.00%	15.00%	0.076599	0.064812	\$13,246,081,000	\$29,132,506,180	\$18,544,513,400	\$34,430,938,580	\$2,231,532,285	\$1,201,903,929	\$1,014,641,762	\$187,262,167
1990	21.00%	15.00%	0.077543	0.065465	\$13,393,681,000	\$29,039,235,830	\$18,751,153,400	\$34,396,708,230	\$2,251,797,175	\$1,227,553,345	\$1,038,589,762	\$188,963,583
1991	21.00%	14.34%	0.082883	0.068395	\$12,886,606,000	\$28,254,712,020	\$18,871,598,745	\$34,239,704,765	\$2,341,834,706	\$1,290,728,562	\$1,068,080,296	\$222,648,266
1992	21.00%	14.34%	0.084618	0.069563	\$13,256,627,000	\$28,447,544,980	\$19,413,470,502	\$34,604,388,482	\$2,407,175,164	\$1,350,453,688	\$1,121,749,638	\$228,704,050
1993	21.00%	12.86%	0.084215	0.065064	\$13,373,489,410	\$28,758,329,600	\$21,838,513,033	\$37,223,353,223	\$2,421,892,140	\$1,420,896,252	\$1,126,252,788	\$294,643,464
1994	21.00%	12.86%	0.084423	0.065084	\$13,970,427,000	\$29,761,160,460	\$22,813,294,479	\$38,604,027,939	\$2,512,514,138	\$1,484,786,121	\$1,179,419,579	\$305,366,542
1995	21.00%	10.36%	0.082287	0.055600	\$15,155,126,840	\$32,428,020,970	\$30,719,851,703	\$47,992,745,833	\$2,668,403,530	\$1,708,028,147	\$1,247,069,440	\$460,958,707
1996	21.00%	10.36%	0.082951	0.055931	\$15,788,272,000	\$33,563,472,960	\$32,003,254,054	\$49,778,455,014	\$2,784,139,391	\$1,789,961,545	\$1,309,660,357	\$480,301,188
1997	21.00%	9.74%	0.078773	0.051464	\$17,673,602,010	\$38,502,250,770	\$38,105,302,075	\$58,933,950,835	\$3,032,955,892	\$1,961,037,718	\$1,392,210,956	\$568,826,762
1998	21.00%	9.74%	0.080042	0.052162	\$18,452,519,220	\$39,910,771,429	\$39,784,692,363	\$61,242,944,572	\$3,194,557,668	\$2,075,251,197	\$1,476,985,652	\$598,265,545
1999	21.00%	9.74%	0.074927	0.048756	\$21,633,354,370	\$46,590,805,330	\$46,642,755,829	\$71,600,206,789	\$3,490,910,908	\$2,274,095,459	\$1,620,923,103	\$653,172,356
2000	21.00%	9.74%	0.075733	0.049182	\$22,729,547,584	\$48,673,508,510	\$49,006,211,423	\$74,950,172,349	\$3,686,192,349	\$2,410,218,895	\$1,721,377,541	\$688,841,354
2001	21.00%	9.15%	0.070416	0.043633	\$27,699,298,175	\$58,440,166,120	\$63,572,159,746	\$94,313,027,691	\$4,115,123,689	\$2,773,819,343	\$1,950,474,231	\$823,345,112
2002	21.00%	9.15%	0.072350	0.044696	\$28,882,504,491	\$60,456,523,380	\$66,287,715,225	\$97,861,734,114	\$4,374,011,505	\$2,962,784,501	\$2,089,640,619	\$873,143,882
2003	21.00%	7.96%	0.074335	0.041705	\$29,523,577,562	\$61,816,965,320	\$77,888,835,277	\$110,182,223,035	\$4,595,136,111	\$3,248,344,331	\$2,194,621,762	\$1,053,722,569
2004	21.00%	7.96%	0.074969	0.042274	\$30,470,840,993	\$64,541,293,358	\$80,387,897,092	\$114,458,349,457	\$4,838,584,603	\$3,398,298,534	\$2,284,362,993	\$1,113,935,541
2005	21.00%	7.96%	0.075228	0.042507	\$33,110,601,388	\$70,466,165,655	\$87,352,089,089	\$124,707,653,356	\$5,301,008,623	\$3,713,117,560	\$2,490,834,883	\$1,222,282,677
2006	21.00%	7.96%	0.073424	0.041841	\$34,350,208,817	\$74,549,449,375	\$90,622,410,196	\$130,821,650,754	\$5,473,694,289	\$3,791,722,290	\$2,522,118,452	\$1,269,603,838
2007	21.00%	7.96%	0.072808	0.041445	\$39,331,276,064	\$85,147,187,463	\$103,763,416,752	\$149,579,328,151	\$6,199,362,883	\$4,300,507,847	\$2,863,616,054	\$1,436,891,793
Estimated total savings to residential taxpayers from inception to 2007					\$12,897,780,448							

Table 9, illustrates the effect of Gallagher on the statewide assessed value of residential property since 1983. As the table shows, the percentage of actual value attributable to residential property has increased dramatically during the last 24 years, from 53.20 percent in

1983 to 77.58 percent today. At the same time, the percentage of assessed value comprising residential property remained essentially stable, with only slight changes over time resulting from new construction and increased minerals production.

**TABLE 9
COLORADO ASSESSED VALUES**

ASSESSED VALUES				DISTRIBUTION OF VALUE			
Year	Total	Residential	Non-Residential	Year	Total	Residential	Non-Residential
1983	\$17,185,698,000	\$7,424,951,000	\$9,760,747,000	1983	100.00%	43.20%	56.80%
1984	\$17,905,089,000	\$7,921,865,470	\$9,983,223,530	1984	100.00%	44.24%	55.76%
1985	\$18,730,104,000	\$8,327,520,240	\$10,402,583,760	1985	100.00%	44.46%	55.54%
1986	\$19,216,096,000	\$8,646,958,180	\$10,569,137,820	1986	100.00%	45.00%	55.00%
1987	\$33,261,142,000	\$16,082,850,600	\$17,178,291,400	1987	100.00%	48.35%	51.65%
1988	\$31,660,568,730	\$14,565,865,580	\$17,094,703,150	1988	100.00%	46.01%	53.99%
1989	\$29,131,941,640	\$13,247,498,311	\$15,884,443,329	1989	100.00%	45.47%	54.53%
1990	\$29,082,011,770	\$13,393,681,560	\$15,688,330,210	1990	100.00%	46.05%	53.95%
1991	\$28,285,335,860	\$12,886,606,790	\$15,398,729,070	1991	100.00%	45.56%	54.44%
1992	\$28,490,629,640	\$13,256,627,100	\$15,234,002,540	1992	100.00%	46.53%	53.47%
1993	\$28,820,035,320	\$13,373,489,410	\$15,446,545,910	1993	100.00%	46.40%	53.60%
1994	\$29,831,046,660	\$13,970,427,000	\$15,860,619,660	1994	100.00%	46.83%	53.17%
1995	\$32,469,922,680	\$15,155,131,610	\$17,314,791,070	1995	100.00%	46.67%	53.33%
1996	\$33,606,775,890	\$15,788,272,000	\$17,818,503,890	1996	100.00%	46.98%	53.02%
1997	\$38,536,664,720	\$17,673,602,020	\$20,863,062,700	1997	100.00%	45.86%	54.14%
1998	\$40,165,596,490	\$18,452,519,220	\$21,713,077,270	1998	100.00%	45.94%	54.06%
1999	\$46,711,921,473	\$21,633,354,370	\$25,078,567,103	1999	100.00%	46.31%	53.69%
2000	\$48,757,383,218	\$22,729,547,584	\$26,027,835,634	2000	100.00%	46.62%	53.38%
2001	\$58,812,663,875	\$27,699,298,175	\$31,113,365,700	2001	100.00%	47.10%	52.90%
2002	\$60,564,946,027	\$28,888,969,314	\$31,675,976,713	2002	100.00%	47.70%	52.30%
2003	\$61,949,204,975	\$29,523,577,562	\$32,425,627,413	2003	100.00%	47.66%	52.34%
2004	\$64,630,921,990	\$30,470,840,993	\$34,160,080,997	2004	100.00%	47.15%	52.85%
2005	\$70,625,603,899	\$33,110,601,388	\$37,515,002,511	2005	100.00%	46.88%	53.12%
2006	\$74,549,449,375	\$34,350,208,817	\$40,199,240,558	2006	100.00%	46.08%	53.92%
2007	\$85,147,187,463	\$39,331,276,064	\$45,815,911,399	2007	100.00%	46.19%	53.81%

COLORADO ACTUAL VALUES

ACTUAL VALUES				DISTRIBUTION OF VALUE			
Year	Total	Residential	Non-Residential	Year	Total	Residential	Non-Residential
1983	\$66,459,485,820	\$35,356,909,524	\$31,102,576,296	1983	100.00%	53.20%	46.80%
1984	\$69,718,797,755	\$37,723,168,905	\$31,995,628,850	1984	100.00%	54.11%	45.89%
1985	\$72,958,307,363	\$39,654,858,286	\$33,303,449,078	1985	100.00%	54.35%	45.65%
1986	\$75,118,950,953	\$41,175,991,333	\$33,942,959,620	1986	100.00%	54.81%	45.19%
1987	\$146,891,450,388	\$89,349,170,000	\$57,542,280,388	1987	100.00%	60.83%	39.17%
1988	\$148,225,023,177	\$91,036,659,875	\$57,188,363,302	1988	100.00%	61.42%	38.58%
1989	\$141,342,075,160	\$88,316,655,407	\$53,025,419,753	1989	100.00%	62.48%	37.52%
1990	\$141,421,555,163	\$89,291,210,400	\$52,130,344,763	1990	100.00%	63.14%	36.86%
1991	\$140,967,103,411	\$89,864,761,437	\$51,102,341,974	1991	100.00%	63.75%	36.25%
1992	\$142,906,267,259	\$92,445,098,326	\$50,461,168,932	1992	100.00%	64.69%	35.31%
1993	\$155,096,689,828	\$103,992,919,207	\$51,103,770,621	1993	100.00%	67.05%	32.95%
1994	\$160,946,706,538	\$108,634,735,614	\$52,311,970,923	1994	100.00%	67.50%	32.50%
1995	\$203,663,083,533	\$146,285,054,151	\$57,378,029,382	1995	100.00%	71.83%	28.17%
1996	\$211,793,556,887	\$152,396,447,876	\$59,397,109,011	1996	100.00%	71.96%	28.04%
1997	\$250,804,220,896	\$181,453,819,507	\$69,350,401,389	1997	100.00%	72.35%	27.65%
1998	\$261,128,074,968	\$189,450,916,016	\$71,677,158,951	1998	100.00%	72.55%	27.45%
1999	\$306,002,830,219	\$222,108,361,088	\$83,894,469,131	1999	100.00%	72.58%	27.42%
2000	\$320,312,771,175	\$233,362,911,540	\$86,949,859,635	2000	100.00%	72.85%	27.15%
2001	\$404,716,127,139	\$302,724,570,219	\$101,991,556,920	2001	100.00%	74.80%	25.20%
2002	\$419,294,563,373	\$315,726,440,590	\$103,568,122,783	2002	100.00%	75.30%	24.70%
2003	\$478,546,478,821	\$370,899,215,603	\$107,647,263,218	2003	100.00%	77.51%	22.49%
2004	\$492,572,877,562	\$382,799,509,962	\$109,773,367,599	2004	100.00%	77.71%	22.29%
2005	\$534,826,428,655	\$415,962,328,995	\$118,864,099,660	2005	100.00%	77.78%	22.22%
2006	\$554,757,341,157	\$431,535,286,646	\$123,222,054,512	2006	100.00%	77.79%	22.21%
2007	\$636,895,128,388	\$494,111,508,342	\$142,783,620,046	2007	100.00%	77.58%	22.42%

PROTESTS, APPEALS, AND ABATEMENTS

Protests and Appeals

Colorado statutes mandate a process that allows taxpayers the opportunity to challenge the actual value established by the assessor. The process begins with the taxpayer's protest to the assessor. Upon receiving a protest, the assessor reviews the issues raised, and either adjusts or maintains the actual value established for the property. Taxpayers who disagree with the assessor's decision can appeal to the county board of equalization. Taxpayers who disagree with the county board's decision have three choices for further appeal. They can appeal to the State Board of Assessment Appeals (BAA), district court, or binding arbitration. Decisions of the BAA and district court can be appealed to the Colorado Court of Appeals and ultimately to the Colorado Supreme Court. Decisions of an arbitrator are final.

The number of protests and appeals varies greatly from county to county. During 2007 (the last reappraisal year), Jefferson County received the greatest number of protests with 12,974 while Kiowa County received none. For many counties, the protest process places a significant strain on the resources of the assessor's office. Table 10 lists the protests and county board appeals for each county during the last three reappraisal years, organized according to the county officer pay categories established in § 30-2-102, C.R.S. For the purpose of this table, the Cities and Counties of Denver and Broomfield are placed in category one. Table 11 provides a statistical summary of protests and appeals.

Taxpayers can protest and appeal in reappraisal years (odd numbered years) and in intervening years (even numbered years). However, the number of protests and appeals is typically higher in reappraisal years.

Abatements

Abatement petitions can be filed for taxes erroneously or illegally levied, for overvaluation, or for an assessment error. Taxpayers who filed a protest can file an abatement petition only for a clerical error or an illegality, but not for an overvaluation. Abatement petitions can be filed up through the first working day in January two years after the date the taxes were levied. Because abatement petitions are filed on taxes already levied, the abated or refunded taxes constitute lost revenue to the affected local governments; however, § 39-10-114(1)(a)(I)(B), C.R.S., and case law, allow local governments to recover abated taxes through an increase in mill levies. Table 12 displays the taxes abated during 2005, 2006, and 2007.

**TABLE 10
PROTESTS AND APPEALS**

Category	Protests to the Assessor			Protests to the Assessor (Per Employee)			Appeals to the CBOE		
	2003	2005	2007	2003	2005	2007	2003	2005	2007
Category 1									
Adams	9,295	8,404	6,242	227	195	145	2,459	1,488	964
Arapahoe	7,442	5,119	9,679	103	71	138	2,593	1,337	2,758
Boulder	10,910	6,741	9,682	235	145	206	1,620	648	230
Broomfield	1,260	939	1,084	144	104	120	206	111	178
Denver	9,356	5,784	12,292	108	70	154	2,441	1,807	2,456
Douglas	7,030	6,360	8,608	143	127	172	2,115	2,512	2,508
El Paso	5,300	7,000	5,999	90	113	105	1,230	1,440	851
Jefferson	14,419	8,285	12,974	257	145	228	2,271	1,557	1,741
Larimer	17,275	14,783	11,685	353	279	225	2,681	2,035	1,161
Pueblo	690	733	1,272	20	23	42	12	3	10
Weld	5,075	4,626	4,340	134	119	122	380	468	396
Category 2									
Eagle	2,968	2,550	5,869	135	116	293	947	495	1,548
Fremont	669	1,221	1,636	51	94	126	0	17	145
Garfield	1,774	1,166	981	111	69	59	704	339	345
La Plata	1,854	1,466	2,772	103	75	135	57	57	60
Mesa	3,011	2,658	3,235	112	95	112	311	2,658	213
Pitkin	1,733	963	2,118	173	96	223	530	181	387
Summit	4,532	3,283	3,365	239	173	173	587	300	374
Category 3									
Alamosa	181	151	248	23	19	31	18	7	9
Archuleta	1,041	1,303	2,207	110	118	276	268	32	500
Chaffee	1,128	1,177	1,011	125	131	112	110	164	101
Clear Creek	1,017	779	732	182	139	146	37	12	41
Delta	731	609	780	66	57	59	24	14	32
Gilpin	1,062	378	696	266	63	99	24	10	47
Grand	1,209	1,047	2,431	114	95	221	100	91	321
Gunnison	1,516	943	2,200	138	86	220	146	64	182
Las Animas	573	403	445	57	40	45	18	4	23
Logan	246	231	255	25	26	28	23	13	20
Moffat	295	289	454	42	48	76	38	6	13
Montrose	605	645	928	53	61	81	88	97	186
Morgan	382	504	466	29	46	42	13	29	9
Otero	185	103	107	21	13	13	2	6	1
Park	3,029	2,324	2,270	263	186	197	184	348	172
Rio Blanco	151	77	263	25	13	44	6	0	145
Routt	1,552	837	1,533	148	73	153	131	150	352
San Miguel	1,041	761	657	116	109	73	196	134	68
Teller	1,523	917	1,942	95	61	129	99	110	323
Category 4									
Custer	192	98	173	38	20	35	2	1	0
Elbert	639	612	236	46	47	18	21	175	15
Huerfano	173	127	186	29	21	27	42	2	4
Kit Carson	200	194	271	50	49	90	3	5	1
Lake	247	246	476	41	41	95	28	7	16
Montezuma	554	486	622	55	54	69	23	71	83
Ourray	359	413	463	120	103	116	22	21	55
Prowers	350	350	150	58	70	30	0	0	0
Rio Grande	349	332	1,086	50	83	136	1	4	25
Washington	61	90	15	12	18	3	36	1	0
Yuma	372	256	148	74	51	27	102	1	0
Category 5									
Baca	34	5	20	10	1	6	0	0	0
Bent	92	134	126	23	34	32	2	2	0
Cheyenne	36	60	128	12	20	51	1	3	0
Conejos	427	137	113	95	137	25	0	0	0
Costilla	101	54	765	20	11	153	9	5	194
Crowley	46	11	5	46	11	5	2	0	1
Hinsdale	133	81	319	67	41	80	10	6	1
Lincoln	38	24	15	8	5	3	1	0	0
Phillips	39	37	13	13	12	4	1	0	0
Saguache	208	43	133	38	9	27	2	0	1
San Juan	41	56	59	27	56	59	0	2	10
Category 6									
Dolores	57	112	199	18	37	66	1	0	1
Jackson	10	1	2	5	1	2	2	1	2
Kiowa	0	0	0	0	0	0	0	0	0
Mineral	10	6	35	7	4	18	1	0	1
Sedgwick	7	14	18	4	7	6	0	14	0

**TABLE 11
2007 PROTESTS AND APPEALS**

Assessors	2,003	2,005	2,007
Total Parcels	2,249,070	2,268,488	2,342,391
Parcels/Schedules Protested	126,835	99,538	129,234
Protests as a Percent of Total Parcels	5.20%	4.39%	5.52%
Percent Change from Prior Reappraisal	11.52%	-21.52%	29.83%
County Boards of Equalization (CBOE)			
Parcels/Schedules Appealed to CBOE	22,981	19,065	19,280
Percent of CBOE Appeals to Protests	18.12%	19.15%	14.92%
Board of Assessment Appeals (BAA)			
BAA Dockets	2,303	1,797	2,518
Abatements	177	132	250
Appeals	2,126	1,665	2,268
Percent of BAA Appeals to CBOE Appeals	10.02%	9.43%	13.06%
Percent of BAA Appeals to Protests	1.82%	1.81%	1.95%
Percent of BAA Appeals to Total Parcels	0.10%	0.08%	0.11%
Additional Assessor Costs			
Dollars of Overtime Paid	\$184,007	\$93,226	\$113,288
Hours of Compensation Time Granted	7,131	2,825	3,317
Parcels Protested Per Assessor's Employee			
Average Number Protested Per Employee	137	109	94
Maximum Number Protested Per Employee	353	279	293
Minimum Number Protested Per Employee	0	0	0
Parcels Protested Per Employee – Frequency Distribution			
0 – 50	27	28	24
51 – 100	11	19	13
101 – 200	18	16	19
201 – 300	6	1	8
301 – 400	2	0	0
Counties Reporting	64	64	64
Parcel count derived from county Abstracts of Assessment. Includes condominium units.			
Overtime/comp time figures not available from all counties.			
Board of Assessment Appeal (BAA) dockets include appeals from the County Board of Equalization (CBOE) and county abatement decisions			

TABLE 12
ABATEMENTS, REFUNDS AND CALCULATION OF TAXES
REPORTED BY TREASURERS FOR 2007, 2006 AND 2005

County	2007 Abatement Amounts	2007 Abatement Counts	2007 Average Abated	2006 Abatement Amounts	2006 Abatement Counts	2006 Average Abated	2005 Abatement Amounts	2005 Abatement Counts	2005 Average Abated
Adams	\$2,921,051	1,159	\$2,520	\$3,450,893	1,281	\$2,694	\$1,600,299	282	\$5,675
Alamosa	\$32,057	228	\$141	\$7,806	21	\$372	\$15,899	29	\$548
Arapahoe	\$7,620,926	3,303	\$2,307	\$12,522,341	1,443	\$8,678	\$12,011,410	1,809	\$6,640
Archuleta	\$35,048	69	\$508	\$32,116	47	\$683	\$26,346	34	\$775
Baca	\$807	23	\$35	\$12,298	80	\$154	\$3,855	33	\$117
Bent	\$3,422	32	\$107	\$14,105	33	\$427	\$4,258	33	\$129
Boulder	\$1,167,503	1,006	\$1,161	\$3,211,793	1,171	\$2,743	\$2,688,995	1,537	\$1,750
Broomfield	\$2,099,258	119	\$17,641	\$582,649	527	\$1,106	\$3,163,395	819	\$3,863
Chaffee	\$59,382	92	\$645	\$169,694	138	\$1,230	\$76,858	63	\$1,220
Cheyenne	\$7	3	\$2	\$2,288	18	\$127	\$1,471	29	\$51
Clear Creek	\$53,355	85	\$628	\$65,323	56	\$1,166	\$44,203	113	\$391
Conejos	\$7,279	52	\$140	\$11,461	61	\$188	\$20,347	62	\$328
Costilla	\$24,187	12	\$2,016	\$1,544	23	\$67	\$483	7	\$69
Crowley	\$681	3	\$227	\$319	3	\$106	\$86,231	8	\$10,779
Custer	\$846	5	\$169	\$8,117	20	\$406	\$3,639	14	\$260
Delta	\$40,959	105	\$390	\$36,308	107	\$339	\$81,954	95	\$863
Denver	\$11,084,772	2,145	\$5,168	\$7,800,131	1,821	\$4,283	\$8,992,189	2,220	\$4,051
Dolores	\$4,488	26	\$173	\$8,334	22	\$379	\$10,724	8	\$1,341
Douglas	\$6,196,914	925	\$6,699	\$2,730,744	610	\$4,477	\$2,017,745	1,282	\$1,574
Eagle	\$1,437,745	255	\$5,638	\$575,475	331	\$1,739	\$647,105	436	\$1,484
Elbert	\$170,847	93	\$1,837	\$92,550	96	\$964	\$284,433	151	\$1,884
El Paso	\$2,164,622	1,269	\$1,706	\$1,774,754	1,130	\$1,571	\$2,592,135	1,260	\$2,057
Fremont	\$83,269	289	\$288	\$182,753	185	\$988	\$236,156	409	\$577
Garfield	\$164,555	115	\$1,431	\$483,423	110	\$4,395	\$78,748	81	\$972
Gilpin	\$17,708	16	\$1,107	\$5,440	17	\$320	\$6,159	25	\$246
Grand	\$41,523	62	\$670	\$86,387	164	\$527	\$130,970	86	\$1,523
Gunnison	\$185,214	74	\$2,503	\$50,972	97	\$525	\$382,934	480	\$798
Hinsdale	\$7,264	2	\$3,632	\$5,867	22	\$267	\$848	1	\$848
Huerfano	\$311,731	388	\$803	\$113,373	512	\$221	\$175,900	283	\$622
Jackson	\$21,357	64	\$334	\$11,793	12	\$983	\$3,402	16	\$213
Jefferson	\$5,351,018	1,974	\$2,711	\$5,249,056	2,291	\$2,291	\$3,770,432	2,013	\$1,873
Kiowa	\$1,030	10	\$103	\$370	3	\$123	\$980	5	\$196
Kit Carson	\$4,422	28	\$158	\$80,509	382	\$211	\$79,269	58	\$1,367
Lake	\$41,710	90	\$463	\$7,956	25	\$318	\$43,332	188	\$230
La Plata	\$1,733,339	855	\$2,027	\$54,479	218	\$250	\$119,750	131	\$914
Larimer	\$1,511,883	2,311	\$654	\$1,183,144	1,700	\$696	\$2,802,321	1,251	\$2,240
Las Animas	\$5,872	24	\$245	\$47,194	93	\$507	\$62,011	38	\$1,632
Lincoln	\$3,066	43	\$71	\$13,047	15	\$870	\$29,660	41	\$723
Logan	\$659,918	91	\$7,252	\$10,802	46	\$235	\$5,741	10	\$574
Mesa	\$341,920	366	\$934	\$408,993	303	\$1,350	\$308,778	385	\$802
Mineral	\$59	3	\$20	\$2,836	13	\$218	\$0	0	\$0
Moffat	\$68,484	50	\$1,370	\$9,934	84	\$118	\$19,158	67	\$286
Montezuma	\$85,288	154	\$554	\$51,936	93	\$558	\$23,859	63	\$379
Montrose	\$99,072	84	\$1,179	\$127,006	125	\$1,016	\$87,498	130	\$673
Morgan	\$565,224	33	\$17,128	\$20,141	100	\$201	\$13,664	240	\$57
Otero	\$52,780	60	\$880	\$37,117	32	\$1,160	\$2,609	9	\$290
Ouray	\$82,802	31	\$2,671	\$29,004	39	\$744	\$24,651	26	\$948
Park	\$192,954	1,268	\$152	\$82,220	399	\$206	\$90,752	422	\$215
Phillips	\$1,476	6	\$246	\$661	10	\$66	\$17,294	29	\$596
Pitkin	\$237,857	128	\$1,858	\$208,660	89	\$2,344	\$236,149	111	\$2,127
Prowers	\$1,825	32	\$57	\$224,754	152	\$1,479	\$222,608	51	\$4,365
Pueblo	\$196,264	311	\$631	\$300,521	187	\$1,607	\$149,331	332	\$450
Rio Blanco	\$7,656	62	\$123	\$13,443	49	\$274	\$28,731	38	\$756
Rio Grande	\$9,678	48	\$202	\$43,660	55	\$794	\$21,462	39	\$550
Routt	\$215,576	304	\$709	\$168,446	135	\$1,248	\$95,080	289	\$329
Saguache	\$44,873	673	\$67	\$10,786	58	\$186	\$7,639	27	\$283
San Juan	\$95	1	\$95	\$642	1	\$642	\$0	0	\$0
San Miguel	\$121,842	89	\$1,369	\$374,231	194	\$1,929	\$119,296	28	\$4,261
Sedgwick	\$3,072	7	\$439	\$1,884	22	\$86	\$5,196	48	\$108
Summit	\$307,447	376	\$818	\$364,344	283	\$1,287	\$480,169	838	\$573
Teller	\$57,044	57	\$1,001	\$108,690	97	\$1,121	\$290,866	95	\$3,062
Washington	\$6,050	14	\$432	\$29,216	52	\$562	\$38,654	74	\$522
Weid	\$1,812,001	1,459	\$1,242	\$1,929,729	706	\$2,733	\$2,820,759	2,068	\$1,364
Yuma	\$391,790	494	\$793	\$425,770	712	\$598	\$33,442	55	\$608
Totals:	\$50,174,164	23,555	\$2,130	\$45,672,232	18,921	\$2,414	\$47,440,232	20,904	\$2,269

SENIOR CITIZEN AND DISABLED VETERAN EXEMPTION

In 2000, voters enacted Section 3.5, Article X of the Colorado Constitution, creating a property tax exemption for qualifying senior citizens and their surviving spouses. Voters expanded the program in 2006 to include qualifying disabled veterans. For both groups, the exemption reduces the actual value of a residential property by 50 percent, up to a maximum reduction of \$100,000.

To qualify as a senior citizen, the applicant on January 1 must be at least 65 years old and must have owned and occupied the property for at least 10 consecutive years. To qualify as a disabled veteran, the applicant must be 100 percent permanently disabled through a service connected disability, and must have owned and occupied the property since January 1.

Applications for the senior citizen exemption are filed with the county assessor no later than July 15, and applications for the disabled veteran exemption are filed with the Colorado Division of Veterans Affairs, Department of Military and Veterans Affairs (DMVA), no later than July 1. If approved by the DMVA, the veteran's application is forwarded to the county assessor for further processing and approval. Once approved, the exemption remains in effect from year to year until a change in ownership or occupancy triggers its removal. Each year, the assessor is required to mail a notice to all residential property owners explaining the exemption programs.

In 2007, 155,798 properties received the senior citizen exemption, and counties processed about 10,000 new senior exemption applications.

2007 was also the first year in which the disabled veteran exemption was effective. The DMVA received 1,616 applications for the exemption, reviewing each to determine whether the applicant was a qualifying disabled veteran. In many instances the DMVA contacted the U.S. Department of Veterans Affairs to request confirming information. Upon completion, 1,328 applications were approved and submitted to assessors. Assessors

reviewed the ownership and occupancy requirements for each application and granted 1,301 disabled veteran exemptions.

Applicants denied the senior exemption have the right to appeal the denial to the county board of equalization comprised of the county commissioners. Applicants approved by the DMVA for the disabled veteran exemption, but denied by the assessor because the ownership and/or occupancy requirements were not met, can also appeal the assessor's denial to the county board.

No later than October 10, the assessor is required to send the Division of Property Taxation an electronic list of the exemptions granted, including the names and social security numbers of each person occupying the property. The Division uses the data to identify individuals who were granted either exemption on more than one property, and denies the exemptions on each property. In 2007, the Division denied exemptions on 30 properties owned by 15 applicants.

The senior and disabled veteran exemption program does not result in a loss of revenue to local governments. Instead, the state reimburses the local governments for the tax revenue exempted. No later than April 1, county treasurers send the State Treasurer an itemized list of the exemptions granted and taxes exempted. No later than April 15, the State Treasurer reimburses the local governments for the lost revenue. In 2007, the State Treasurer reimbursed local governments \$79,828,168 for exemptions granted in 2006.

POSSESSORY INTERESTS

Taxability

In 2001 the Colorado Supreme Court ruled that certain possessory interests are subject to ad valorem taxation in Colorado. See Board of County Commissioners, County of Eagle, state of Colorado v. Vail Associates, Inc. et al and the Board of Assessment Appeals and Allen S. Black et al, v. Colorado State Board of Equalization, 19 P. 3d 1263 (Colo. 2001).

A possessory interest is defined as a private property interest in government-owned property or the right to the occupancy and use of any benefit in government-owned property that has been granted under lease, permit, license, concession, contract or other agreement. The use of the property must be in connection with a business conducted for profit.

Based on the direction of the court, and our research, we have determined that taxable possessory interests may include but are not limited to:

1. Private concessionaires utilizing government owned land, improvements, or personal property that are not operating pursuant to a management contract as defined in § 39-1-103(17)(a)(III), C.R.S.
2. Government land and improvements used in the operation of a farm or ranch.
3. Government land, improvements, and/or personal property used in the operation of ski or recreational areas.
4. Land underlying privately owned cabins or other residential property located on government land that is rented commercially.
5. Recreational use of lakes, reservoirs, and rivers in a revenue-generating capacity.
6. Recreational use of land for outfitting purposes in a revenue-generating capacity.
7. Land, improvements, and personal property at a tax-exempt airport.

Valuation

Colorado ski areas are valued according to § 39-1-103(17)(a)(I), C.R.S. The actual value of any possessory interest established for ski area recreational purposes shall be determined by capitalizing, at an appropriate rate, the annual fee paid by the lessee or permittee. The capitalization rate includes an appropriate rate of return, an appropriate effective tax rate and an appropriate adjustment to reflect the

portion of the fee, if any, required for payment to the United States, the state of Colorado, or a political subdivision.

As required by § 39-1-103(17)(II), C.R.S., all other possessory interests in real and personal property, other than agricultural possessory interests, must be valued considering the cost, market, and income approaches to appraisal. When using the cost or income approach to appraisal, statute directs that the present value of the reasonably estimated future annual rents or fees, less statutory exclusions, paid by the possessory interest holder to the government over the initial term of the lease be determined.

As of 2004 and 2005, the actual value of a possessory interest in agricultural land, including land leased by the state board of land commissioners, shall be the actual amount of the annual rent paid for the property tax year, § 39-1-103(17)(II), C.R.S.

2007 PROPERTY TAX LEGISLATION

Senate Bills

SB 07-045

Concerning fees for providing public records.

Section 1 of the bill amends § 24-72-205(1) and (2) and adds a new subsection (5) to § 24-72-205, C.R.S. In subsection (1), the bill changes the fee that a custodian of public records can charge for a copy, printout, or photograph of the record, except the secretary of state or the director of the department of personnel whose fees are governed by other statutes. The fee is determined in accordance with the added subsection (5). Amendments to subsections (1) and (2) change: copies, printouts or photographs to the singular form of: copy, printout, and photograph.

This bill adds subsection (5)(a) which limits the fee a custodian may charge for a copy of a public record to a maximum of twenty-five cents per standard page or the actual cost incurred when providing the document in a non-standard format.

Newly added subsection (5)(b) allows an institution that is the custodian of scholastic achievement data on an individual person to charge a reasonable fee for a certified transcript of the data.

Section 2 of the bill amends § 30-1-103(2)(j), C.R.S., with the establishment of fees of a county clerk and recorder for copies and records determined pursuant to § 24-72-205(5), C.R.S.

Signed by Governor: April 19, 2007
Effective Date: August 8, 2007

SB 07-090
Concerning county authority to vest title to a vacated roadway.

This bill adds a new paragraph (f) to § 43-2-302(1), C.R.S., that allows a board of county commissioners to grant title to a vacated roadway to one or more people or legal entities who own land abutting the roadway or use the vacated roadway to access their land.

Signed by Governor: April 20, 2007
Effective Date: September 1, 2007

SB 07-145
Concerning the authority of certain local governments to offer incentives for the use of renewable energy fixtures, and, in connection therewith, enacting the “Renewable Energy Incentives Act.”

Section 2 of the bill adds a new section, 30-11-107.3, C.R.S., titled “Incentives for installation of renewable energy fixtures – definitions.” Notwithstanding any law to the contrary, any county may offer an incentive, in the form of a county property tax or sales tax credit or rebate, to a residential or commercial property owner who installs a renewable energy fixture on his or her residential or commercial property. A “renewable energy fixture” means any fixture, product, system, device, or interacting group of devices that produce electricity from renewable resources, including, but not limited to, photovoltaic systems, solar thermal

systems, small wind systems, biomass systems, or geothermal systems.

Section 3 of the bill adds a new section, 31-20-101.3, C.R.S., titled “Incentives for installation of renewable energy fixtures – definitions.” The section adds the same language as in § 30-11-107.3, C.R.S., to the statutes that govern municipalities. It also includes the definition of “renewable energy fixture” used in the new § 30-11-107.3, C.R.S.

Signed by Governor: April 16, 2007
Effective Date: August 8, 2007

SB 07-157
Concerning required notice of a study to make certain statutory determinations prior to the exercise of the power of eminent domain by urban renewal authorities.

The bill creates a notification process where, within 30 days of commissioning a study to determine whether an area is a slum or blighted, the urban renewal authority must provide notice that the area is the subject of a study. The notice is mailed to owners of private property located within the study area. If the authority makes a determination that the area is not a slum or blighted area, the authority mails a notice of the determination to the owners of private property within the study area.

Signed by Governor: May 22, 2007
Effective Date: September 1, 2007

House Bills
HB 07-1024
Concerning a property tax exemption for property of the fire and police pension association.

This bill exempts property owned and used by the Fire and Police Pension Association (FPPA) from property taxes beginning with the 2007 property tax year.

The FPPA owns and uses one building in Arapahoe County. It occupies roughly 55 percent of the building. Over the last several years, FPPA has been subject to varying levels of property tax because the statutes and regulations governing

property taxes were unclear as to the extent to which the FPPA was exempt from property taxes. Arapahoe County has exempted a portion of the building that was occupied by the FPPA for the last two years; however, a recent Supreme Court case ruling has convinced the county to collect property taxes on the FPPA property this year. Based on the court ruling, the only way the FPPA building could be exempt from property taxation was to add legislation establishing that the association is a political subdivision of the state.

Section 1 of the bill adds a new subsection, 31-31-201(1.5), C.R.S.

The general assembly finds and declares that the Fire and Police Pension Association is a political subdivision of the state and that property owned, used, and occupied by the association is intended to be exempt from property tax. Commencing on or after January 1, 2007, all real and personal property owned and used by the association shall be exempt from the levy and collection of property tax.

Signed by Governor: May 31, 2007
Effective Date: Applies to property tax years beginning on or after January 1, 2007

HB 07-1088
Concerning the Grand Junction drainage district, and, in connection therewith, changing the name of the district to the Grand Valley Drainage District.

In 1915, the Grand Valley Drainage District was formed and carried this name until 1923. During this period, revenue came from special assessments applied to the affected parcels instead of deriving revenue from property tax. In 1923, the district wanted to become a taxing entity with the ability to levy for property taxes. Even though the district encompassed the entire area known as the Grand Valley with the exception of the area known as the Redlands which was located south of the Grand River, politically, the voters primarily lived in Grand Junction. Therefore, the district name was changed to the Grand Junction Drainage District. Due to much confusion that the district was a department of the City of Grand Junction, the district board asked local

legislators to carry a bill changing the name. The district board wanted a new name that would accurately describe the district and decided the original name, Grand Valley Drainage District, was the best choice.

Section 1 of the bill amends § 37-31-102(1), C.R.S., by changing the district name from Grand Junction Drainage District to the Grand Valley Drainage District. The boundaries of the district exist entirely within the boundaries of Mesa County.

Sections 2 and 3 of the bill continue the name change by amending §§ 37-31-103 and 104, C.R.S.

Section 4 amends § 37-31-109, C.R.S. by changing the regular district election from the first Monday of January to the first Monday in May of each year, beginning in 2008. Any director whose term expires before May 2008 shall remain in office until the election of directors in May 2008. The bill also adds § 37-31-109(2), C.R.S., which provides for special elections that may be held on the first Tuesday after the first Monday in February, May, October, or December except for ballot issue elections, which may only be held in a state general election, the regular district election, on the first Tuesday in November of odd numbered years, or by mail ballot.

Section 5 amends § 37-31-129, C.R.S., changing the per diem compensation for each director to a sum not in excess of one hundred dollars a day, but not to exceed one thousand six hundred dollars per annum.

Sections 6, 7, 8, and 9 continue the name change by amending §§ 37-31-137 and 141, 143, and 157, C.R.S.

Signed by Governor: March 22, 2007
Effective Date: January 1, 2008

HB 07-1106
Concerning the income thresholds used to determine assistance grants for elderly and disabled persons.

Section 1 of the bill amends § 39-31-101(2)(a), C.R.S., concerning real property tax assistance by adding subsection (III), which changes the grants claimed by an individual for years commencing on or after January 1, 2008, to six hundred dollars reduced by ten percent of the amount by which the individual's income exceeds six thousand dollars in 2008 and adjusted each year thereafter for inflation.

Section 1 also amends § 39-31-101(2)(b), C.R.S., concerning real property tax assistance by adding subsection (III), which changes the grants claimed by a husband and wife for years commencing on or after January 1, 2008, to six hundred dollars reduced by ten percent of the amount by which their income exceeds nine thousand seven hundred dollars in 2008 and adjusted each year thereafter for inflation.

Section 1 amends Section 39-31-101(3)(b), C.R.S., which adds that the maximum amount for which such persons are eligible to receive a grant is based on the operation of paragraphs (a) and (b) of subsection (2) of § 39-31-101, C.R.S.

Section 1 amends § 39-31-101, C.R.S., with the addition of a new subsection (5), which defines inflation as the annual percentage change in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Denver-Boulder-Greeley.

Section 2 of the bill amends § 39-31-104(2)(a), C.R.S., concerning heat or fuel expenses assistance by adding a new subsection (III) which changes the grants claimed by an individual for years commencing on or after January 1, 2008, to one hundred ninety-two dollars reduced by three and two-tenths percent of the amount by which the individual's income exceeds six thousand dollars in 2008, and adjusted each year thereafter for inflation.

Section 2 amends § 39-31-104(2)(b), C.R.S., concerning heat or fuel expense assistance by adding a new subsection (III) which changes the grants claimed by a husband and wife for years commencing on or after January 1, 2008, to one hundred ninety-two dollars reduced by three and two-tenths percent of the amount by which their income exceeds nine thousand seven hundred dollars in 2008, and adjusted each year thereafter for inflation.

Section 2 amends Section 39-31-104(3)(b), C.R.S., which adds that the maximum amount for which such persons are eligible to receive a grant is based on the operation of paragraphs (a) and (b) of subsection (2) of § 39-31-104, C.R.S.

Section 2 amends § 39-31-104, C.R.S., with the addition of a new subsection (4) which defines inflation as the annual percentage change in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Denver-Boulder-Greeley.

SUMMARY

Property Tax/Rent/Heat Rebate Program Eligibility

	2007	As of 1/1/2008
Max Income: Individual	\$11,000	\$12,000
Max Income: Married	\$14,700	\$15,700
Income - Full Benefit: Individual	\$5,000	\$6,000
Income - Full Benefit: Married	\$8,700	\$9,700

Signed by Governor: May 30, 2007
Effective date: August 3, 2007

HB 07-1142
Concerning access to information submitted to a county assessor related to the valuation of a property that produces oil and gas.

The bill established that all statements and documentation filed with a county assessor related to the valuation of oil and gas leaseholds or lands shall be available to the Executive Director and employees of the Department of Revenue (DOR).

This will increase access and ease the workload requirements of DOR employees. Under current law, the documentation is considered confidential and available only to the assessor, administrator and the annual study contractor. The bill also requires the county assessor to retain copies of all notices of valuation for land and leaseholds and stipulates that such copies are open public records.

The bill amends § 39-7-101(4) C.R.S. and adds a new section 39-7-102.7 C.R.S.

Section 1 amends § 39-7-101(4), C.R.S., by including the Executive Director of the Department of Revenue to the list of officials allowed to view the documents on a confidential basis.

Section 2 amends Article 7 of title 39 by the addition of a new section, 39-7-102.7 C.R.S. The new section requires the assessor to retain a copy of all notices of valuation for oil and gas lands and leaseholds and establishes that such copies shall be public record made available for inspection in accordance with part 2 of Article 72 of Title 24, C.R.S.

Signed by Governor: April 16, 2007
Effective Date: April 16, 2007

HB 07-1168
Concerning forest improvement districts.

The bill allows a local government to create or join a forest improvement district, subject to voter approval, to protect communities from wildfires and improve forest conditions. The district, upon voter approval, would raise revenue through property and/or sales taxes to improve forest conditions. The district can also provide incentives to private landowners to mitigate wildfire risks and help local wood product industries improve the use of or add value to small-diameter or beetle-infested trees.

Section 1 amends § 32-1-103, C.R.S., by including a new subsection (7.5) defining "Forest Improvement District," which means a special district created pursuant to Article 18 of this title that protects communities from wildfires and improves the condition of forests in the district.

Section 2 amends Title 32 by the addition of a new article 18 and subsections 101-109.

Section 32-18-101, C.R.S., establishes that the article shall be known as the "Forest Improvement District Act."

Section 32-18-102, C.R.S., establishes definitions for the article.

Section 32-18-103, C.R.S., establishes that a forest improvement district may be created in the following manner:

- A municipality or county may enact an ordinance or resolution proposing the creation of a forest improvement district.
- A municipality or county may enact an ordinance or resolution proposing to join the district.
- The municipality or county shall submit the question of the creation of a forest improvement district including the entire territory of the municipality or county to the eligible electors at a general or special election.
- The district will be created if a majority of the votes cast in the election is in favor of the new district.
- The territory of the new district shall comprise the combined territory of all municipalities and counties in which the eligible electors approved.

Section 32-18-104, C.R.S., establishes that the ordinance or resolution proposing the creation of a forest improvement district shall specify the number of directors of the district; however, each district will have no fewer than seven directors. The board of directors for the forest improvement district shall be appointed for a term of five years, unless removed, and may be appointed to additional terms without limitation. The board of directors shall include the following:

- One director from each county or municipality
- One director representing the Colorado State Forest Service who is appointed or removed by the state forester;
- One representative of an environmental protection organization;

- One representative of a conservation district that is located within the proposed forest improvement district;
- One representative of a water conservancy district that is located within the proposed forest improvement district; and
- One representative of a federal land management agency.

Section 32-18-105, C.R.S., establishes the powers and duties of the board.

- To review any reports and studies made and to obtain additional reports or studies that pertain to the cost and implementation of forest improvement projects;
- To receive aid or contributions of money, property, labor, or other things of value;
- To develop reporting and review requirements governing the receipt and expenditures of moneys received by the district;
- To review and take action on a landowner's application to claim reimbursement authorized by § 32-18-109 C.R.S.; and
- Enter into contracts on behalf of the district and shall use competitive bidding and give due consideration to persons and businesses that are authorized to transact business in Colorado.

Section 32-18-106, C.R.S., establishes the financial powers of the board. In addition to general financial powers specified in § 32-1-1101, C.R.S., the board has the power to levy and collect a sales tax in accordance with § 32-18-107, C.R.S., and pledge sales tax revenues or any portion for the payment of any indebtedness of the district. The ordinance or resolution proposing the forest improvement district may also specify a limit on the amount of revenue the district may receive.

Section 32-18-107, C.R.S., establishes that upon approval of the eligible electors, the district shall have the power to levy a uniform sales tax throughout the entire district. The sales tax levied shall take effect on either January 1 or July 1 of the year specified in the ballot issue. The Department of Revenue shall collect,

administer, and enforce the sales tax authorized and the district will reimburse the Department of Revenue for any costs incurred by the department in the administration and collection of the sales tax. The Department of Revenue will distribute sales tax collections to the district monthly.

Section 32-18-108, C.R.S., establishes that the board may use the revenue received to:

- Plan and implement forest improvement projects in wild land-urban interface areas, including projects to reduce hazardous fuels and protect communities;
- Establish financial incentives for private landowners to mitigate wildfire risks on their property, including reimbursement of expenses;
- Establish incentives for local wood products industries to improve the use of and add value to small-diameter or beetle-infested trees;
- Match state and federal grants for bioheating conversion and infrastructure support for biomass collection and delivery; and
- Assist the state forest service in ensuring that all communities within the district at risk of wildfire have adopted a community wildfire protection plan and are using appropriate planning, education, and outreach tools.

Section 32-18-109, C.R.S., establishes that landowners who perform wildfire mitigation measures on land in a district in any year may request reimbursement from the district not to exceed fifty percent of the direct costs or ten thousand dollars, whichever is less. The landowner may request reimbursement from the district if the mitigation measures are:

- Performed within the boundaries of the district;
- Performed in a wild land-urban interface area;
- Authorized by a community wildfire protection plan; and
- Approved by the board

The landowner who requests reimbursement from a district shall file an

application with the board in the form prescribed by the board. If the board determines the mitigation measures meet the requirements, the board may reimburse the landowner in an amount determined by the board.

Signed by Governor: April 9, 2007
Effective Date: April 9, 2007

HB 07-1177

Concerning the adjustment of the ratio of valuation for assessment for residential real property.

Section 3(1)(b) of Article X of the State Constitution, more commonly referred to as the Gallagher Amendment, requires the General Assembly to establish the ratio of valuation for assessment for residential real property every time there is a general reassessment to ensure that the percentage of the aggregate statewide valuation for assessment attributable to residential real property remains the same as it was in the year immediately preceding the year in which a change to the level of value occurred.

Section 1 of this bill amends § 39-1-104.2(3), C.R.S., by adding a new paragraph (k), which declares the percentage of aggregate statewide valuation for assessment that is attributable to residential real property to be 47.43 percent, making the ratio of valuation for assessment for residential real property 7.96 percent for property tax years commencing on or after January 1, 2007, but before January 1, 2009.

It should be noted that the calculation performed in accordance with the Gallagher Amendment produced a rate determination of 8.19 percent. However, TABOR does not allow for the residential assessment rate to be higher than it was in the previous year without voter approval.

Signed by Governor: May 31, 2007
Effective Date: January 1, 2007

HB 07-1187

Concerning the publication of information on the salaries of county employees by the board of county commissioners.

Section 1 amends § 30-25-111, C.R.S., which establishes that salary information for all county employees and officials shall be published twice annually. The first publication shall be in August and shall include each employee's title and gross monthly salary for the prior June. The second publication shall be in February and shall list each employee by title, along with the total amount of gross salary paid to such employee during the prior calendar year.

Signed by Governor: March 26, 2007
Effective Date: March 26, 2007

HB 07-1251

Concerning statutory implementation of the constitutional property tax exemption for qualifying disabled veterans created by the registered electors of the State through the approval of Referendum E at the 2006 general election, and making an appropriation therefor.

The bill amends §§ 39-3-201 through 207, C.R.S., to establish the rules and procedures for the property tax homestead exemption for qualifying disabled veterans. The program is an expansion of an existing exemption for qualifying senior citizens and their surviving spouses. The bill provides for the following:

Section 2 amends § 39-3-202, C.R.S., to provide a definition of "qualifying disabled veteran." A "qualifying disabled veteran" is an individual who sustained a service-connected disability while serving on active duty in the Armed Forces of the United States that has been rated by the United States Department of Veteran's Affairs as 100 percent permanent and total.

Section 3 amends § 39-3-203, C.R.S., to exempt from taxation 50 percent of the first \$200,000 in actual value of the qualifying disabled veteran's primary residence if the veteran has owned and occupied the property since January 1 and continues to do so. It states that under no circumstances can an exemption be granted for a year prior to the year of application, and that no more

than one exemption, either disabled veteran or senior, can be granted on a residence, regardless of the number of owner-occupiers who qualify the property for either exemption.

Section 4 amends § 39-3-204, C.R.S., directing the assessor to mail a notice each year to the address of each residential property explaining the existence of the disabled veteran exemption. The amendment expands the existing requirement that notice be given explaining the existence of the senior exemption. The notice must be mailed by May 1, and it can be included in the assessor's real property notice of valuation or in the treasurer's tax bill for the previous tax year. The notice shall be in a form prescribed by the Property Tax Administrator (Administrator) who shall consult with the Division of Veteran's Affairs, Department of Military and Veterans Affairs (DMVA) on its language.

Section 5 amends § 39-3-205, C.R.S., to require that the veteran submit an application for exemption to the DMVA no later than July 1 of the first year for which the exemption is requested. It directs the DMVA to determine whether the applicant is a "qualifying disabled veteran" and, if possible, to send notice of its determination to the applicant no later than August 1. If the applicant is a qualifying disabled veteran, it directs the DMVA to forward the approved application to the assessor for further processing, after removing all but the last four digits of each social security number.

Section 6 amends § 39-3-206, C.R.S., to direct the assessor to determine whether the applicant meets the ownership and occupancy requirements. If so, the assessor places the exemption on the property. If not, or if the application is incomplete, the assessor mails a denial letter no later than August 15 explaining the reason(s) for denial and the process for appealing the decision. It also states that denials issued by the DMVA on the applicant's status as a qualifying disabled veteran cannot be appealed.

Section 7 amends § 39-3-206(2), C.R.S., to authorize the DMVA to accept a late application filed on or before September 1 when the applicant shows "good cause" for missing the July 1 deadline. When the

DMVA accepts a late application, it shall mail notice of its determination to the applicant no later than September 25. If the applicant is approved as a qualifying disabled veteran, the DMVA shall forward the approved application to the assessor for further processing, after removing all but the last four digits of each social security number. The assessor shall grant the exemption only if application is complete, and it establishes that the applicant meets the ownership and occupancy requirements. A decision by the DMVA to disallow the late filing of an exemption or a decision by the assessor to deny a late-filed exemption is final, and the applicant may not contest the denial.

Section 8 amends § 39-3-207(1), C.R.S., to require that the assessor's report to the Administrator include separate identification of the properties granted the senior citizen and disabled veteran exemptions. The report shall be in a form prescribed by the Administrator as specified in section 207(1).

Section 9 amends § 39-3-207(3), C.R.S., to require that the treasurer's report to the State Treasurer include separate identification of the properties granted the senior citizen and disabled veteran exemptions. The report shall be in a form prescribed by the Administrator as specified in section 207(3). The report shall no longer include social security numbers.

Signed by Governor: April 15, 2007
Effective Date: January 1, 2007

HB 07-1333 **Concerning confirmation of the tax-exempt status of conservation districts as political subdivisions of the state.**

Conservation districts were called soil conservation districts until HB 02-1099 enacted a name change. Effective July 1, 2002, "soil conservation districts" are referred to as "conservation districts." The bill also changed the name of the state agency that governs conservation districts from the "Soil Conservation Board" to the "Conservation Board."

Section 1 of this bill amends § 35-70-106, C.R.S., by adding a statement which clarifies that a conservation district is a political subdivision of the state. It also

denotes that as a political subdivision of the state, the property of such district, both real and personal, shall be exempt from taxation pursuant to section 4 of Article X of the state constitution.

Signed by Governor: May 10, 2007
Effective Date: May 10, 2007

HB 07-1350

Concerning the creation of a victim address confidentiality program, making an appropriation therefor, and requiring a post-enactment review of the implementation of this act.

This lengthy bill establishes a program to keep confidential the address of a relocated victim of domestic violence, a sexual offense, or stalking. Participants are responsible for requesting that a state or local government agency use a substitute address when creating a new public record and for notifying the Secretary of State when certain information changes.

Also important to county assessors is the addition of § 24-21-208(5), C.R.S., which states that a substitute address shall not be used for purposes of listing, appraising, or assessing property taxes and collecting property taxes under the provisions of title 39, C.R.S.

Another important addition to § 24-21-208(8), C.R.S. states that the substitute address shall not be used on any document related to real property recorded with a county clerk and recorder.

Signed by Governor: May 31, 2007
Effective Date: July 1, 2007

HB 07-1362

Concerning clarification of the documents required for creation of a common interest community, and, in connection therewith, specifying the information required to be contained therein.

This bill modifies or deletes portions of § 38-33.3-209(1), (2), and (4), C.R.S., which is the "Colorado Common Interest Ownership Act." The modifications pertain to the recording of documents that

disclose information such as boundaries and development rights retained by the declarant. The bill also clarifies that to be considered a legally binding identification of parcels that are subject to specific rights or obligations, information in the form of a label on a plat or map is not required.

Although the modifications created by this bill will change the appearance of a common interest ownership plat or map, they should have no adverse affect on gathering the necessary ownership or platting information for the assessor's office.

Signed by Governor: June 1, 2007
Effective Date: July 1, 2007