

Section II

Administration

COLORADO PROPERTY TAX

OVERVIEW

In Colorado, 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 articles 1 through 14 of title 39 of the Colorado Revised Statutes.

Under the general laws of Colorado, county assessors are required to value all taxable property within their county boundaries. 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 the implementation of property tax law throughout Colorado's sixty-four counties.

The Colorado property tax system provides revenue exclusively for local government services. The largest share of property tax revenue (50.0%) goes to support the state's public schools. County governments claim the next largest share (25.2%), followed by special districts (18.5%), municipal governments (5.1%), and junior colleges (1.2%).

Table 1 lists the percentage change in property tax revenue between taxes payable in 2011 and taxes payable in 2012. The decrease in the 2009 to 2010 junior college revenue was caused by a 47 percent drop in the value of oil and gas property.

TABLE 1

REVENUE CHANGE BY ENTITY TYPE	
Tax Years 2010-2011	
Taxing Entity	% Change
School District K-12	-2.5%
Junior Colleges	-4.8%
Counties	-1.6%
Municipalities	-3.1%
Special Districts	-4.2%
Combined Change	-2.7%

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. 2011 marked the first full year Charles Brown served as Chairman to the Board, The remaining state board members for 2011 were Kevin Patterson, designee of Governor John Hickenlooper; Wally Grant, designee of Brandon Shaffer, President of the Senate; , Nikki Hoy, designee of Frank McNulty, Speaker of the House of Representatives; and Sandra M. Adams, appointee of the Governor.

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 title 39, articles 1 and 9 of the 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 however, significant improvements in the quality of county assessments have resulted in far fewer reappraisal orders and 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.

2011 Enforcement and Repayment

On August 16, 2011, the state board met to consider the report and recommendations of the Property Tax Administrator concerning a complaint filed pursuant to § 39-2-111, C.R.S. The Adams County Assessor and, subsequently, a group of Adams County taxpayers, had requested an investigation as to whether the property tax laws had in any manner been evaded or violated. More specifically, whether properties owned by certain persons were intentionally valued at a level below that required by the property tax laws of the State of Colorado. Based on the findings and conclusions in the report, the state board ordered a reappraisal of the commercial warehouse property class for the 2012 tax year. There is no repayment provision for a reappraisal ordered under this statute

On October 5, 2011, the state board met to review the findings and conclusions of Wildrose Appraisal, Incorporated, annual study contractor for Legislative Council. Based on the findings, the state board recommended an order of reappraisal for the residential class of property in Saguache County as well as Montezuma County's oil and gas production equipment.

JoAnn Groff, Property Tax Administrator, informed the board that Montezuma County asked that a new order not be issued for 2011, since they previously received orders to reappraise oil and gas personal property using the Basic Equipment Lists (BELs) and valuation grids published by the Division of Property Taxation for the prior two years. But, since orders are year specific and not issue specific, that request was denied.

NOTE: The 2011 order was also appealed to the District Court. Any repayment is deferred until the appeal process has been terminated or exhausted.

2010 Enforcement and Repayment

On October 5, 2010, the state board met to review the findings and conclusions of Wildrose Appraisal, Incorporated, annual study contractor for Legislative Council. Based on the findings, the state board issued a second order to Montezuma County to reappraise oil and gas personal property utilizing the methodology prescribed in the Basic Equipment Lists (BELs) and valuation grids published by the Division of Property Taxation in the Assessor's Reference Library, Volume 5. The board also met in executive session to discuss the pending District Court case resulting from a similar order that the board had issued to Montezuma County in 2009.

NOTE: The 2010 order was also appealed to the District Court. The District Court issued an order holding the 2010 appeal in abeyance until the decision of the 2009 case has been delivered.

2009 Enforcement and Repayment

On October 27, 2009, the state board met to review the findings and conclusions of Wildrose Appraisal, Incorporated, annual study contractor for Legislative Council. Based on the findings, the state board issued a reappraisal order for oil and gas personal property in Montezuma County.

NOTE: This order was appealed to the District Court.

The board also reviewed the status of its 2005 recommendation that Jackson County implement a five-year cycle for physical inspections of rural outbuildings. The Jackson County Assessor indicated that she had completed the physical inspections of all rural outbuildings in Jackson County.

2008 Enforcement and Repayment

On October 8, 2008, 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.

The board also reviewed the status of its 2005 recommendation for Jackson County. The 2005 recommendation asked Jackson County to implement a five-year cycle for physical inspections of rural outbuildings. The Jackson County Assessor indicated that she only had four physical inspections left to complete the project.

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. It did, however, review the status of a prior reappraisal order issued to Costilla County.

On October 11, 2006, the state board determined that the order it had issued in 2005 for the reappraisal of single-family residential property had been successfully completed, and it ordered Costilla County to pay back the excess state aid to schools and supervision costs during 2007. At the October 2007 state board hearing, Division staff testified that the county had paid back the entire \$968.09 of excess state aid to

schools, with interest, and the Costilla County Deputy Assessor documented the repayment of all but \$307 of the supervision costs. In accordance with the "Bledsoe Plan" described below, the supervision costs were repaid through investments in training and equipment within the Costilla County Assessor's Office, and the remaining \$307 was slated to be spent on additional training.

The board reviewed the progress of its 2005 recommendations to both Rio Grande and Jackson Counties. The state board's 2005 recommendation to Rio Grande County asked that the county determine the productive capability of agricultural land by implementing the National Resource Conservation Service (NRCS) soil survey by 2007 for tax year 2008. Staff of the Division and Rocky Mountain Valuation Specialists, Inc., reported that Rio Grande County had completed the soil survey.

The state board also reviewed Jackson County's progress toward implementing a five-year cycle for physical inspections of rural outbuildings. The Jackson County Assessor indicated that as of October 10, 2007, 45 percent of the inspections had been completed.

DIVISION OF PROPERTY TAXATION

Under the general laws of Colorado, the Property Tax Administrator (Administrator) directs 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 tax increment financing, manufactured housing, title conveyance, mapping, abstracting valuations, certification of values to taxing entities, and workforce analysis studies. The section also investigates taxpayer or taxing entity 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 Governor and the General Assembly. 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.

2011 VALUE INFORMATION

Taxable real property classified as residential, commercial, industrial, agricultural, and vacant land, is subject to revaluation by county assessors every odd numbered year. Taxable property not subject to the biennial reassessment cycle is valued every year. This includes all property classified as state assessed; land and leaseholds classified as oil and gas, natural resources, and producing mines; and all subclasses of personal property.

For 2011, Colorado assessed values decreased by more than \$4.8 billion, representing a 5.2 percent reduction from the prior year. The statewide decrease was primarily attributable to the decline in the value of the residential, commercial and vacant land classes of property, reflecting the continuing downturn in the US economy during the data collection period of January 1, 2009 through June 30, 2010.

Table 2 displays the percent changes to the total value of each property class.

TABLE 2

VALUE CHANGES BY CLASS		
Class	2010-2011 Change	Class as % of Total
Vacant Land	-21.5%	5.3%
Residential	-9.0%	44.3%
Commercial	-8.9%	28.2%
Industrial	-5.6%	3.8%
Agricultural	6.9%	1.1%
Natural Resources	-2.5%	0.5%
Producing Mines	5.2%	0.7%
Oil and Gas	37.2%	9.8%
State Assessed	9.3%	6.5%
Net Total	-5.2%	100.0%

Residential, Commercial, Industrial, and Vacant Land

The Colorado Constitution and statutes specify that real property classified as commercial, industrial and vacant land is valued by county assessors through consideration of the market, cost and income approaches to value. Residential property is valued solely by the market approach. For these classes of property, the changes in value reflect the changes that occurred between the reassessment cycle appraisal dates: June 30, 2008 and June 30, 2010. Statewide, 70 percent of Colorado counties experienced a decline in the total value of these classes.

Many of the counties showing large decreases in assessed value for residential property were either resort counties or oil and gas counties. The most significant decreases in this class for 2011 were in Garfield (-28.6%), Pitkin (-26.4%), and Archuleta (-25.9%) counties.

According to the S&P/Case-Shiller Home Price Indices, home prices nationally "have fallen back into decline with data reported through December 2011." Home prices declined 4 percent nationally in 2011 compared to the modest 0.2 percent increase in metropolitan Denver. Denver was one of the three cities tracked by S&P/Case Shiller Price Indices showing an increase from the prior year.

The commercial/industrial real estate market fared better nationally than it did here in Colorado. Statewide, we experienced a decline in assessed value for both the commercial (-8.9%) and industrial (-5.6%) classes of property. The Moody's/REAL commercial Property Price Index (CPPI) published by Moody's on October 24, 2011, reported "a price change return of positive 2.4 percent in August for the all properties national index."

The total values of the commercial and industrial classes are stabilized somewhat by the presence of personal property. Business personal property accounts for 13.9 percent of the total value of the commercial class and 47.6 percent of the total value of the industrial class. The assessor re-values personal property every year, and the values are less subject to dramatic changes than are the values of real property.

The total value of the vacant land class tends to be heavily influenced by the residential, and to a lesser extent, the commercial real estate markets. From county to county the strength or weakness of the vacant land class tended to reflect the strength or weakness of the residential and commercial property classes in that county.

Table 3 provides a by-county comparison of 2011 to 2010 values for the residential, commercial, and vacant land classes.

TABLE 3

COMPARISON OF PROPERTY CLASS VALUES BY COUNTY - 2011 to 2010									
COUNTY	RESIDENTIAL CLASS			COMMERCIAL CLASS			VACANT LAND CLASS		
	2011	2010	Change	2011	2010	Change	2011	2010	Change
Adams	1,966,947,450	2,015,295,810	-2.4%	1,679,420,190	1,680,969,270	-0.1%	132,494,440	156,155,870	-15.2%
Alamosa	50,715,636	49,791,969	1.9%	49,424,731	48,777,829	1.3%	14,669,246	14,142,305	3.7%
Arapahoe	3,774,652,610	3,988,026,170	-5.4%	2,992,892,930	3,346,834,380	-10.6%	222,591,650	236,088,290	-5.7%
Archuleta	141,203,890	190,620,740	-25.9%	48,244,890	55,862,090	-13.6%	83,391,730	139,357,470	-40.2%
Baca	6,183,130	6,184,864	0.0%	5,272,416	5,273,108	0.0%	350,095	313,988	11.5%
Bent	7,590,317	7,780,068	-2.4%	19,022,253	19,149,797	-0.7%	431,069	426,439	1.1%
Boulder	3,092,758,313	3,172,955,440	-2.5%	1,709,498,100	1,764,909,840	-3.1%	160,880,294	179,187,870	-10.2%
Broomfield	431,543,721	432,519,415	-0.2%	439,436,450	461,645,210	-4.8%	44,445,530	45,696,390	-2.7%
Chaffee	171,294,360	183,857,510	-6.8%	92,949,180	94,301,280	-1.4%	64,712,880	82,069,820	-21.1%
Cheyenne	4,074,868	3,468,771	17.5%	3,671,771	3,517,409	4.4%	262,139	221,099	18.6%
Clear Creek	97,204,350	106,803,850	-9.0%	26,035,360	27,908,320	-6.7%	23,951,400	25,848,320	-7.3%
Conejos	29,338,496	26,882,628	9.1%	5,155,488	4,498,032	14.6%	9,572,724	9,296,355	3.0%
Costilla	13,782,967	12,785,002	7.8%	3,844,869	3,586,107	7.2%	94,473,025	100,252,157	-5.8%
Crowley	6,064,421	5,890,071	3.0%	21,761,934	20,218,509	7.6%	352,402	305,957	15.2%
Custer	54,162,520	53,536,500	1.2%	7,627,910	7,615,600	0.2%	26,834,200	24,508,740	9.5%
Delta	161,667,950	174,448,480	-7.3%	58,967,650	67,435,070	-12.6%	23,827,300	32,522,100	-26.7%
Denver	4,327,503,100	4,574,934,180	-5.4%	5,252,701,040	6,104,234,510	-13.9%	194,259,930	219,158,050	-11.4%
Dolores	12,998,476	12,569,645	3.4%	3,727,616	3,520,326	5.9%	7,628,867	8,108,003	-5.9%
Douglas	2,602,897,510	2,833,355,670	-8.1%	1,354,834,520	1,466,126,830	-7.6%	237,936,390	328,783,960	-27.6%
Eagle	1,906,798,290	2,470,983,640	-22.8%	613,899,510	756,283,660	-18.8%	184,078,560	323,514,540	-43.1%
El Paso	3,474,919,530	3,727,014,550	-6.8%	2,018,349,630	2,190,288,680	-7.9%	315,198,390	378,608,170	-16.7%
Elbert	172,276,480	186,861,770	-7.8%	22,932,290	25,626,860	-10.5%	19,165,910	25,586,180	-25.1%
Fremont	193,166,060	200,886,660	-3.8%	80,296,500	80,425,310	-0.2%	49,396,380	49,630,020	-0.5%
Garfield	467,822,970	655,603,940	-28.6%	334,711,650	387,893,450	-13.7%	132,199,130	214,785,450	-38.5%
Gilpin	57,340,580	59,662,120	-3.9%	227,085,690	255,678,370	-11.2%	45,981,810	50,192,760	-8.4%
Grand	354,221,710	440,566,570	-19.6%	91,334,800	109,122,970	-16.3%	146,389,460	193,089,390	-24.2%
Gunnison	294,524,170	369,274,540	-20.2%	101,976,290	118,971,620	-14.3%	172,496,170	236,789,260	-27.2%
Hinsdale	31,683,880	30,479,600	4.0%	7,863,680	7,918,090	-0.7%	20,128,020	21,028,160	-4.3%
Huerfano	38,013,434	37,154,055	2.3%	20,825,143	21,542,784	-3.3%	16,934,591	19,030,637	-11.0%
Jackson	9,279,426	9,204,136	0.8%	3,933,740	3,905,701	0.7%	1,888,251	1,908,781	-1.1%
Jefferson	4,107,761,362	4,272,079,190	-3.8%	2,157,905,812	2,305,637,810	-6.4%	191,671,581	223,016,960	-14.1%
Kiowa	2,085,010	2,021,420	3.1%	1,092,600	1,096,100	-0.3%	72,230	71,490	1.0%
Kit Carson	23,415,212	20,892,443	12.1%	33,166,328	35,806,336	-7.4%	981,155	901,256	8.9%
La Plata	577,142,670	635,029,760	-9.1%	374,762,010	400,978,090	-6.5%	169,585,260	219,828,680	-22.9%
Lake	53,139,601	52,007,765	2.2%	10,822,225	10,748,519	0.7%	23,722,130	22,430,145	5.8%
Larimer	2,183,344,190	2,221,433,310	-1.7%	1,290,686,270	1,317,134,220	-2.0%	219,919,310	285,159,470	-22.9%
Las Animas	56,595,080	56,915,090	-0.6%	34,629,020	37,775,460	-8.3%	19,365,580	20,504,930	-5.6%
Lincoln	11,415,100	11,944,300	-4.4%	13,108,349	14,046,567	-6.7%	1,543,020	1,536,950	0.4%
Logan	58,534,610	59,135,430	-1.0%	39,370,560	41,308,780	-4.7%	2,662,690	2,727,670	-2.4%
Mesa	846,028,790	1,057,374,460	-20.0%	558,335,160	635,702,630	-12.2%	129,047,250	168,746,450	-23.5%
Mineral	17,999,120	16,489,530	9.2%	6,550,600	6,048,940	8.3%	9,846,890	8,295,150	18.7%
Moffat	62,259,747	64,914,940	-4.1%	40,970,579	44,943,750	-8.8%	10,579,715	11,799,760	-10.3%
Montezuma	137,476,920	137,677,250	-0.1%	66,274,800	66,942,140	-1.0%	26,906,680	29,492,700	-8.8%
Montrose	240,510,920	263,052,510	-8.6%	159,218,360	177,699,750	-10.4%	53,980,280	71,089,940	-24.1%
Morgan	86,916,150	94,448,290	-8.0%	59,037,260	60,660,860	-2.7%	4,949,940	5,882,220	-15.8%
Otero	42,265,683	43,605,990	-3.1%	26,863,245	27,233,688	-1.4%	1,469,655	1,532,363	-4.1%
Ouray	79,407,110	92,212,500	-13.9%	30,300,460	33,497,890	-9.5%	60,556,510	72,169,750	-16.1%
Park	219,003,940	236,802,860	-7.5%	26,704,518	30,329,722	-12.0%	163,660,600	174,205,530	-6.1%
Phillips	14,783,960	14,461,060	2.2%	12,051,040	11,539,280	4.4%	325,260	321,930	1.0%
Pitkin	1,898,851,720	2,578,516,740	-26.4%	556,707,000	668,528,380	-16.7%	276,298,200	399,516,200	-30.8%
Prowers	24,712,490	24,404,070	1.3%	25,069,661	25,159,030	-0.4%	757,273	906,500	-16.5%
Pueblo	592,769,470	631,402,294	-6.1%	300,233,300	302,221,434	-0.7%	63,854,660	75,071,130	-14.9%
Rio Blanco	42,532,500	43,389,230	-2.0%	29,812,160	28,967,040	2.9%	6,322,480	7,110,610	-11.1%
Rio Grande	63,503,556	65,653,148	-3.3%	45,703,894	43,478,539	5.1%	31,108,953	40,770,972	-23.7%
Routt	594,149,487	759,436,989	-21.8%	236,370,905	294,350,125	-19.7%	138,827,524	238,318,815	-41.7%
Saguache	18,026,220	18,034,680	0.0%	5,744,860	5,696,620	0.8%	19,021,580	19,195,950	-0.9%
San Juan	11,973,957	14,790,910	-19.0%	9,248,772	10,560,920	-12.4%	14,959,129	19,153,610	-21.9%
San Miguel	475,194,610	537,203,510	-11.5%	107,036,410	125,536,060	-14.7%	230,561,250	245,391,020	-6.0%
Sedgwick	5,143,990	5,380,610	-4.4%	3,658,420	3,506,700	4.3%	98,820	82,380	20.0%
Summit	1,043,310,540	1,258,530,777	-17.1%	329,150,585	368,556,692	-10.7%	184,648,360	267,985,056	-31.1%
Teller	180,904,830	195,433,260	-7.4%	103,328,110	107,293,700	-3.7%	77,108,150	83,303,150	-7.4%
Washington	10,623,261	10,777,809	-1.4%	3,969,037	3,922,075	1.2%	215,933	220,760	-2.2%
Weld	1,110,638,520	1,161,744,960	-4.4%	700,065,100	716,330,330	-2.3%	82,826,600	107,728,310	-23.1%
Yuma	28,649,160	28,231,110	1.5%	24,911,780	25,164,230	-1.0%	1,044,890	1,000,460	4.4%
Total	38,873,700,101	42,724,826,559	-9.0%	24,720,557,411	27,132,443,419	-8.9%	4,665,421,521	5,942,074,798	-21.5%

Oil and Gas

There were 43,200 producing natural gas and oil wells in Colorado as of the close of 2011. Over half of the wells are concentrated in Weld (40.7%) and Garfield (20.3%) Counties. Six counties house 88.4 percent of the total number of wells: Weld, Garfield, Yuma, La Plata, Las Animas and Rio Blanco. The taxable value of real property associated with oil and gas wells is calculated as a percentage of the revenue obtained for the product at the wellhead during the prior year. This makes oil and gas among the most volatile of property classes because the market prices of natural gas and crude oil can change considerably from year to year.

Colorado has experienced a 37.2 percent increase in the total assessed value of the oil and gas class during 2011. Among the classes of taxable property, oil and gas contains the third highest total assessed value for 2011. The 2011 total assessed value for the oil and gas class is \$8,576,116,749, which is nearly 9.8 percent of the state's total taxable value. A partial history of the assessed value for the class is shown in **Table 4**.

TABLE 4

2011 OIL AND GAS CLASS			
Year	(Billions) Value	Change from Prior Year	% of Total Taxable
2002	\$2.80	5.6%	4.6%
2003	\$2.20	-21.4%	3.6%
2004	\$3.91	77.6%	6.0%
2005	\$5.06	29.4%	7.2%
2006	\$7.33	45.0%	9.8%
2007	\$7.22	-1.4%	8.5%
2008	\$7.68	6.3%	8.8%
2009	\$11.86	54.5%	12.1%
2010	\$6.25	-47.3%	6.7%
2011	\$8.58	37.2%	9.8%

Table 5 below provides a more detailed understanding of the assessed values for each of the oil and gas counties.

TABLE 5

2011 OIL & GAS - COUNTY RANK						
County Rank	County	Oil and Gas Value 2011	Total Taxable Value 2011	Oil & Gas as % of Total Value	Oil & Gas % Change 2010-2011	Total Value % Change 2010-2011
1	Garfield	2,715,650,670	3,761,289,740	72.2%	40.5%	14.1%
2	Weld	2,439,331,500	5,423,868,510	45.0%	52.3%	17.3%
3	La Plata	1,163,228,920	2,401,470,440	48.4%	24.1%	2.7%
4	Rio Blanco	740,118,270	1,303,660,450	56.8%	30.2%	15.3%
5	Las Animas	299,674,290	525,610,250	57.0%	24.8%	16.4%
6	Montezuma	292,201,650	590,007,520	49.5%	21.0%	8.5%
7	Mesa	243,894,680	2,030,736,540	12.0%	26.3%	-12.3%
8	Yuma	118,920,500	290,876,520	40.9%	18.1%	6.8%
9	Moffat	103,280,979	487,789,236	21.2%	29.1%	3.0%
10	Cheyenne	101,300,307	147,983,071	68.5%	19.7%	16.9%
11	Adams	47,092,400	4,568,563,790	1.0%	47.1%	-0.7%
12	Dolores	44,719,791	87,638,824	51.0%	23.9%	12.2%
13	Washington	35,461,381	120,099,105	29.5%	26.3%	8.3%
14	Boulder	34,893,096	5,627,815,998	0.6%	55.4%	-3.1%
15	Archuleta	31,599,750	323,396,290	9.8%	55.3%	-23.9%
16	Lincoln	20,011,654	91,225,414	21.9%	53.2%	10.0%
17	San Miguel	19,603,620	862,270,710	2.3%	-25.1%	-10.7%
18	Kiowa	13,939,050	38,015,530	36.7%	61.2%	17.3%
19	Fremont	12,744,830	433,935,650	2.9%	200.3%	-4.1%
20	Logan	12,386,790	265,620,070	4.7%	19.3%	4.2%
21	Gunnison	10,912,060	700,512,210	1.6%	133.5%	-16.7%
22	Huerfano	10,451,988	123,139,646	8.5%	-29.4%	-1.1%
23	Broomfield	10,097,240	1,059,958,041	1.0%	66.8%	-2.5%
24	Larimer	8,671,483	4,118,666,343	0.2%	58.0%	-2.8%
25	Jackson	7,703,720	38,503,024	20.0%	36.1%	8.8%
26	Morgan	7,041,320	410,587,890	1.7%	51.6%	-0.7%
27	Baca	6,226,961	74,062,461	8.4%	10.3%	3.6%
28	Arapahoe	6,009,270	7,428,001,820	0.1%	31.1%	-6.7%
29	Routt	4,130,850	1,147,256,671	0.4%	33.1%	-21.9%
30	Phillips	3,985,390	56,483,000	7.1%	9.2%	7.8%
31	Prowers	3,214,122	125,485,534	2.6%	7.9%	2.8%
32	Elbert	2,759,470	256,150,010	1.1%	18.3%	-7.4%
33	Delta	1,753,310	310,037,430	0.6%	9.6%	-12.7%
34	Kit Carson	1,363,438	132,430,640	1.0%	0.0%	0.9%
35	Bent	1,304,365	74,128,217	1.8%	50.7%	2.3%
36	Montrose	207,630	563,075,320	0.0%		-9.5%
37	Sedgwick	125,270	55,766,030	0.2%	27.8%	2.0%
38	Park	99,694	440,689,660	0.0%		-6.2%
39	El Paso	5,040	6,326,960,150	0.0%		-7.5%

Other Production Classes

As with oil and gas, most of the value of real property classified as natural resources and producing mines is calculated as a percentage of the money obtained from selling the product. The natural resources class includes properties that produce coal, sand, and gravel, and it also includes non-producing mining claims and severed mineral interests. All counties, except City and County of Denver, have natural resource property, but the class comprises only 0.7 percent of the state's total assessed value.

Although similar in total value, the great majority of the producing mines value is associated with only two mines located in three counties. The Henderson mine, located on the Continental Divide in the counties of Clear Creek and Grand, is the world's largest primary producer of molybdenum. The mine and the mill are connected by the world's longest conveyor of its kind; a fifteen-mile elevated belt that passes underneath the Continental Divide through an old train tunnel and then above ground to the mill. Since 1976, the Henderson Mine has produced more than 160 million tons of ore and 770 million pounds of molybdenum.

Teller County is the location of most of Colorado's gold production. The county's primary mine, the Cresson Mine, is located between the towns of Victor and Cripple Creek.

The value of mining operations in Colorado is sensitive to changes in commodity prices, owners' business choices and decisions rendered on property tax appeals.

According to the United State Geological Survey, domestic gold mine production in 2011 increased 3 percent from 2010; the second consecutive increase in annual domestic production. A small amount of that was recovered as a by-product of processing base metals; primarily copper. The average price of gold increased by 28 percent for 2011, to \$1,574 per troy ounce.

Agricultural Property

The value established for agricultural land is based on a 10-year average of 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 they tend to be relatively stable from year to year.

State Assessed Property

Unlike most other classes, property classified as state assessed is valued annually by the Division of Property Taxation using unitary valuation procedures. The state assessed property class is comprised of real and personal property owned by public utilities, airlines and railroads. By far the largest portion of this value is attributable to personal property. 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 county assessor then distributes the value to the appropriate locations throughout the county.

Information obtained from the State Assessed Section within the Division of Property Taxation indicated an increase in assessed value of 8.1 percent in 2011. The operation of Public Service Company of Colorado's Comanche Power Plant Unit 3, and wireless telephony growth were the largest contributors to the increase. Gains to those sectors were largely offset by declines in the less used non-renewable affiliated power plants. Other industries had modest increases or decreases in relation to the overall total.

Personal Property in 2011

In 2011, personal property accounted for 14.2 percent of Colorado's property tax base, but that percentage varied substantially from county to county. Approximately 40.3 percent of personal property is classified as state assessed while the remainder is valued at the local level. In 2011, 88.3 percent of the state assessed property value was for personal property. 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, inventory, and supplies held for consumption.

Prior to January 1, 2009, business personal property under common ownership with a total actual value of no more than \$2,500 per county was also exempt. However, with the passage of HB 08-1225, the amount of actual value subject to the exemption increased or is scheduled to increase according to the following schedule:

- Five thousand five hundred dollars (\$5,500) for property tax years 2011 and 2012.
- Seven thousand dollars (\$7,000) for property tax years 2013 and 2014.
- Subsequent adjustments will occur biennially to account for inflation since the amount of the exemption last changed.

HB 08-1225 directs the Property Tax Administrator to calculate the amount of the exemption for the next two-year cycle and in every even numbered year thereafter.

In addition, a provision found in the Colorado 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 percentage of taxable value consisting of personal property.

TABLE 6

DISTRIBUTION OF PERSONAL PROPERTY IN 2011								
County	State Assd. Personal	% of Total	Locally Assd Personal	% of Total	Total Personal	% of Total	Total Real	Total Assd. Value
Adams	380,645,490	8.33%	536,721,930	11.75%	917,367,420	20.08%	4,568,563,790	4,568,563,790
Alamosa	13,651,135	9.23%	7,209,418	4.88%	20,860,553	14.11%	147,822,295	147,822,295
Arapahoe	346,321,600	4.66%	546,705,820	7.36%	893,027,420	12.02%	7,428,001,820	7,428,001,820
Archuleta	9,462,101	2.93%	10,479,040	3.24%	19,941,141	6.17%	323,396,290	323,396,290
Baca	33,884,965	45.75%	3,026,593	4.09%	36,911,558	49.84%	74,062,461	74,062,461
Bent	22,395,613	30.21%	1,093,173	1.47%	23,488,786	31.69%	74,128,217	74,128,217
Boulder	159,059,631	2.83%	383,870,239	6.82%	542,929,870	9.65%	5,627,815,998	5,627,815,998
Broomfield	41,309,800	3.90%	108,989,950	10.28%	150,299,750	14.18%	1,059,958,041	1,059,958,041
Chaffee	15,892,330	4.35%	10,713,990	2.93%	26,606,320	7.29%	365,186,860	365,186,860
Cheyenne	15,309,403	10.35%	13,897,323	9.39%	29,206,726	19.74%	147,983,071	147,983,071
Clear Creek	12,837,050	2.29%	70,716,310	12.59%	83,553,360	14.87%	561,752,770	561,752,770
Conejos	4,116,316	6.80%	824,621	1.36%	4,940,937	8.16%	60,529,999	60,529,999
Costilla	7,224,292	5.58%	934,145	0.72%	8,158,437	6.30%	129,410,944	129,410,944
Crowley	4,045,097	10.97%	784,277	2.13%	4,829,374	13.10%	36,861,245	36,861,245
Custer	4,038,530	4.06%	654,050	0.66%	4,692,580	4.72%	99,457,870	99,457,870
Delta	25,456,080	8.21%	22,148,940	7.14%	47,605,020	15.35%	310,037,430	310,037,430
Denver	710,787,840	6.53%	625,247,570	5.74%	1,336,035,410	12.27%	10,886,848,700	10,886,848,700
Dolores	13,131,129	14.98%	12,412,664	14.16%	25,543,793	29.15%	87,638,824	87,638,824
Douglas	172,377,870	3.83%	243,604,200	5.41%	415,982,070	9.23%	4,504,735,760	4,504,735,760
Eagle	59,675,370	2.14%	149,825,510	5.37%	209,500,880	7.51%	2,789,969,860	2,789,969,860
El Paso	247,518,370	3.91%	377,651,190	5.97%	625,169,560	9.88%	6,326,960,150	6,326,960,150
Elbert	20,306,760	7.93%	7,934,170	3.10%	28,240,930	11.03%	256,150,010	256,150,010
Fremont	29,176,850	6.72%	52,556,790	12.11%	81,733,640	18.84%	433,935,650	433,935,650
Garfield	76,671,160	2.04%	701,848,690	18.66%	778,519,850	20.70%	3,761,289,740	3,761,289,740
Gilpin	6,892,378	1.97%	30,742,350	8.81%	37,634,728	10.78%	349,040,720	349,040,720
Grand	31,868,050	3.90%	55,149,510	6.75%	87,017,560	10.65%	817,283,510	817,283,510
Gunnison	11,544,130	1.65%	89,788,430	12.82%	101,332,560	14.47%	700,512,210	700,512,210
Hinsdale	691,185	1.12%	646,620	1.05%	1,337,805	2.17%	61,718,620	61,718,620
Huerfano	24,877,909	20.20%	5,324,469	4.32%	30,202,378	24.53%	123,139,646	123,139,646
Jackson	2,425,288	6.30%	2,915,854	7.57%	5,341,142	13.87%	38,503,024	38,503,024
Jefferson	270,453,517	3.86%	440,100,413	6.29%	710,553,930	10.15%	6,999,422,130	6,999,422,130
Kiowa	3,947,390	10.38%	1,350,070	3.55%	5,297,460	13.93%	38,015,530	38,015,530
Kit Carson	32,225,975	24.33%	4,694,437	3.54%	36,920,412	27.88%	132,430,640	132,430,640
La Plata	68,748,360	2.86%	325,679,380	13.56%	394,427,740	16.42%	2,401,470,440	2,401,470,440
Lake	10,960,418	9.38%	4,392,518	3.76%	15,352,936	13.14%	116,825,282	116,825,282
Larimer	100,811,500	2.45%	324,082,374	7.87%	424,893,874	10.32%	4,118,666,343	4,118,666,343
Las Animas	75,874,540	14.44%	111,850,150	21.28%	187,724,690	35.72%	525,610,250	525,610,250
Lincoln	21,995,690	24.11%	3,076,034	3.37%	25,071,724	27.48%	91,225,414	91,225,414
Logan	94,364,300	35.53%	18,599,420	7.00%	112,963,720	42.53%	265,620,070	265,620,070
Mesa	104,162,340	5.13%	214,355,580	10.56%	318,517,420	15.68%	2,030,736,540	2,030,736,540
Mineral	1,176,910	3.16%	1,675,910	4.50%	2,852,820	7.66%	37,235,500	37,235,500
Moffat	178,609,620	36.62%	66,431,284	13.62%	245,040,904	50.23%	487,789,236	487,789,236
Montezuma	38,581,890	6.54%	55,802,930	9.46%	94,384,820	16.00%	590,007,520	590,007,520
Montrose	50,835,696	9.03%	29,925,330	5.31%	80,761,026	14.34%	563,075,320	563,075,320
Morgan	148,344,590	36.13%	43,544,200	10.61%	191,888,790	46.74%	410,587,890	410,587,890
Otero	27,997,561	22.20%	7,743,970	6.14%	35,741,531	28.34%	126,123,986	126,123,986
Ouray	5,250,202	2.87%	8,229,710	4.51%	13,479,912	7.38%	182,654,490	182,654,490
Park	17,711,271	4.02%	2,754,905	0.63%	20,466,176	4.64%	440,689,660	440,689,660
Phillips	3,438,030	6.09%	4,323,750	7.65%	7,761,780	13.74%	56,483,000	56,483,000
Pitkin	23,819,950	0.86%	51,967,850	1.88%	75,787,800	2.74%	2,770,291,800	2,770,291,800
Prowers	34,394,458	27.41%	8,230,391	6.56%	42,624,849	33.97%	125,485,534	125,485,534
Pueblo	304,200,800	19.51%	195,943,553	12.57%	500,144,353	32.07%	1,559,438,638	1,559,438,638
Rio Blanco	107,685,260	8.26%	614,583,490	47.14%	722,268,750	55.40%	1,303,660,450	1,303,660,450
Rio Grande	10,521,590	6.00%	6,559,291	3.74%	17,080,881	9.74%	175,317,599	175,317,599
Routt	80,683,480	7.03%	66,952,140	5.84%	147,635,620	12.87%	1,147,256,671	1,147,256,671
Saguache	5,167,990	8.13%	891,070	1.40%	6,059,060	9.53%	63,549,700	63,549,700
San Juan	1,852,185	3.79%	4,540,172	9.28%	6,392,357	13.07%	48,912,557	48,912,557
San Miguel	12,692,220	1.47%	143,381,440	16.63%	156,073,660	18.10%	862,270,710	862,270,710
Sedgwick	30,991,380	55.57%	1,166,740	2.09%	32,158,120	57.67%	55,766,030	55,766,030
Summit	29,872,807	1.86%	105,899,206	6.61%	135,772,013	8.47%	1,603,209,763	1,603,209,763
Teller	15,745,988	3.26%	39,332,830	8.14%	55,078,818	11.39%	483,437,380	483,437,380
Washington	36,287,213	30.21%	3,604,943	3.00%	39,892,156	33.22%	120,099,105	120,099,105
Weld	536,933,280	9.90%	438,322,630	8.08%	975,255,910	17.98%	5,423,868,510	5,423,868,510
Yuma	50,293,780	17.29%	34,865,170	11.99%	85,158,950	29.28%	290,876,520	290,876,520
TOTALS	5,040,225,903	5.74%	7,459,270,617	8.50%	12,499,496,520	14.24%	87,800,805,733	87,800,805,733

RESIDENTIAL ASSESSMENT RATE

In 1982, the electorate passed sweeping changes to the portion of the Colorado Constitution that governs the property tax system. One of these changes was the enactment of a provision known as the “Gallagher Amendment,” found in § 3(1)(b), art. X, COLO. CONST.

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 consisting 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 review and potential adjustment of the residential assessment rate each time there is a year of general reassessment. This adjustment is meant to ensure that the rate of change to the state’s total assessed value of residential property remains essentially the same as it is for non-residential 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%
1997-2000	9.74%
2001-2002	9.15%
2003-2012	7.96%

During years of general reassessment (odd numbered years), § 39-1-104.2(5)(c), C.R.S., requires the Property Tax Administrator to complete a documented study that is used by the General Assembly to enact a new residential assessment rate into law. The 2011 preliminary and final residential assessment rate study reports are accessible on the Division’s web site at www.dola.colorado.gov/dpt/publications/index.htm.

* The studies conducted in 1999, 2005, 2007, 2009 and 2011, resulted in a determination that the residential assessment rate should be adjusted above the rate that had been enacted for the previous two-year cycle. However, § 20(4)(a), art. X, COLO. CONST. (TABOR), prohibits the General Assembly from increasing an assessment rate without statewide voter approval. For these years, the General Assembly chose to reenact the rate that was effective during the prior two years.

Assessment Rate and Tax Burden

Table 8 calculates the savings to residential taxpayers from the inception of the Gallagher Amendment through 2011. 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 \$19,068,557,876. The table begins with 1987, because the residential assessment rate remained at 21 percent until 1987. The contents of each column in the table are described below.

- 1 Tax year
- 2 Hypothetical residential assessment rate of 21 percent
- 3 Enacted residential assessment rate for each tax year
- 4 Savings to residential taxpayers

TABLE 8

PROPERTY TAX BURDEN SHIFT DUE TO GALLAGHER AMENDMENT			
Tax Year	Res. Rate w/o Gallagher	Actual Res. Rate	Savings to Res Taxpayers
1987	21%	18.00%	\$79,064,785
1988	21%	16.00%	\$147,836,269
1989	21%	15.00%	\$187,262,167
1990	21%	15.00%	\$188,963,583
1991	21%	14.34%	\$222,648,266
1992	21%	14.34%	\$228,704,050
1993	21%	12.86%	\$294,643,464
1994	21%	12.86%	\$305,366,542
1995	21%	10.36%	\$460,958,707
1996	21%	10.36%	\$480,301,188
1997	21%	9.74%	\$568,826,762
1998	21%	9.74%	\$598,265,545
1999	21%	9.74%	\$653,172,356
2000	21%	9.74%	\$688,841,354
2001	21%	9.15%	\$823,345,112
2002	21%	9.15%	\$873,143,882
2003	21%	7.96%	\$1,053,722,569
2004	21%	7.96%	\$1,113,935,541
2005	21%	7.96%	\$1,190,706,817
2006	21%	7.96%	\$1,269,270,060
2007	21%	7.96%	\$1,436,467,739
2008	21%	7.96%	\$1,474,388,587
2009	21%	7.96%	\$1,603,527,584
2010	21%	7.96%	\$1,576,170,350
2011	21%	7.96%	\$1,549,024,599
			\$19,068,557,876

Table 9 illustrates the effect of Gallagher on the statewide assessed value of residential property since 1983. The percentage of actual value attributable to residential property has increased dramatically since Gallagher's inception, from 53.2 percent in 1983 to 76.3 percent in 2011. At the same time, the adjustment of the residential assessment rate caused the percentage of total assessed value consisting of residential property to remain essentially stable.

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%
2008	\$87,550,006,576	\$40,409,568,301	\$47,140,438,275	2008	100.00%	46.16%	53.84%
2009	\$97,784,900,451	\$42,297,938,878	\$55,486,961,573	2009	100.00%	43.26%	56.74%
2010	\$92,648,660,822	\$42,724,826,559	\$49,923,834,263	2010	100.00%	46.11%	53.89%
2011	\$87,800,805,733	\$38,873,700,101	\$48,927,105,632	2011	100.00%	44.27%	55.73%

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%
2008	\$654,555,841,028	\$507,657,893,229	\$146,897,947,799	2008	100.00%	77.56%	22.44%
2009	\$698,329,685,726	\$531,381,141,683	\$166,948,544,043	2009	100.00%	76.09%	23.91%
2010	\$697,131,096,490	\$536,744,052,249	\$160,387,044,241	2010	100.00%	76.99%	23.01%
2011	\$640,184,233,596	\$488,363,066,595	\$151,821,167,000	2011	100.00%	76.28%	23.72%

PROTESTS, APPEALS, AND ABATEMENTS

Protests and Appeals

Colorado statutes mandate a process that allows taxpayers the opportunity to challenge the actual value established for their property. 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 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.

Taxpayers can protest and appeal in either year of the reassessment cycle; the first year or odd numbered year or the intervening year or even numbered year. However, the number of protests and appeals are typically higher during the first year of the reassessment cycle.

The number of protests and appeals vary greatly from county to county. In 2011, Larimer County received the greatest number of protests with 11,433 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 first year of the last three reassessment cycles, 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.

Abatements

An abatement of tax is a cancellation or reduction in the amount of tax owed by the taxpayer. Abatements may be granted after the tax roll has been printed for an "erroneous valuation for assessment, irregularity in levying, clerical error, or overvaluation," § 39-10-114(1)(a)(I)(A), C.R.S. Abatement petitions may be approved only if they are filed within two years after January 1 of the year following the year in which 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 2009, 2010, and 2011.

TABLE 10

PROTESTS AND APPEALS									
County	Protests to Assessor			Protests to Assessor (PER EMPLOYEE)			Appeals to CBOE		
	2007	2009	2011	2007	2009	2011	2007	2009	2011
Category 1									
Adams	6,242	6,519	5,197	145	152	137	964	2,308	2,185
Arapahoe	9,679	9,594	7,300	138	145	116	2,758	4,283	3,290
Boulder	9,682	10,722	8,251	206	241	179	230	1,383	1,316
Broomfield	1,084	1,154	890	120	144	111	178	354	403
Denver	12,292	15,016	9,066	154	218	171	2,456	4,197	2,720
Douglas	8,608	9,182	6,423	172	200	149	2,508	4,268	159
El Paso	5,999	9,956	4,752	105	195	95	851	1,366	756
Jefferson	12,974	10,539	9,447	228	199	178	1,741	2,429	2,312
Larimer	11,685	13,533	11,433	225	271	249	1,161	3,276	1,517
Pueblo	1,272	925	588	42	30	20	10	14	12
Weld	4,340	5,165	5,371	122	161	168	396	866	1,655
Category 2									
Eagle	5,869	8,103	3,086	293	386	140	1,548	2,555	1,095
Fremont	1,636	1,369	620	126	124	56	145	108	58
Garfield	981	2,753	738	59	125	35	345	423	127
La Plata	2,772	1,132	890	135	60	52	60	63	34
Mesa	3,235	4,319	1,912	112	144	78	213	599	176
Pitkin	2,118	4,628	1,158	223	441	116	387	1,873	560
Summit	3,365	6,873	1,764	173	362	98	374	825	221
Category 3									
Alamosa	248	237	216	31	30	27	9	7	10
Archuleta	2,207	3,181	544	276	277	54	500	435	48
Chaffee	1,011	1,638	1,791	112	182	276	101	218	66
Clear Creek	732	747	326	146	149	65	41	51	17
Delta	780	1,106	380	59	88	40	32	98	13
Gipin	696	352	198	99	50	36	47	25	36
Grand	2,431	2,065	910	221	188	101	321	246	427
Gunnison	2,200	2,251	1,582	220	225	144	182	279	491
Las Animas	445	840	605	45	76	71	23	9	15
Logan	255	201	214	28	22	24	20	10	10
Moffat	454	497	174	76	83	29	13	40	20
Montrose	928	733	672	81	64	67	186	197	136
Morgan	466	158	428	42	14	43	9	6	110
Otero	107	102	73	13	16	12	1	3	4
Park	2,270	2,244	2,010	197	204	183	172	375	218
Rio Blanco	263	302	263	44	43	38	145	110	15
Routt	1,533	2,706	904	153	271	82	352	465	124
San Miguel	657	1,127	1,064	73	125	118	68	288	259
Teller	1,942	1,257	955	129	79	68	323	235	203
Category 4									
Custer	173	284	153	35	57	31	0	1	2
Elbert	236	659	330	18	60	47	15	35	9
Huerfano	186	317	209	27	45	38	4	22	104
Kit Carson	271	102	206	90	26	69	1	3	3
Lake	476	387	317	95	77	79	16	35	18
Montezuma	622	1,225	322	69	144	36	83	43	48
Ouray	463	250	210	116	63	53	55	34	42
Prowers	150	50	50	30	10	10	0	0	2
Rio Grande	1,086	652	474	136	82	59	25	202	10
Washington	15	20	17	3	3	3	0	0	0
Yuma	148	949	128	27	173	128	0	0	0
Category 5									
Baca	20	4	8	6	1	2	0	0	0
Bent	126	116	147	32	26	37	0	2	85
Cheyenne	128	52	164	51	21	66	0	0	3
Conejos	113	256	429	25	57	78	0	26	6
Costilla	765	2,159	370	153	432	74	194	730	65
Crowley	5	12	20	5	12	20	1	3	2
Hinsdale	319	489	128	80	245	64	1	40	31
Lincoln	15	25	15	3	5	3	0	2	1
Phillips	13	60	16	4	20	5	0	0	0
Saguache	133	131	231	27	33	58	1	0	5
San Juan	59	43	81	59	29	54	10	3	13
Category 6									
Dolores	199	89	91	66	30	23	1	0	1
Jackson	2	6	2	2	3	1	2	0	0
Kiowa	0	3	0	0	2	0	0	0	0
Mineral	35	20	48	18	11	48	1	3	12
Sedgwick	18	15	10	6	5	3	0	0	3

TABLE 11

PROTESTS AND APPEALS			
Assessors	2007	2009	2011
Total Parcels	2,342,391	2,511,308	2,448,771
Parcels/Schedules Protested	129,234	151,601	96,371
Protests as a Percent of Total Parcels	5.5%	6.0%	3.9%
Percent Change from Prior Reappraisal	29.8%	17.3%	-36.4%
Dollars of Overtime Paid	\$221,428	\$221,428	\$39,437
Hours of Compensation Time Granted	3,317	7,396	3,155
County Boards of Equalization (CBOE)			
Parcels/Schedules Appealed to CBOE	19,280	35,471	21,283
Percent of CBOE Appeals to Protests	14.9%	23.4%	22.1%
Board of Assessment Appeals (BAA)			
BAA Dockets	2,519	3,931	2,904
Abatements	251	231	269
Appeals	2,268	3,700	2,635
Percent of BAA Appeals to CBOE Appeals	13.1%	11.1%	13.6%
Percent of BAA Appeals to Protests	1.9%	2.6%	3.0%
Percent of BAA Appeals to Total Parcels	0.1%	0.2%	0.1%
Parcels Protested Per Assessor's Employee			
Average Number Protested Per Employee	94	116	74
Maximum Number Protested Per Employee	293	441	276
Minimum Number Protested Per Employee	0	1	0
Parcels Protested Per Employee – Frequency Distribution			
0 – 50	24	24	26
51 – 100	13	12	21
101 – 200	19	16	15
201 – 300	8	8	2
301 – 400	0	2	0
401 – 500	0	2	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.			

TABLE 12

ABATEMENTS, REFUNDS AND CANCELLATION OF TAXES									
County	2011	2011	2011	2010	2010	2010	2009	2009	2009
	Abatement Amounts	Abatement Counts	Average Abated	Abatement Amounts	Abatement Counts	Average Abated	Abatement Amounts	Abatement Counts	Average Abated
Adams	\$2,949,503	883	\$3,340	\$3,410,872	1,656	\$2,060	\$2,174,806	1,603	\$1,357
Alamosa	\$24,478	56	\$437	\$242,513	44	\$5,512	\$30,530	50	\$611
Arapahoe	\$18,813,670	1,838	\$10,236	\$18,502,905	1,804	\$10,257	\$7,766,984	1,306	\$5,947
Archuleta	\$444,395	385	\$1,154	\$151,059	166	\$910	\$56,116	46	\$1,220
Baca	\$4,242	22	\$193	\$1,107	38	\$29	\$13,419	38	\$353
Bent	\$99,667	28	\$3,560	\$3,525	15	\$235	\$2,363	33	\$72
Boulder	\$2,259,773	872	\$2,591	\$1,765,105	798	\$2,212	\$1,496,375	1,163	\$1,287
Broomfield	\$618,454	132	\$4,685	\$1,050,717	352	\$2,985	\$2,298,613	843	\$2,985
Chaffee	\$34,780	94	\$370	\$52,998	69	\$768	\$32,632	63	\$518
Cheyenne	\$3,998	17	\$235	\$7,692	13	\$592	\$5,608	14	\$401
Clear Creek	\$75,242	101	\$745	\$144,645	131	\$1,104	\$123,406	173	\$713
Conejos	\$10,660	39	\$273	\$9,258	43	\$215	\$17,780	63	\$282
Costilla	\$574,805	240	\$2,395	\$219,789	547	\$402	\$22,800	83	\$275
Crowley	\$469	7	\$67	\$113,476	3	\$37,825	\$44	1	\$44
Custer	\$5,696	7	\$814	\$3,392	6	\$565	\$6,702	17	\$394
Delta	\$104,498	67	\$1,560	\$94,248	137	\$688	\$34,456	244	\$141
Denver	\$22,435,164	3,666	\$6,120	\$15,502,687	2,946	\$5,262	\$11,596,449	2,073	\$5,594
Dolores	\$10,697	17	\$629	\$8,298	12	\$692	\$4,184	10	\$418
Douglas	\$4,985,181	1,072	\$4,650	\$4,748,599	1,331	\$3,568	\$3,533,946	1,021	\$3,461
Eagle	\$2,463,335	926	\$2,660	\$3,527,624	852	\$4,140	\$2,488,018	525	\$4,739
Elbert	\$76,194	124	\$614	\$200,333	250	\$801	\$145,701	123	\$1,185
El Paso	\$3,636,781	2,363	\$1,539	\$5,797,762	2,166	\$2,677	\$4,270,915	2,419	\$1,766
Fremont	\$1,879,754	201	\$9,352	\$302,095	72	\$4,196	\$241,342	261	\$925
Garfield	\$478,279	255	\$1,876	\$2,257,481	327	\$6,904	\$221,959	169	\$1,313
Gilpin	\$7,290	37	\$197	\$76,482	34	\$2,249	\$252,948	50	\$5,059
Grand	\$113,739	228	\$499	\$122,574	81	\$1,513	\$119,829	139	\$862
Gunnison	\$24,817	26	\$954	\$83,963	93	\$903	\$100,450	109	\$922
Hinsdale	\$2,749	9	\$305	\$16,600	100	\$166	\$13,425	9	\$1,492
Huerfano	\$109,185	133	\$821	\$93,251	130	\$717	\$476,917	571	\$835
Jackson	\$0	0	\$0	\$0	0	\$0	\$5,836	2	\$2,918
Jefferson	\$7,661,788	2,132	\$3,594	\$7,497,561	2,347	\$3,195	\$7,244,322	1,982	\$3,655
Kiowa	\$830	9	\$92	\$768	10	\$77	\$25,880	3	\$8,627
Kit Carson	\$264,054	18	\$14,670	\$98,347	44	\$2,235	\$312,380	94	\$3,323
Lake	\$15,446	48	\$322	\$66,797	287	\$233	\$71,063	22	\$3,230
La Plata	\$298,884	270	\$1,107	\$502,663	301	\$1,670	\$1,739,272	359	\$4,845
Larimer	\$2,532,491	1,803	\$1,405	\$3,598,680	2,079	\$1,731	\$1,413,709	1,387	\$1,019
Las Animas	\$19,106	46	\$415	\$65,339	52	\$1,257	\$6,665	25	\$267
Lincoln	\$3,704	20	\$185	\$1,503	10	\$150	\$18,251	29	\$629
Logan	\$39,137	44	\$889	\$454,111	55	\$8,257	\$88,907	33	\$2,694
Mesa	\$976,366	832	\$1,174	\$685,620	333	\$2,059	\$719,143	228	\$3,154
Mineral	\$669	2	\$334	\$85	1	\$85	\$15	1	\$15
Moffat	\$84,372	145	\$582	\$66,333	194	\$342	\$36,464	125	\$292
Montezuma	\$118,686	174	\$682	\$722,066	543	\$1,330	\$269,507	161	\$1,674
Montrose	\$255,542	221	\$1,156	\$98,155	95	\$1,033	\$152,405	125	\$1,219
Morgan	\$247,767	21	\$11,798	\$16,509	19	\$869	\$51,146	20	\$2,557
Otero	\$4,442	8	\$555	\$36,414	11	\$3,310	\$8,976	23	\$390
Ouray	\$35,640	26	\$1,371	\$15,601	99	\$158	\$15,882	19	\$836
Park	\$19,871	53	\$375	\$108,280	314	\$345	\$60,361	560	\$108
Phillips	\$464	3	\$155	\$4,076	21	\$194	\$4,574	12	\$381
Pitkin	\$1,145,268	272	\$4,211	\$1,202,813	396	\$3,037	\$485,027	123	\$3,943
Prowers	\$213,437	39	\$5,473	\$13,582	246	\$55	\$11,873	43	\$276
Pueblo	\$612,953	197	\$3,111	\$3,998,304	210	\$19,040	\$968,974	201	\$4,821
Rio Blanco	\$477,150	48	\$9,941	\$93,737	118	\$794	\$99,614	56	\$1,779
Rio Grande	\$13,355	40	\$334	\$10,703	45	\$238	\$16,258	57	\$285
Routt	\$1,701,879	397	\$4,287	\$346,856	197	\$1,761	\$313,430	187	\$1,676
Saguache	\$11,378	37	\$308	\$136,748	43	\$3,180	\$2,178	13	\$168
San Juan	\$1,811	2	\$905	\$64,529	17	\$3,796	\$361	2	\$181
San Miguel	\$391,365	113	\$3,463	\$348,881	97	\$3,597	\$72,418	39	\$1,857
Sedgwick	\$8,286	8	\$1,036	\$1,984	15	\$132	\$7,713	21	\$367
Summit	\$436,708	354	\$1,234	\$267,976	357	\$751	\$406,847	380	\$1,071
Teller	\$87,249	59	\$1,479	\$33,267	51	\$652	\$104,531	64	\$1,633
Washington	\$658	9	\$73	\$1,645	10	\$165	\$1,230	19	\$65
Weld	\$3,499,870	872	\$4,014	\$3,668,144	1,361	\$2,695	\$815,284	627	\$1,300
Yuma	\$62,515	98	\$638	\$53,911	44	\$1,225	\$27,478	72	\$382
Totals:	\$83,490,635	22,265	\$3,750	\$82,793,038	24,238	\$3,416	\$53,126,692	20,333	\$2,613

Information reported by treasurers for 2011, 2010, and 2009

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 exemptions as enacted reduce the taxable actual value of a residential property by 50 percent, up to a maximum reduction of \$100,000. The reduction in property tax revenue is backfilled by the State of Colorado.

The Colorado Constitution grants the Colorado General Assembly the authority to increase or decrease the amount of the senior and disabled veteran exemptions. For tax years 2003, 2004, 2005 and 2009, the General Assembly enacted legislation to reduce the amount of the senior exemption to 50 percent of \$0, effectively suspending the senior exemption benefit. In 2010, the suspension was extended to property tax years 2010 and 2011, through the passage of Senate Bill 10-190. Due to the suspension, which did not affect the disabled veteran exemption, approximately \$91.7 million was not paid out to seniors but instead was available to the general fund in 2010.

To qualify for the senior exemption, a senior must be at least 65 years old on January 1 and must have owned and occupied the property for at least 10 consecutive years as his or her primary residence. To qualify for the disabled veteran exemption, a veteran must have sustained a service connected disability that has been rated by the U.S. Department of Veterans Affairs as 100 percent "permanent and total"; and must have owned and occupied the property since January 1 of the year the application is filed.

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 senior citizen or disabled veteran 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.

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 an exemption on more than one property in the state, and denies the exemptions on each property. In 2011, the Division denied exemptions on 18 properties owned by 12 applicants. In 2011, 168,959 properties were approved for the senior citizen exemption, and 3,335 received the disabled veteran exemption.

The senior and disabled veteran exemption programs do 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 April 2012, the State Treasurer reimbursed local governments \$1, 756,475 for disabled veteran exemptions granted for tax year 2011.

POSSESSORY INTERESTS

In 2001 the Colorado Supreme Court ruled that certain possessory interests are subject to ad valorem taxation in Colorado. 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.

Taxable possessory interests may include but are not limited to:

1. Private concessionaires utilizing government owned land, improvements, or personal property unless operating pursuant to a management contract.
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. Land, improvements, and personal property at a tax-exempt airport.
7. Other government property leased to private parties. However, the property may be otherwise exempt pursuant to Colorado Revised Statutes.

2011 PROPERTY TAX LEGISLATION

Senate Bills

SB 11-119

Procedures governing the appeal of valuation of income-producing commercial real property.

This bill adds provisions to § 39-8-107, C.R.S., which shall apply to property tax years commencing on or after January 1, 2011, specifying the exchange of certain information between the petitioner and the respondent in an appeal of the valuation of rent-producing commercial real property to the Board of Assessment Appeals.

The petitioner, within ninety days after the appeal has been filed with the BAA, shall provide to the county the following information: for two full years including the base year for the relevant property tax year, the actual annual rental income, tenant reimbursements, itemized expenses, rent roll data, including the name of any tenants, the address, unit, or suite numbers of the subject property, lease start and end dates, option terms, base rent, square footage leased, and vacant space.

The county, within ninety days upon request made by the petitioner, shall provide to the petitioner the underlying data, capitalization rates, and names of commercially available copyrighted publications used by the county in calculating the value of the subject property. All confidential information contained therein shall be redacted.

Further provisions of this bill: 1) direct the County to inform the taxpayer of the taxpayer's obligation to provide such information; 2) address actions and consequences for failure to provide the required information, including orders by the BAA of dismissal or judgment by default, and ceasing the accrual of interest; 3) address the confidential nature of information provided by the petitioner, and to whom this information can be disclosed.

Signed by Governor Hickenlooper: April 26, 2011
Effective Date: August 10, 2011

SB 11-166

Concerning the "Uniform Disclaimer of the Property Interests Act".

Section 1 of this bill amended article 11 of title 15, Colorado Revised Statutes by the addition of a new Part 12 to be known as the "Uniform Disclaimer of Property Interests Act." It applies to disclaimers of any interest in or power over property, whenever created, § 15-11-1204, C.R.S. Part 12 does not limit any right of a person to waive release, disclaim, or renounce an interest in or power over property under a law other than this Part 12, § 15-11-1204(2), C.R.S.

Upon passage of SB 11-166, a person may disclaim any interest in or power over property, including a power of appointment or may disclaim the interest or power even if its creator imposed a spendthrift revision or similar restriction on transfer or a restriction or limitation on the right to disclaim.

To be effective, a disclaimer must be in writing, describe the interest or power disclaimed, be signed by the person making the disclaimer, and be delivered or filed. With regard to an interest in real property, the disclaimer must be recorded in the office of the clerk and recorder in the county wherein the disclaimed property is located.

A disclaimer becomes irrevocable when it is delivered or filed or, with regard to an interest in real property, recorded. The disclaimer takes effect as of the time the instrument creating the interest becomes irrevocable, or, if the interest arose under the law of intestate succession, as of the time of the intestates death, § 15-11-1206(2)(a), C.R.S.

If the disclaimer involves rights of survivorship in jointly held property, a surviving holder may disclaim, in whole or in part, the portion of the jointly held property

which would otherwise pass to him/her upon the death of another holder of jointly held property, § 15-11-1207, C.R.S. There are provisions in the statute that cover multiple disclaimers and how those interests devolve to the survivors or to the heirs of the deceased.

If a trustee disclaims an interest in property that otherwise would have become trust property, the interest does not become trust property, § 15-11-1208, C.R.S.

Delivery of a disclaimer which does not involve a real property interest may be affected by personal delivery, first class mail, or any other method likely to result in its receipt. The statute provides for specific methods of delivery for a wide variety of trusts, beneficiary designations, joint property holders etc.

For the purpose of this subsection (15) and section 15-11-1215, "recorded interest" means an interest in real property that has been recorded in the office of the county clerk and recorder of the county in which the real property is located.

In the assessor's office, generally only those disclaimers that are recorded in the clerk and recorder's office need be examined.

Signed by Governor Hickenlooper: May 23, 2011
Effective Date: August 10, 2011

House Bills

HB 11-1010

Concerning the incidental use of property owned by a fraternal organization or veterans' organization that is exempt from property tax, and making an appropriation in connection therewith.

In Section 1, this bill amends § 39-2-117 (3) (a) (I), C.R.S. by increasing the minimum amount of annual gross rental income (from \$10,000 to \$25,000) that a property owner exempt pursuant to § 39-3-111, C.R.S., may derive before having to pay a fee for filing an annual exempt property report.

In Section 2 of the bill, a new subsection (3) has been added to § 39-3-106.5, C.R.S., which allows for incidental use of tax-exempt property. Subsection (2) of this section allows for occasional, noncontinuous use of exempt property (excluding religious) for any

purpose other than the purposes specified in §§ 39-3-106 to 113 as long as: (a) the property is used for such purposes for less than 208 hours during the calendar year; or (b) the rental income derived is less than \$25,000. The new subsection (3), which applies only to property exempt under § 39-3-111, C.R.S., removes the "occasional use" requirement from subsection (2). Non-qualifying uses of the property that are noncontinuous must still be under the limits of subsection (2) in order to be disregarded as incidental.

Signed by Governor Hickenlooper: June 2, 2011
Effective Date: August 10, 2011

HB 11-1011

Concerning the participation of additional individuals in a proceeding pending before the Board of Assessment Appeals.

In Section 1, this bill amends § 39-2-127 (2), C.R.S., authorizing an additional board member to review the evidence and hearing transcript and/or recording after the hearing is concluded and to render a decision in the event the board members who conducted the hearing are unable to reach a decision.

The bill also added paragraph (5) allowing the board the ability to permit an intervention of another affected party in a matter pending before the board. The bill also states that the board may permit an intervention of another affected party in a matter pending before the board and may limit or restrict the participation of an intervenor.

Signed by Governor Hickenlooper: March 11, 2011
Effective Date: August 10, 2011

HB 11-1031

Concerning the creation of creative districts, and, in connection therewith, authorizing specified local governments to designate a portion of their territory as a creative district subject to certification by the creative industries division within the Colorado Office of Economic Development.

In Section 1, this bill amends Part 3 of article 48.5 of title 24 C.R.S. by adding a new section.

This new section, allows local governments to form creative districts, which will be authorized to accept economic development incentives from the Office of Economic Development and International Trade

(OEDIT). Redevelopment being a key element to the formation of creative districts, which would be comprised of arts-oriented business clusters intended to promote local entrepreneurship. The bill creates a process of formation and approval for creative districts, but it does not require allocations for construction or development. Local governments seeking creative district certification will apply and report to the OEDIT.

Signed by Governor Hickenlooper: March 22, 2011
Effective Date: August 10, 2011

HB 11-1042

Concerning the classification of residential land when the residential improvement is temporarily removed.

Section 1 of this bill added a new subparagraph (8.4) to § 39-1-102, C.R.S., which defines "Natural Cause" to mean "fire, explosion, flood, tornado, action of the elements, act of war or terror, or similar cause beyond the control of and not caused by the party holding title to the property destroyed."

The bill amends the definition of "residential land" in § 39-1-102(14.4)(a), C.R.S., to include "land upon which residential improvements were destroyed by natural cause after the date of the last assessment as established in section 39-1-104(10.2)."

The bill adds language under § 39-1-102(b)(I), C.R.S. that states when residential improvements are destroyed or relocated as a result of a natural cause on or after January 1, 2010, the residential land classification shall remain in place for the year of destruction and two subsequent property tax years. The residential land classification may remain in place for up to five subsequent tax years if the assessor determines there is evidence that the owner intends to rebuild or locate a residential improvement on the land (e.g., building permit, other land development permit, construction plans, efforts to obtain financing, ongoing efforts to settle an insurance claim related to the destruction, etc.).

Additional language in Section 1 of the bill was added under § 39-1-102(b)(II), C.R.S., to state that the classification of the residential land on which residential improvements were destroyed as a result of a natural cause shall change according to current use if:

- A new residential improvement is not constructed or placed on the land in accordance with applicable land use regulations, or
- The assessor determines that the classification at the time of destruction due to a natural cause was erroneous, or
- A change of use has occurred.

Section 2 of this bill amends § 39-1-103(5)(c), C.R.S., as follows:

"Except as provided in section 39-1-102(14.4)(b), once any property is classified for property tax purposes, it shall remain so classified until such time as its actual use changes or the assessor discovers that the classification is erroneous...."

Signed by Governor Hickenlooper: May 4, 2011
Effective Date: Upon signature

HB 11-1043

Concerning medical marijuana, and making an appropriation therefor.

Section 23 of this bill amends § 39-1-102 (1.6), C.R.S. by adding a new paragraph to read:

39-1-102. Definitions.

(1.6) (d) Notwithstanding any other provision of law to the contrary, property that is used solely for the cultivation of medical marijuana shall not be classified as agricultural land.

Signed by Governor Hickenlooper: June 2, 2011
Effective Date: July 1, 2011

HB 11-1080

Concerning the address confidentiality program, and making an appropriation therefor.

Section 2 amends § 24-30-2104, C.R.S., with the creation of the Address Confidentiality Program. The program was created to protect the confidentiality of the actual address of a relocated victim of domestic violence, a sexual offense or stalking and to prevent the victim's assailants or potential assailants from finding the victim through public records.

The program designates a substitute address for a program participant to be used by state and local government agencies and to permit agencies access to the participant's actual address when appropriate; to establish a mail forwarding system for program participants; and to ensure that there is adequate funding to pay the program costs for all persons who apply for the program, § 24-30-2102(2), C.R.S.

Signed by Governor Hickenlooper: June 2, 2011
Effective Date: Upon signature

HB 11-1146

Concerning a requirement that a residence be integral to an agricultural operation in determining whether two acres or less associated with the residence satisfies the definition of agricultural land for property tax purposes.

In Section 1, this bill amends § 39-1-102 (1.6) (a) (I), C.R.S., by adding (A) with added language and (B), and adding language to (14.4), C.R.S.

In the language added in (A), it authorizes assessors to reclassify two acres or less of land on which a residential improvement is located unless the improvement is integral to the agricultural operation. In (B), "Integral to an agricultural operation" is broadly defined. In the added language in (14.4), the definition of residential land is amended to include "two acres or less" of land if the residence is not integral to the agricultural operation.

In Section 2 of the bill, Part 1 of article 5 of title 39 is amended by the addition of a new section 133. This section affirms that the statutory requirements of section 20 (7) (b) and (c) of article X (TABOR) of the State Constitution applies to this land as well.

In Section 3, this bill amends § 39-8-106 C.R.S. by the addition of a new subsection (1.7). This section relates to the appeal rights of taxpayers and that if the assessor denies the appeal on grounds of the "integral to an agricultural operation" language, the taxpayer may petition to the County Board of Equalization to the same extent as any other protest.

Signed by Governor Hickenlooper: May 9, 2011
Effective Date: January 1, 2012

HB 11-1174

Concerning the filing of a certificate of destruction by a person on whose land a manufactured home is situated when a governmental entity has deemed the manufactured home in violation of local codes.

Section 1 of the bill amends § 38-29-204(1)(a), C.R.S., by adding clarifying language requiring the person on whose real property the manufactured home is situated to file a certificate of destruction.

Additionally, the bill modifies § 38-29-204(1), C.R.S., with the addition of subparagraph (d). This new subparagraph contains the following: If a manufactured home has been deemed materially dangerous or hazardous, pursuant to local building or health codes by a governmental entity, the person who is the owner of the real property may record a certificate of destruction without attaching a certificate of taxes due, authentication form, or certificate of title, but must include the evidence of violation. The certificate of destruction and evidence of violation must be recorded with the county clerk and recorder. "Evidence of Violation" means a notice and order from a governmental agency that the manufactured home is deemed materially dangerous or hazardous. "Governmental Agency" means any federal agency, the state, any county, town, city, or city and county.

The bill also amends paragraph (2) subparagraph (h) regarding the consent of lienholders, requiring proof that a copy of the request for consent was mailed to the owner of the manufactured home if the certificate of destruction was recorded by the land owner and that no response was received from any such lienholders.

Section 1 of the bill also amends § 38-29-204(4), C.R.S. If the person on whose real property the manufactured home is situated fails to properly complete documentation, then the real property owner is responsible for all actual damages sustained by any affected party related to the manufactured home being destroyed.

Signed by Governor Hickenlooper: April 6, 2011
Effective Date: August 10, 2011

HB 11-1218

Concerning a county power to create a federal mineral lease district for purposes of receiving moneys distributed by the Department of Local Affairs from the Local Government Impact Fund.

Section 1 of this bill amends article 20 of title 30, Colorado Revised Statutes by the addition of Part 13 known as the "Federal Mineral Lease District Act".

The bill allows a county to create a Federal Mineral Lease (FML) district for purposes of receiving moneys distributed to the county by the Department of Local Affairs from the Local Government Mineral Impact Fund.

The bill authorizes any county to create a district so long as it is created through a resolution adopted as specified in subsection (2) of this section no later than June 30, 2011, and each June 1 of every year thereafter.

The resolution adopted by the Board of County Commissioners will contain the:

- Name of the county creating the district
- Names of any municipalities to be include in the proposed district
- Description of the district boundaries
- Name of the district; and
- Number of directors

A certified copy of the resolution is transmitted by the county clerk and recorder to the governing body of each municipality and the Executive Director of the Department of Local Affairs who, upon receipt, allocates all future funding directly to the district.

The district shall be active for two years from the date of the resolution. Prior to the end of the two-year period, the Board of County Commissioners may pass a reauthorizing resolution to continue the existence of the district for another two years, § 30-20-1304, C.R.S.

Signed by Governor Hickenlooper: May 09, 2011
Effective Date: Upon signature

HB 10-1226

Concerning the information provided on a disabled veteran's property tax exemption application form.

In Section 1, this bill amends § 39-3-205 (2.5), C.R.S. by removing a portion of the language which stated the Division of

Veteran Affairs removes or obscures the first five digits of the social security number of the applicants and occupants on the application for the disabled veteran exemption, which is forwarded to the assessor.

Section 2 of this bill amends § 39-3-206 (1.5), C.R.S., by removing the word "edited" from subparagraph (a) and (b). It also amends paragraph (2) subparagraph (a.7) by deleting the language that directs the Division of Veterans Affairs to remove the first five digits of the social security number of the applicant and any other individual that occupies the property, prior to forwarding it to the assessor.

Therefore, applications forwarded from the Division of Veterans Affairs to Colorado county assessors will no longer have edited social security numbers. The full social security number(s) will be included on the applications for all disabled veteran exemptions.

Signed by Governor Hickenlooper: March 29, 2011
Effective Date: Upon signature

HB 11-1241

Concerning the circumstances in which a nonprofit housing provider that sells low-cost housing to low-income applicants who assist in the construction of the housing is entitled to the property tax exemption for property used strictly for charitable purposes, and making an appropriation in connection therewith.

In Section 1, this bill adds a new section, § 39-3-113.5, C.R.S. Subsection (1) provides definitions pursuant to this new section. Subsection (2) provides that real property acquired by a nonprofit housing provider that intends to construct or rehabilitate housing to be sold to low-income applicants is deemed charitable, regardless of whether or not there is actual physical use of the property, and shall be exempt. In order to satisfy the intent requirement, the PTA may consider indicators of intent including, but not limited to, paragraphs (a) through (e).

Subsection (3) provides that property tax exemption is allowed pursuant to this new section to a nonprofit housing provider subject to two limitations. Paragraph (a) allows exemption under this statute for a maximum of five consecutive property tax years beginning with the property tax year in which the owner obtained title to the property. Paragraph (b) of subsection (3) makes the

exemption conditional. If the owner is allowed exemption under this new section for any property tax year and subsequently sells, donates, or leases the property to any person other than a qualifying low-income applicant who resides on the property, the owner is liable for all property taxes not paid due to the exemption.

Signed by Governor Hickenlooper: June 2, 2011
Effective Date: January 1, 2011

HB 11-1305

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

Section 1 of the bill amends § 39-1-104.2(3), C.R.S., by adding a new paragraph (m), which states that the residential target percentage is 46.53 percent, and the residential assessment rate will remain at 7.96 percent of the actual value for property tax years 2011 and 2012,

Signed by Governor Hickenlooper: May 27, 2011
Effective Date: Upon signature