

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 except for those properties that are state assessed. 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 (50.4%) goes to support the state's public schools. County governments claim the next largest share (25.1%), followed by special districts (18.4%), municipal governments (4.9%), and junior colleges (1.2%).

Table 1 lists the percentage change in property tax revenue between taxes payable in 2012 and taxes payable in 2013.

TABLE 1

REVENUE CHANGE BY ENTITY TYPE	
Tax Years 2011-2012	
Taxing Entity	%Change
School Districts	5.8%
Junior Colleges	8.8%
Counties	4.7%
Municipalities	0.7%
Special Districts	3.9%
Combined Change	4.9%

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. Charles Brown is Chairman of the Board. The Vice-chairperson for 2012 was Sandra M. Adams, appointee of the Governor. The remaining state board members for 2012 were Kevin Patterson, designee of Governor John Hickenlooper; Wally Grant, designee of Brandon Shaffer, President of the Senate; and Nikki Hoy, designee of Frank McNulty, Speaker of the House of Representatives.

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 undervalued, 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.

2012 Enforcement and Repayment

The state board met on October 25, 2012, to review the findings and conclusions of Wildrose Appraisal, Inc., annual study contractor for Legislative Council.

Shortly after the meeting was called to order, the Board unanimously agreed to go into executive session with the Colorado Deputy Attorney General, to discuss the reappraisal orders issued to both Adams and Saguache Counties in 2011.

The state board order for Adams County was based on complaints filed pursuant to §39-2-111, C.R.S. In 2011, the Property Tax Administrator received two complaints concerning Adams County: one directly from the Adams County Assessor, the other from a group of taxpayers. Both asked for an investigation to determine whether the property values were properly set for tax year 2011. The investigative report and recommendations were submitted to the state board in August 2011. The state board ordered a reappraisal of commercial warehouse properties for the 2012 tax year. The reappraisal resulted in a total increase of \$19,000,000 in assessed value for the subclass. After review of the final report and supporting testimony, the state board approved the Adams County Report.

Saguache County's 2011 reappraisal order for residential property was issued based on §39-1-105.5, C.R.S., and was the result of non-compliance with the state board's statistical requirements. Also in 2011, there were two complaints filed with the Property Tax Administrator concerning property that

had been omitted from the tax roll. It was determined that the investigation of the complaints could be coterminous with the Division of Property Taxation's supervision of the reappraisal order. The investigation confirmed that there were many improvements that had been omitted from the tax roll for a number of years. Division staff also found sales that had been improperly coded and disqualified, and land values had not been brought to current value. Although the Saguache County Assessor's office hired seven temporary employees to help bring their inventories up-to-date, they were all part-time employees and ultimately did not have enough time to devote to the project.

Division staff attempted to assist the county in the completion of the reappraisal, but because offers of assistance were refused until it was too late, the end result was that the 2011 reappraisal order for residential property in Saguache County was not completed. After consulting with the Colorado Deputy Attorney General, the state board continued the reappraisal order for 2012.

Next, the state board addressed the 2009, 2010 and 2011 reappraisal orders issued to Montezuma County regarding usage of the correct Basic Equipment Lists (BELs) in determining the valuation for assessment of oil and gas personal property. After the reappraisal order was issued in 2009, Montezuma County immediately appealed to the Denver District Court. Reappraisal orders were subsequently issued to Montezuma County for 2010 and 2011 for the same issue. However, because the Denver District Court had not issued a decision on the 2009 appeal, all subsequent reappraisal orders were held in abeyance and consolidated in Montezuma's appeal. On April 1, 2012, the Denver District Court issued its ruling on the consolidated cases from 2009, 2010 and 2011, and confirmed that the State Board orders were appropriate. In response to the ruling, Montezuma County performed the recalculations using the BELs. The final total payback amount for excess state aid to schools, with interest calculated at 3% because of the county's timely payment, was \$3,966.30.

The state board then heard testimony on the auditor's findings for 2012. Final reports were submitted to the board for 62 of the 64 Colorado counties. The final reports from the remaining two counties, Adams and

Saguache, were not completed as each county was in the process of completing the 2011 reappraisal orders.

Wildrose Appraisal, Inc. recommended an order for reappraisal for Park County for 2012. The recommendation was based on the county's failure to implement HB 11-1146, § 39-1-102(1.6), C.R.S., regarding residences on agricultural parcels that were not an integral part of the agricultural operation. The Park County Assessor testified that he actually did implement the statute. He did not follow the procedures recommended by the Division of Property Taxation in the Assessors' Reference Library, Volume 3 to determine if a residence was integral to an agricultural operation. Instead, he exercised what he believed was his authority as assessor to make an alternative determination as to the integral nature of a residence on land classified as agricultural. He testified that he has extensive experience with water law, and he believed the drought conditions in his county caused any residence with a domestic well to be integral to a grazing or farming operation. Therefore, he did not classify any residences on agricultural parcels as non-integral. There was a motion to issue an order for reappraisal of residences on agricultural land for Park County, but it failed for lack of a second.

The next order of business was to review the 2012 Abstracts of Assessment. The Property Tax Administrator requested the acceptance of 62 county Abstracts of Assessment. The remaining two abstracts from Adams and Saguache Counties had been received, but were not included in this submission, as the reports did not include reappraisal information and were still under consideration. The final abstracts of assessment for both Adams and Saguache were to be submitted to the board by November 21, 2012. All 62 Abstracts of Assessment submitted were accepted by the board.

The final topic of the meeting dealt with requests from certain otherwise exempt organizations for the board to waive the filing deadline for their Annual Report for Exempt Properties as permitted in § 39-9-109(5), C.R.S.

The manager of the Exemptions Section submitted a list of those exempt organizations requesting their deadline be waived. He indicated the Division of Property Taxation

had no objection to any of the waiver requests, but did outline for the board the filing history of several of the organizations

The October 25, 2012, meeting was concluded by hearing testimony from exempt organizations present at this meeting requesting a waiver of the filing deadline. In contrast to actions taken by the board in previous years, the board denied, either in whole or in part, several requests to waive the filing deadline.

The state board reconvened on November 15, 2012, to review issues not discussed or concluded in the October meeting. Three exempt organizations that had not been in attendance at the October meeting asked for reconsideration by the board for the waiver of the exempt property filing deadline. The board agreed to reconsider the denials for all three organizations and rescinded the action taken during the October meeting.

The board received six new requests to waive the filing deadline during the November 15, 2012, meeting. One of those requests was denied. The board imposed a 30-day deadline for the return of the Annual Report for Exempt Properties for those organizations that had been granted a waiver.

NOTE: A total of 104 petitions were heard between the two meetings, four of which were denied or continued at the conclusion of the first hearing. Ultimately, the state board granted a waiver of filing deadline to 102 of 104 organizations and denied the remaining two petitions. When issuing their decisions, the state board stressed the importance of timely filing to avoid a similar problem in the future.

The state board then finalized the issues facing both Saguache and Park Counties.

After hearing testimony summarizing the findings of the investigation of the complaints, the board issued a reappraisal order to Saguache County for each property class that had omitted property for 2013. In order to ensure compliance with these orders, the board directed the Saguache County Assessor to allow the Division full access to all systems and information used by the assessor. The Property Tax Administrator informed the board that a reappraisal order issued under § 39-2-114, C.R.S., would not cause payback from the county for the Division's supervision nor would it cause payback for excess state aid to schools. As

such, there would be no reimbursement to the state for the reappraisal. The board also directed the Saguache County Assessor to send out Special Notices of Value on all omitted property as far back as statute allowed.

The final issue brought before the board regarding Saguache County was a request of the property tax administrator to issue a Finding of Dereliction of Duty on the part of the assessor. After consideration of the evidence, the board issued a Finding of Dereliction of Duty.

The board then finalized the open issue regarding the auditor's recommendation for reappraisal to Park County for non-compliance with HB 11-1146. After accepting additional testimony from the Park County Assessor, the board ultimately chose not to issue an order of reappraisal to Park County for the 2012 assessment year.

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, Inc., 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, Inc., 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, Inc., 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.

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.

2012 VALUE INFORMATION

Taxable real property classified as residential, commercial, industrial, agricultural, and vacant land, is subject to revaluation by county assessors every two years. Assessment year 2012 was a non-appraisal year, and for most properties, the actual values remained the same as they were for assessment year 2011.

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 2012, Colorado assessed values increased by more than \$1.5 billion, representing a 1.8 percent increase from the prior year. The statewide increase was primarily attributable to the increase in the value of the producing mines, oil and gas, and state assessed (utility) classes of property.

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

TABLE 2

VALUE CHANGES BY CLASS		
Class	2011-2012 Change	Class as % of Total
Vacant Land	-4.0%	5.0%
Residential	0.8%	43.8%
Commercial	-0.4%	27.5%
Industrial	1.0%	3.8%
Agricultural	0.8%	1.1%
Natural Resources	-3.0%	0.4%
Producing Mines	14.9%	0.8%
Oil and Gas	13.6%	10.9%
State Assessed	4.8%	6.7%
Net Total	1.8%	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 tax years 2011 and 2012, the actual values established for these properties represent market value as of June 30, 2010.

Although 2012 was a non-appraisal year, the values of some parcels were subject to changes as a result of an appeal or abatement petition, the discovery of omitted property or the occurrence of an “unusual condition.” Colorado statute identifies a limited set of unusual conditions that

necessitate a revaluation of the property during a non-reappraisal year. Examples include new construction, destroyed property, and changes to the property’s use. The new values also reflect the appraisal date of June 30, 2010.

A portion of the commercial and industrial classes is comprised of personal property that is subject to revaluation every year. Personal property accounts for 14.0 percent of the value of the commercial class and 52.0 percent of the value of the industrial class.

Table 3 provides a by-county comparison of 2012 to 2011 values for the residential, commercial, and vacant land classes.

TABLE 3

COMPARISON OF PROPERTY CLASS VALUES BY COUNTY - 2012 to 2011									
COUNTY	RESIDENTIAL CLASS			COMMERCIAL CLASS			VACANT LAND CLASS		
	2012	2011	Change	2012	2011	Change	2012	2011	Change
Adams	1,983,416,840	1,966,947,450	0.8%	1,679,186,270	1,679,420,190	0.0%	125,037,700	132,494,440	-5.6%
Alamosa	51,319,469	50,715,636	1.2%	49,116,275	49,424,731	-0.6%	14,627,821	14,669,246	-0.3%
Arapahoe	3,794,965,820	3,774,652,610	0.5%	2,987,918,207	2,992,892,930	-0.2%	207,018,570	222,591,650	-7.0%
Archuleta	142,763,050	141,203,890	1.1%	47,761,520	48,244,890	-1.0%	80,319,090	83,391,730	-3.7%
Baca	6,263,699	6,183,130	1.3%	5,589,079	5,272,416	6.0%	339,320	350,095	-3.1%
Bent	7,611,589	7,590,317	0.3%	19,042,034	19,022,253	0.1%	426,996	431,069	-0.9%
Boulder	3,115,642,561	3,092,758,313	0.7%	1,706,655,455	1,709,498,100	-0.2%	153,339,612	160,880,294	-4.7%
Broomfield	438,500,572	431,543,721	1.6%	430,853,370	439,436,450	-2.0%	38,540,310	44,445,530	-13.3%
Chaffee	174,145,820	171,294,360	1.7%	93,329,810	92,949,180	0.4%	63,011,510	64,712,880	-2.6%
Cheyenne	4,125,742	4,074,868	1.2%	3,521,309	3,671,771	-4.1%	262,959	262,139	0.3%
Clear Creek	98,225,980	97,204,350	1.1%	26,364,880	26,035,360	1.3%	23,030,290	23,951,400	-3.8%
Conejos	29,780,934	29,338,496	1.5%	5,163,625	5,155,488	0.2%	9,454,206	9,572,724	-1.2%
Costilla	14,441,880	13,782,967	4.8%	4,210,554	3,844,869	9.5%	93,909,895	94,473,025	-0.6%
Crowley	6,066,137	6,064,421	0.0%	21,193,021	21,761,934	-2.6%	330,844	352,402	-6.1%
Custer	54,911,420	54,162,520	1.4%	7,535,980	7,627,910	-1.2%	26,153,890	26,834,200	-2.5%
Delta	164,560,680	161,667,950	1.8%	61,129,040	58,967,650	3.7%	25,355,100	23,827,300	6.4%
Denver	4,351,170,550	4,327,503,100	0.5%	5,183,682,440	5,252,701,040	-1.3%	189,457,930	194,259,930	-2.5%
Dolores	13,268,239	12,998,476	2.1%	3,653,668	3,727,616	-2.0%	7,175,354	7,628,867	-5.9%
Douglas	2,635,364,110	2,602,897,510	1.2%	1,361,585,780	1,354,834,520	0.5%	231,199,150	237,936,390	-2.8%
Eagle	1,913,674,330	1,906,798,290	0.4%	593,343,460	613,899,510	-3.3%	174,330,120	184,078,560	-5.3%
El Paso	3,507,345,120	3,474,919,530	0.9%	2,002,738,130	2,018,349,630	-0.8%	301,058,930	315,198,390	-4.5%
Elbert	173,416,690	172,276,480	0.7%	22,902,430	22,932,290	-0.1%	17,260,740	19,165,910	-9.9%
Fremont	194,644,660	193,166,060	0.8%	79,949,010	80,296,500	-0.4%	48,965,870	49,396,380	-0.9%
Garfield	471,369,050	467,822,970	0.8%	341,560,760	334,711,650	2.0%	133,988,820	132,199,130	1.4%
Gilpin	57,716,510	57,340,580	0.7%	229,291,460	227,085,690	1.0%	46,161,830	45,981,810	0.4%
Grand	357,702,110	354,221,710	1.0%	90,917,870	91,334,800	-0.5%	144,737,570	146,389,460	-1.1%
Gunnison	298,487,580	294,524,170	1.3%	100,615,170	101,976,290	-1.3%	162,751,730	172,496,170	-5.6%
Hinsdale	32,341,500	31,683,880	2.1%	7,595,930	7,863,680	-3.4%	19,643,920	20,128,020	-2.4%
Huerfano	38,558,675	38,013,434	1.4%	16,021,353	20,825,143	-23.1%	16,401,582	16,934,591	-3.1%
Jackson	9,421,867	9,279,426	1.5%	3,890,903	3,933,740	-1.1%	1,865,433	1,888,251	-1.2%
Jefferson	4,126,025,665	4,107,761,362	0.4%	2,130,590,653	2,157,905,812	-1.3%	182,096,923	191,671,581	-5.0%
Kiowa	2,093,150	2,085,010	0.4%	1,091,340	1,092,600	-0.1%	73,230	72,230	1.4%
Kit Carson	23,535,001	23,415,212	0.5%	31,520,295	33,166,328	-5.0%	962,421	981,155	-1.9%
La Plata	582,113,590	577,142,670	0.9%	370,909,320	374,762,010	-1.0%	165,008,240	169,585,260	-2.7%
Lake	53,353,134	53,139,601	0.4%	11,380,398	10,822,225	5.2%	23,438,786	23,722,130	-1.2%
Larimer	2,207,936,750	2,183,344,190	1.1%	1,297,017,780	1,290,686,270	0.5%	202,000,540	219,919,310	-8.1%
Las Animas	56,689,680	56,595,080	0.2%	34,664,280	34,629,020	0.1%	16,628,470	19,365,580	-14.1%
Lincoln	11,567,032	11,415,100	1.3%	13,468,496	13,108,349	2.7%	1,436,010	1,543,020	-6.9%
Logan	58,773,520	58,534,610	0.4%	39,632,750	39,370,560	0.7%	2,603,560	2,662,690	-2.2%
Mesa	852,717,370	846,028,790	0.8%	564,689,060	558,335,160	1.1%	123,879,130	129,047,250	-4.0%
Mineral	18,077,120	17,999,120	0.4%	6,325,630	6,550,600	-3.4%	9,428,070	9,846,890	-4.3%
Moffat	62,770,639	62,259,747	0.8%	40,188,960	40,970,579	-1.9%	10,637,462	10,579,715	0.5%
Montezuma	138,415,450	137,476,920	0.7%	65,958,010	66,274,800	-0.5%	24,942,120	26,906,680	-7.3%
Montrose	246,511,490	240,510,920	2.5%	158,345,250	159,218,360	-0.5%	52,485,630	53,980,280	-2.8%
Morgan	87,518,200	86,916,150	0.7%	62,029,910	59,037,260	5.1%	4,933,520	4,949,940	-0.3%
Otero	42,397,504	42,265,683	0.3%	26,727,560	26,863,245	-0.5%	1,434,357	1,469,655	-2.4%
Ouray	81,059,850	79,407,110	2.1%	30,604,340	30,300,460	1.0%	59,396,220	60,556,510	-1.9%
Park	221,841,630	219,003,940	1.3%	26,425,904	26,704,518	-1.0%	161,679,630	163,660,600	-1.2%
Phillips	14,880,970	14,783,960	0.7%	12,590,620	12,051,040	4.5%	328,080	325,260	0.9%
Pitkin	1,917,257,270	1,898,851,720	1.0%	547,683,800	556,707,000	-1.6%	261,525,610	276,298,200	-5.3%
Prowers	24,853,319	24,712,490	0.6%	24,497,247	25,069,661	-2.3%	723,601	757,273	-4.4%
Pueblo	596,036,622	592,769,470	0.6%	300,580,438	300,233,300	0.1%	62,929,731	63,854,660	-1.4%
Rio Blanco	43,655,240	42,532,500	2.6%	27,553,500	29,812,160	-7.6%	5,880,050	6,322,480	-7.0%
Rio Grande	64,316,010	63,503,556	1.3%	45,428,562	45,703,894	-0.6%	30,715,001	31,108,953	-1.3%
Routt	604,356,140	594,149,487	1.7%	234,540,650	236,370,905	-0.8%	137,983,140	138,827,524	-0.6%
Saguache	19,426,830	18,026,220	7.8%	5,990,050	5,744,860	4.3%	18,444,220	19,021,580	-3.0%
San Juan	11,938,060	11,973,957	-0.3%	9,160,955	9,248,772	-0.9%	14,977,670	14,959,129	0.1%
San Miguel	480,681,170	475,194,610	1.2%	105,641,920	107,036,410	-1.3%	215,774,060	230,561,250	-6.4%
Sedgwick	5,208,110	5,143,990	1.2%	3,643,860	3,658,420	-0.4%	291,870	98,820	195.4%
Summit	1,052,991,108	1,043,310,540	0.9%	326,686,015	329,150,585	-0.7%	176,012,680	184,648,360	-4.7%
Teller	182,107,890	180,904,830	0.7%	101,113,360	103,328,110	-2.1%	75,504,090	77,108,150	-2.1%
Washington	10,722,433	10,623,261	0.9%	4,057,015	3,969,037	2.2%	209,214	215,933	-3.1%
Weld	1,126,180,660	1,110,638,520	1.4%	742,391,710	700,065,100	6.0%	77,121,290	82,826,600	-6.9%
Yuma	28,990,550	28,649,160	1.2%	25,488,170	24,911,780	2.3%	1,160,810	1,044,890	11.1%
Total	39,198,222,341	38,873,700,101	0.8%	24,614,936,601	24,720,557,411	-0.4%	4,478,806,528	4,665,421,521	-4.0%

Oil and Gas

There were 50,067 producing natural gas and oil wells in Colorado as of the close of 2012. Over half of the wells are concentrated in Weld (39.5%) and Garfield (20.2%) Counties. Six counties house 86.1 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 13.6 percent increase in the total assessed value of the oil and gas class during 2012. Among the classes of taxable property, oil and gas contains the third highest total assessed value for 2012. The 2012 total assessed value for the oil and gas class is \$9,746,582,769, which is 10.9 percent of the state's total taxable value. A recent history of statewide assessed values for the oil and gas class is shown in **Table 4**.

TABLE 4

2012 OIL AND GAS CLASS			
Year	(Billions) Value	Change from Prior Year	% of Total Taxable
2003	\$2.2	-21.4%	3.6%
2004	\$3.9	77.6%	6.0%
2005	\$5.1	29.4%	7.2%
2006	\$7.3	45.0%	9.8%
2007	\$7.2	-1.4%	8.5%
2008	\$7.7	6.3%	8.8%
2009	\$11.9	54.5%	12.1%
2010	\$6.3	-47.3%	6.7%
2011	\$8.6	37.2%	9.8%
2012	\$9.7	13.6%	10.9%

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

TABLE 5

2012 OIL & GAS - COUNTY RANK

County Rank	County	2012 Oil and Gas Value	2011 O&G Assd Val	Total Taxable Value 2012	Oil & Gas as % of Total Value	Oil & Gas % Change 2011-2012	Total Value % Change 2011-2012
1	Weld	3,383,487,090	2,439,331,500	6,515,719,690	51.9%	38.7%	20.1%
2	Garfield	2,870,914,810	2,715,650,670	3,931,933,010	73.0%	5.7%	4.5%
3	La Plata	1,045,070,690	1,163,228,920	2,278,272,200	45.9%	-10.2%	-5.1%
4	Rio Blanco	835,502,410	740,118,270	1,383,325,500	60.4%	12.9%	6.1%
5	Montezuma	357,327,970	292,201,650	654,742,820	54.6%	22.3%	11.0%
6	Las Animas	251,466,080	299,674,290	473,531,550	53.1%	-16.1%	-9.9%
7	Mesa	222,885,640	243,894,680	2,022,495,180	11.0%	-8.6%	-0.4%
8	Cheyenne	111,909,421	101,300,307	158,385,539	70.7%	10.5%	7.0%
9	Yuma	109,845,430	118,920,500	280,928,960	39.1%	-7.6%	-3.4%
10	Moffat	102,298,452	103,280,979	484,072,798	21.1%	-1.0%	-0.8%
11	Adams	63,920,720	47,092,400	4,622,808,830	1.4%	35.7%	1.2%
12	Dolores	60,940,790	44,719,791	103,223,775	59.0%	36.3%	17.8%
13	Washington	41,176,473	35,461,381	126,791,044	32.5%	16.1%	5.6%
14	Boulder	34,184,868	34,893,096	5,641,000,573	0.6%	-2.0%	0.2%
15	Lincoln	33,464,457	20,011,654	107,622,624	31.1%	67.2%	18.0%
16	Archuleta	28,615,670	31,599,750	317,017,350	9.0%	-9.4%	-2.0%
17	San Miguel	25,437,910	19,603,620	857,029,260	3.0%	29.8%	-0.6%
18	Broomfield	21,970,690	10,097,240	1,061,569,492	2.1%	117.6%	0.2%
19	Fremont	19,535,560	12,744,830	452,866,150	4.3%	53.3%	4.4%
20	Kiowa	18,857,100	13,939,050	43,018,710	43.8%	35.3%	13.2%
21	Logan	18,126,360	12,386,790	271,131,910	6.7%	46.3%	2.1%
22	Larimer	12,239,922	8,671,483	4,125,490,062	0.3%	41.2%	0.2%
23	Jackson	11,661,171	7,703,720	42,335,152	27.5%	51.4%	10.0%
24	Morgan	9,895,050	7,041,320	429,691,960	2.3%	40.5%	4.7%
25	Gunnison	9,077,480	10,912,060	689,173,800	1.3%	-16.8%	-1.6%
26	Arapahoe	8,542,386	6,009,270	7,461,738,443	0.1%	42.2%	0.5%
27	Huerfano	7,262,387	10,451,988	114,497,939	6.3%	-30.5%	-7.0%
28	Phillips	6,679,460	3,985,390	60,309,630	11.1%	67.6%	6.8%
29	Baca	6,433,734	6,226,961	74,259,467	8.7%	3.3%	0.3%
30	Routt	5,601,410	4,130,850	1,158,078,450	0.5%	35.6%	0.9%
31	Elbert	5,242,870	2,759,470	259,953,740	2.0%	90.0%	1.5%
32	Prowers	2,994,001	3,214,122	124,320,105	2.4%	-6.8%	-0.9%
33	Delta	1,457,660	1,753,310	320,253,880	0.5%	-16.9%	3.3%
34	Kit Carson	1,253,899	1,363,438	133,838,882	0.9%	-8.0%	1.1%
35	Bent	940,378	1,304,365	74,468,657	1.3%	-27.9%	0.5%
36	Sedgwick	362,370	125,270	56,294,210	0.6%	189.3%	0.9%

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 the City and County of Denver, have natural resource property, but the class comprises only 0.4 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 Henderson mine is located approximately 42 miles west of Denver, Colorado. 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.

Colorado ranks 4th in the U.S. in gold production; most of which is produced in Teller County. 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 States Geological Survey, domestic gold mine production in 2012 decreased slightly from 2011. The average price of gold increased by approximately 8 percent for 2012 to \$1,700 per troy ounce, up from \$1,572 per ounce listed the prior year.

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 4.6 percent in 2012. The four electric industry segments were the only solid basis for the increase. Public Utility Commission rate increases and the build-out of new gas fired power plants provided timely support as the delayed effects of the recession, competition, and various market forces took hold in most of the other industries.

Personal Property in 2012

In 2012, personal property accounted for 14.1 percent of Colorado's property tax base, but that percentage varied substantially from county to county. Approximately 41.4 percent of personal property is classified as state assessed while the remainder is valued at the local level. In 2012, 87.2 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 2012								
County	State Assd. Personal	% of Total	Locally Assd. Personal	% of Total	Total Personal	% of Total	Total Real	Total Assd. Value
Adams	376,286,980	8.14%	539,952,450	11.68%	916,239,430	19.82%	3,706,569,400	4,622,808,830
Alamosa	14,944,121	9.92%	7,170,478	4.76%	22,114,599	14.68%	128,520,830	150,635,429
Arapahoe	356,662,260	4.78%	439,399,496	5.89%	796,061,756	10.67%	6,665,676,687	7,461,738,443
Archuleta	8,721,041	2.75%	9,387,950	2.96%	18,108,991	5.71%	298,908,359	317,017,350
Baca	33,154,585	44.65%	2,965,283	3.99%	36,119,868	48.64%	38,139,599	74,259,467
Bent	22,846,983	30.68%	1,107,242	1.49%	23,954,225	32.17%	50,514,432	74,468,657
Boulder	163,065,838	2.89%	381,034,070	6.75%	544,099,908	9.65%	5,096,900,665	5,641,000,573
Broomfield	42,747,390	4.03%	106,265,690	10.01%	149,013,080	14.04%	912,556,412	1,061,569,492
Chaffee	16,093,162	4.37%	9,887,960	2.69%	25,981,122	7.06%	342,084,048	368,065,170
Cheyenne	16,145,785	10.19%	13,575,505	8.57%	29,721,290	18.77%	128,664,249	158,385,539
Clear Creek	13,621,310	2.31%	68,185,680	11.54%	81,806,990	13.85%	508,902,600	590,709,590
Conejos	4,462,949	7.29%	809,870	1.32%	5,272,819	8.61%	55,936,790	61,209,609
Costilla	6,878,819	5.31%	982,666	0.76%	7,861,485	6.07%	121,679,497	129,540,982
Crowley	4,256,479	11.62%	962,935	2.63%	5,219,414	14.25%	31,404,006	36,623,420
Custer	4,050,450	4.07%	334,920	0.34%	4,385,370	4.41%	95,087,000	99,472,370
Delta	27,709,680	8.65%	21,444,000	6.70%	49,153,680	15.35%	271,100,200	320,253,880
Denver	690,396,080	6.39%	720,555,460	6.67%	1,410,951,540	13.06%	9,394,868,130	10,805,819,670
Dolores	12,730,173	12.33%	12,192,675	11.81%	24,922,848	24.14%	78,300,927	103,223,775
Douglas	175,966,050	3.86%	255,631,160	5.60%	431,597,210	9.46%	4,131,006,400	4,562,603,610
Eagle	66,641,980	2.40%	82,873,910	2.99%	149,515,890	5.39%	2,626,257,500	2,775,773,390
El Paso	234,066,030	3.70%	379,170,320	5.99%	613,236,350	9.69%	5,714,340,370	6,327,576,720
Elbert	20,721,190	7.97%	5,447,390	2.10%	26,168,580	10.07%	233,785,160	259,953,740
Fremont	30,725,210	6.78%	64,473,820	14.24%	95,199,030	21.02%	357,667,120	452,866,150
Garfield	78,139,980	1.99%	782,146,100	19.89%	860,286,080	21.88%	3,071,646,930	3,931,933,010
Gilpin	7,237,953	2.06%	30,839,670	8.76%	38,077,623	10.82%	313,820,217	351,897,840
Grand	31,625,800	3.91%	54,136,550	6.69%	85,762,350	10.60%	723,325,780	809,088,130
Gunnison	10,125,700	1.47%	72,310,340	10.49%	82,436,040	11.96%	606,737,760	689,173,800
Hinsdale	653,850	1.06%	343,620	0.56%	997,470	1.62%	60,634,490	61,631,960
Huerfano	24,069,872	21.02%	5,119,945	4.47%	29,189,817	25.49%	85,308,122	114,497,939
Jackson	2,375,749	5.61%	2,432,659	5.75%	4,808,408	11.36%	37,526,744	42,335,152
Jefferson	267,094,232	3.82%	437,824,212	6.26%	704,918,444	10.08%	6,288,712,987	6,993,631,431
Kiowa	3,983,060	9.26%	1,432,270	3.33%	5,415,330	12.59%	37,603,380	43,018,710
Kit Carson	34,706,943	25.93%	4,696,430	3.51%	39,403,373	29.44%	94,435,509	133,838,882
La Plata	66,975,190	2.94%	318,857,520	14.00%	385,832,710	16.94%	1,892,439,490	2,278,272,200
Lake	10,971,048	7.86%	16,192,056	11.60%	27,163,104	19.46%	112,422,814	139,585,918
Larimer	100,927,760	2.45%	305,653,432	7.41%	406,581,192	9.86%	3,718,908,870	4,125,490,062
Las Animas	73,208,040	15.46%	108,848,630	22.99%	182,056,670	38.45%	291,474,880	473,531,550
Lincoln	22,724,250	21.11%	3,856,976	3.58%	26,581,226	24.70%	81,041,398	107,622,624
Logan	93,015,600	34.31%	18,113,340	6.68%	111,128,940	40.99%	160,002,970	271,131,910
Mesa	108,585,370	5.37%	190,689,370	9.43%	299,274,740	14.80%	1,723,220,440	2,022,495,180
Mineral	1,409,630	3.80%	1,641,240	4.43%	3,050,870	8.23%	34,014,120	37,064,990
Moffat	180,176,383	37.22%	61,240,038	12.65%	241,416,421	49.87%	242,656,377	484,072,798
Montezuma	33,938,990	5.18%	53,559,110	8.18%	87,498,100	13.36%	567,244,720	654,742,820
Montrose	50,482,620	8.93%	28,268,060	5.00%	78,750,680	13.93%	486,511,380	565,262,060
Morgan	157,432,850	36.64%	46,261,470	10.77%	203,694,320	47.40%	225,997,640	429,691,960
Otero	29,079,221	22.87%	7,449,660	5.86%	36,528,881	28.73%	90,617,672	127,146,553
Ouray	5,669,150	3.08%	1,930,570	1.05%	7,599,720	4.13%	176,228,730	183,828,450
Park	21,469,994	4.82%	2,662,330	0.60%	24,132,324	5.42%	421,106,380	445,238,704
Phillips	3,324,890	5.51%	4,804,110	7.97%	8,129,000	13.48%	52,180,630	60,309,630
Pitkin	22,304,450	0.81%	52,844,740	1.91%	75,149,190	2.72%	2,689,076,120	2,764,225,310
Prowers	34,175,062	27.49%	7,993,973	6.43%	42,169,035	33.92%	82,151,070	124,320,105
Pueblo	423,146,499	25.32%	185,389,263	11.09%	608,535,762	36.41%	1,062,944,913	1,671,480,675
Rio Blanco	104,260,390	7.54%	606,811,720	43.87%	711,072,110	51.40%	672,253,390	1,383,325,500
Rio Grande	10,593,918	6.01%	6,998,036	3.97%	17,591,954	9.98%	158,623,203	176,215,157
Routt	84,497,324	7.30%	56,723,980	4.90%	141,221,304	12.19%	1,016,857,146	1,158,078,450
Saguache	5,511,121	8.46%	809,000	1.24%	6,320,121	9.70%	58,802,297	65,122,418
San Juan	1,590,828	3.29%	627,250	1.30%	2,218,078	4.59%	46,149,201	48,367,279
San Miguel	12,678,140	1.48%	22,044,980	2.57%	34,723,120	4.05%	822,306,140	857,029,260
Sedgwick	30,936,430	54.95%	1,402,570	2.49%	32,339,000	57.45%	23,955,210	56,294,210
Summit	29,225,990	1.82%	63,507,498	3.96%	92,733,488	5.79%	1,509,578,052	1,602,311,540
Teller	17,922,656	3.37%	45,222,710	8.51%	63,145,366	11.88%	468,509,094	531,654,460
Washington	36,558,364	28.83%	3,701,659	2.92%	40,260,023	31.75%	86,531,021	126,791,044
Weld	589,814,518	9.05%	594,383,810	9.12%	1,184,198,328	18.17%	5,331,521,362	6,515,719,690
Yuma	48,149,506	17.14%	34,286,850	12.20%	82,436,356	29.34%	198,492,604	280,928,960
TOTALS	5,213,663,866	5.83%	7,367,868,677	8.24%	12,581,532,543	14.07%	76,812,441,634	89,393,974,177

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 2012. 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 \$20,697,153,870. 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
2012	21%	7.96%	\$1,628,595,994
			\$20,697,153,870

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 nearly 77 percent in 2012. 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%
2012	\$89,393,974,177	\$39,198,222,341	\$50,195,751,836	2012	100.00%	43.85%	56.15%

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%
2012	\$639,709,835,680	\$492,439,979,158	\$147,269,856,522	2012	100.00%	76.98%	23.02%

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 2010, 2011, and 2012.

TABLE 10

PROTESTS AND APPEALS									
County	Protests to the Assessor			Protests to the Assessor Per Employee			Appeals to CBOE		
Category 1	2007	2009	2011	2007	2009	2011	2007	2009	2011
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
Gilpin	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	2012	2012	2012	2011	2011	2011	2010	2010	2010
	Abatement Amounts	Abatement Counts	Average Abated	Abatement Amounts	Abatement Counts	Average Abated	Abatement Amounts	Abatement Counts	Average Abated
Adams	\$4,209,356	757	\$5,561	\$2,949,503	883	\$3,340	\$3,410,872	1,656	\$2,060
Alamosa	\$99,073	74	\$1,339	\$24,478	56	\$437	\$242,513	44	\$5,512
Arapahoe	\$12,166,846	2,616	\$4,651	\$18,813,670	1,838	\$10,236	\$18,502,905	1,804	\$10,257
Archuleta	\$211,066	93	\$2,270	\$444,395	385	\$1,154	\$151,059	166	\$910
Baca	\$15,104	13	\$1,162	\$4,242	22	\$193	\$1,107	38	\$29
Bent	\$2,059	10	\$206	\$99,667	28	\$3,560	\$3,525	15	\$235
Boulder	\$2,407,806	3,857	\$624	\$2,259,773	872	\$2,591	\$1,765,105	798	\$2,212
Broomfield	\$3,365,092	394	\$8,541	\$618,454	132	\$4,685	\$1,050,717	352	\$2,985
Chaffee	\$75,766	95	\$798	\$34,780	94	\$370	\$52,998	69	\$768
Cheyenne	\$343	11	\$31	\$3,998	17	\$235	\$7,692	13	\$592
Clear Creek	\$104,400	76	\$1,374	\$75,242	101	\$745	\$144,645	131	\$1,104
Conejos	\$22,050	75	\$294	\$10,660	39	\$273	\$9,258	43	\$215
Costilla	\$28,004	63	\$445	\$574,805	240	\$2,395	\$219,789	547	\$402
Crowley	\$36,759	15	\$2,451	\$469	7	\$67	\$113,476	3	\$37,825
Custer	\$4,359	16	\$272	\$5,696	7	\$814	\$3,392	6	\$565
Delta	\$49,085	49	\$1,002	\$104,498	67	\$1,560	\$94,248	137	\$688
Denver	\$24,194,878	3,593	\$6,734	\$22,435,164	3,666	\$6,120	\$15,502,687	2,946	\$5,262
Dolores	\$10,974	20	\$549	\$10,697	17	\$629	\$8,298	12	\$692
Douglas	\$8,130,973	2,373	\$3,426	\$4,985,181	1,072	\$4,650	\$4,748,599	1,331	\$3,568
Eagle	\$2,118,096	680	\$3,115	\$2,463,335	926	\$2,660	\$3,527,624	852	\$4,140
Elbert	\$127,737	209	\$611	\$76,194	124	\$614	\$200,333	250	\$801
El Paso	\$3,874,923	1,153	\$3,361	\$3,636,781	2,363	\$1,539	\$5,797,762	2,166	\$2,677
Fremont	\$183,191	53	\$3,456	\$1,879,754	201	\$9,352	\$302,095	72	\$4,196
Garfield	\$6,746,881	593	\$11,378	\$478,279	255	\$1,876	\$2,257,481	327	\$6,904
Gilpin	\$40,200	29	\$1,386	\$7,290	37	\$197	\$76,482	34	\$2,249
Grand	\$102,470	238	\$431	\$113,739	228	\$499	\$122,574	81	\$1,513
Gunnison	\$86,883	41	\$2,119	\$24,817	26	\$954	\$83,963	93	\$903
Hinsdale	\$8,553	10	\$855	\$2,749	9	\$305	\$16,600	100	\$166
Huerfano	\$455,217	265	\$1,718	\$109,185	133	\$821	\$93,251	130	\$717
Jackson	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Jefferson	\$7,590,054	1,935	\$3,923	\$7,661,788	2,132	\$3,594	\$7,497,561	2,347	\$3,195
Kiowa	\$2,280	4	\$570	\$830	9	\$92	\$768	10	\$77
Kit Carson	\$264,054	18	\$14,670	\$264,054	18	\$14,670	\$98,347	44	\$2,235
Lake	\$3,959	5	\$792	\$15,446	48	\$322	\$66,797	287	\$233
La Plata	\$225,543	142	\$1,588	\$298,884	270	\$1,107	\$502,663	301	\$1,670
Larimer	\$3,144,081	1,204	\$2,611	\$2,532,491	1,803	\$1,405	\$3,598,680	2,079	\$1,731
Las Animas	\$1,890	11	\$172	\$19,106	46	\$415	\$65,339	52	\$1,257
Lincoln	\$11,865	40	\$297	\$3,704	20	\$185	\$1,503	10	\$150
Logan	\$28,974	39	\$743	\$39,137	44	\$889	\$454,111	55	\$8,257
Mesa	\$1,356,031	678	\$2,000	\$976,366	832	\$1,174	\$685,620	333	\$2,059
Mineral	\$600	1	\$600	\$669	2	\$334	\$85	1	\$85
Moffat	\$486,871	52	\$9,363	\$84,372	145	\$582	\$66,333	194	\$342
Montezuma	\$96,819	178	\$544	\$118,686	174	\$682	\$722,066	543	\$1,330
Montrose	\$150,505	131	\$1,149	\$255,542	221	\$1,156	\$98,155	95	\$1,033
Morgan	\$53,375	19	\$2,809	\$247,767	21	\$11,798	\$16,509	19	\$869
Otero	\$139,690	35	\$3,991	\$4,442	8	\$555	\$36,414	11	\$3,310
Ouray	\$139,089	44	\$3,161	\$35,640	26	\$1,371	\$15,601	99	\$158
Park	\$171,289	885	\$194	\$19,871	53	\$375	\$108,280	314	\$345
Phillips	\$6,786	6	\$1,131	\$464	3	\$155	\$4,076	21	\$194
Pitkin	\$1,234,297	172	\$7,176	\$1,145,268	272	\$4,211	\$1,202,813	396	\$3,037
Prowers	\$11,029	374	\$29	\$213,437	39	\$5,473	\$13,582	246	\$55
Pueblo	\$1,462,988	395	\$3,704	\$612,953	197	\$3,111	\$3,998,304	210	\$19,040
Rio Blanco	\$1,527,671	95	\$16,081	\$477,150	48	\$9,941	\$93,737	118	\$794
Rio Grande	\$83,910	49	\$1,712	\$13,355	40	\$334	\$10,703	45	\$238
Routt	\$178,197	103	\$1,730	\$1,701,879	397	\$4,287	\$346,856	197	\$1,761
Saguache	\$67,512	60	\$1,125	\$11,378	37	\$308	\$136,748	43	\$3,180
San Juan	\$4,215	60	\$70	\$1,811	2	\$905	\$64,529	17	\$3,796
San Miguel	\$227,874	118	\$1,931	\$391,365	113	\$3,463	\$348,881	97	\$3,597
Sedgwick	\$23,931	13	\$1,841	\$8,286	8	\$1,036	\$1,984	15	\$132
Summit	\$673,453	387	\$1,740	\$436,708	354	\$1,234	\$267,976	357	\$751
Teller	\$325,471	66	\$4,931	\$87,249	59	\$1,479	\$33,267	51	\$652
Washington	\$17,825	5	\$3,565	\$658	9	\$73	\$1,645	10	\$165
Weld	\$2,626,414	851	\$3,086	\$3,499,870	872	\$4,014	\$3,668,144	1,361	\$2,695
Yuma	\$668,942	4,144	\$161	\$62,515	98	\$638	\$53,911	44	\$1,225
Totals:	\$91,885,631	\$29,790	\$3,084	\$83,490,635	22,265	\$3,750	\$82,793,038	24,238	\$3,416

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, 2009, 2010, and 2011, the General Assembly enacted legislation to reduce the amount of the senior exemption to 50 percent of \$0, effectively suspending the senior exemption benefit. The disabled veteran exemptions benefit was not suspended for property tax years 2009, 2010 or 2011.

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 2012, the Division denied exemptions on 56 properties owned by 36 applicants. In 2012, 182,908 properties were approved for the senior citizen exemption, and 3,649 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 2013, the State Treasurer reimbursed local governments \$100,821,732 for senior citizen property tax exemptions granted for tax year 2012 and \$1,906,309 for disabled veteran exemptions granted for tax year 2012.

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.

2) <Same as 1) except for an expanded facility>

Section 4 of the bill amended § 31-15-903, C.R.S. as follows:

1) ...In no instance shall any negotiation result in an annual incentive payment or credit that is greater than the amount of taxes levied by the municipality upon the taxable personal property located at or within the new business facility and used in connection with the operation of the new business facility for the current property tax year...

2) <Same as 1) except for an expanded facility>

Section 5 of § 32-1-1702, C.R.S. concerning new business facilities, expansion of existing business facilities, incentives, limitations and the authority to exceed revenue-raising limitation is amended as follows:

1) ...In no instance shall any negotiation result in an annual incentive payment for credit that is greater than the amount of taxes levied by the special district upon the taxable business personal property located at or within the new business facility and used in connection with the operation of the new business facility for the current property tax year...

2) <Same as 1) except for an expanded facility>

Signed by Governor Hickenlooper: May 29, 2012
Effective Date: August 8, 2012

2012 PROPERTY TAX LEGISLATION

Senate Bills

SB 12-146

Concerning limitations on the acceptance of certain benefits by specified governmental actors who are in a position to reward persons offering such benefits with special action.

This bill amends §§ 24-18-104(2), 105, and 109(2), C.R.S. by describing circumstances by which a public officer, a member of the General Assembly, a local government official, or an employee, may accept goods or services for his/her personal benefit.

Signed by Governor Hickenlooper: April 12, 2012
Effective Date: August 8, 2012

House Bills

HB 12-1029

Concerning an economic stimulus through a property tax exemption for business personal property, and, in connection therewith, enacting the "Save Colorado Jobs Act".

Section 3 of the bill amended § 30-11-123, C.R.S. as follows:

1) ...In no instance shall any negotiation result in an annual incentive payment or credit that is greater than the amount of the taxes levied by the county upon the taxable personal property located at or within the new business facility that is used in connection with the operation of the new business facility for the current property tax year...

HB 12-1070

Concerning the modification of statutory provisions governing the ethical conduct of persons involved in government for the purpose of harmonizing such provisions with section 3 (5) of article XXIX of the state constitution.

Section 1 of the bill makes modifications to § 24-6-203, C.R.S. concerning the reporting of gifts and honoraria, lobbyist disclosure, the statutory rules of conduct for governmental officials and employees, and campaign contributions to members of the general assembly and the governor during the regular legislative session to harmonize those provisions with the requirements of article XXIX of the state constitution, also known and referred to as "Amendment 41".

"Public office" was previously defined as "any office voted for in this state at any election."

The bill adds specific language to that definition: "Public Office" includes, without limitation, the governor, lieutenant governor, secretary of state, attorney general, and state treasurer; a member of the general assembly or the state board of education; a regent of the University of Colorado; a judge on the Colorado Court of Appeals or the Colorado Supreme Court; a district attorney; or an officer of a county, municipality, city and county, school district, or any elective office with a special district for which the annual compensation exceeds sixteen hundred dollars.

The bill also extended the reporting for January 15th of each year to an incumbent leaving public office between October 15th and January 15th, and requires candidates who have been elected but not yet sworn in to report money, monetary loans, loans of personal property, or sports tickets with a value of more than fifty-three dollars.

The other provisions added language from the Constitutional Amendment and defined what is not considered gifts of substantial value. Finally, the bill put in place a provision that the threshold amount be adjusted for inflation contemporaneously with any adjustment of the constitutional gift limit in Section 3(6) of Article XXIX.

Signed by Governor Hickenlooper: May 9, 2012
Effective Date: August 8, 2012

HB 12-1105

Concerning wind energy property rights.

Section 1 of the bill adds article 30.7 to title 38.

The bill establishes that wind energy rights are an interest in real property appurtenant to the surface estate. Such wind energy rights are not severable from the surface estate.

Wind energy agreements are an interest in real property. An owner of the surface estate may enter an agreement with a wind energy developer. A wind energy agreement or other notice evidencing the wind energy agreement shall be recorded with the county clerk and recorder. The bill establishes parameters for such wind energy agreements and their termination.

Nothing in the bill invalidates wind energy agreements entered into prior to July 1, 2012, so long as the agreement is recorded with the county clerk and recorder by September 1, 2012. Nothing in the article restricts the

transfer of wind energy agreements including the right of the surface estate owner to receive payment.

The bill also states that, unless the parties agree otherwise, all easement interests for the purpose of producing wind energy revert to the owner of the surface estate if wind energy production has ceased for fifteen years or if electricity has not been generated by turbine for fifteen years.

An affidavit stating that generation of electricity by turbine has commenced must be recorded with the county clerk and recorder. Parameters for the recording of this affidavit are contained in the bill.

Pursuant to § 39-3-118.5, C.R.S., equipment used in the development of wind energy is exempt from the levy and collection of personal property tax until such equipment is first used.

Signed by Governor Hickenlooper: May 29, 2012
Effective Date: August 8, 2012

HB 12-1110

Concerning the regulation of appraisal management companies.

The bill authorizes the Board of Real Estate Appraisers in the Division of Real Estate in the Department of Regulatory Agencies to regulate appraisal management companies. Necessary terminology is defined and the registration of appraisal management companies is required.

The bill amends the section creating the Board of Real Estate Appraisers by adding a member who is an officer or employee of an appraisal management company and subtracting one public member.

Requirements for owners and controlling persons of appraisal management companies are established, including a requirement that certain persons submit information, including fingerprints, for criminal history record checks.

The bill sets forth prohibited activities and grounds for disciplinary action against appraisal management companies and owners and controlling persons. Administrative and criminal penalties for violations are established, and the Board of Real Estate appraisers is granted the power to administer the provisions of the bill.

The bill requires real estate fee appraisers to maintain errors and omissions insurance but exempts state and county appraisers.

The bill makes conforming amendments to existing statutes to make them consistent with the changes made in the bill.

Signed by Governor Hickenlooper: June 8, 2012
Effective Date: July 1, 2013

HB 12-1209 **Concerning Uniform Electronic Legal Material Act**

Section 1 of this bill adds article 71.5 to title 24 of Colorado Revised Statutes, cited as the "**Uniform Electronic Legal Material Act**" that was drafted by the national conference of commissioners on uniform state laws. Definitions include: "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities. "Legal material" means the constitution of this state, the session laws of Colorado, the Colorado Revised Statutes, and a state agency rule. "Official publisher" is the General Assembly or Secretary of State. "Publish" means to display, present, or release to the public by the official publisher. If legal material is only published electronically, the official publisher is required to designate the record as official, but if it is published in another format, the publisher may make such designation. In either case, if electronic legal material is designated as official, the publisher is required to meet requirements related to the authentication and preservation of the electronic record and the availability of the preserved electronic record.

Electronic legal material in an electronic record that is authenticated by the official publisher is presumed to be an accurate copy of the legal material. This presumption applies to electronic legal material from states that have adopted a law that is substantially similar to the act.

Section 2 of the bill requires the official comments issued by the commissioners to be published with the act.

Signed by Governor Hickenlooper: April 26, 2012
Effective Date: August 8, 2012

HB 12-1229 **Concerning publication requirements for a newspaper in which a legal notice or advertisement is printed**

Section 1 of this bill adds (4) to § 24-70-101, C.R.S. which defines the term "published" as follows:

(4) "Published" means a newspaper maintains an office in the county to gather news, sell, advertising, or conduct the general business of newspaper publications.

Section 2 of the bill amends § 24-70-103 (3), C.R.S. that provides an option to counties that do not have a local newspaper in which to publish required advertisements and notices.

If any county in this state has not published a newspaper for the prescribed period when the publishing of a notice or advertisement is required, a notice or advertisement may be published, in whole or in part, in an adjoining county that has a general circulation, in whole or in part, in the county that has not published a newspaper during the prescribed period. If there is no newspaper in any adjoining county that has been published for the prescribed period at the time when any such notice or advertisement is required to be published, a required notice or advertisement may be published in a newspaper having general circulation within the county.

Signed by Governor Hickenlooper: April 6, 2012
Effective Date: August 8, 2012

HB 12-1307 **Concerning the authority of a nonlawyer trustee of a certain size trust to represent the trust before the Board of Assessment Appeals.**

The purpose of this bill was to allow trustees who were not lawyers to represent a trust in appeals before the Board of Assessment Appeals. New language in §39-2-125(1.5), C.R.S., states: ...notwithstanding any other law, "Taxpayer pro se" includes the trustee of a trust. The bill also added new language to §39-2-127(4), C.R.S., wherein it addresses representation before the board: "A trust may be represented by an attorney admitted to practice law in this state, by the trustee of the trust, or by the trustee's designee."

Signed by Governor Hickenlooper: May 24, 2012
Effective Date: Upon signature