

County Board of Equalization

Ensuring just and equalized valuations within the County



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Colorado Division of Property Taxation



Information Overload !?!



Assessment Date

- January 1
- 12:00 noon



Appraisal Date

- Value as of June 30
 - For 2017 & 2018 = June 30, 2016



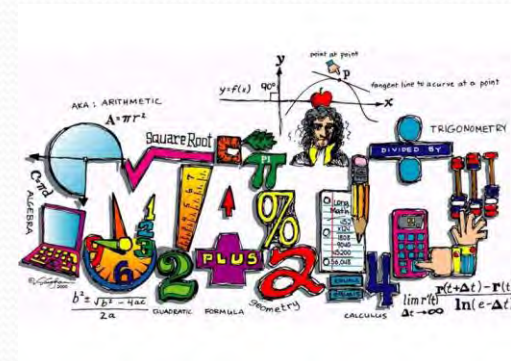
Classify

- **10 Classes and Subclasses**
 - Colorado is a “Use” state
 - Classified and valued as of January 1
 - Res Assessment rate 7.2%
 - Most other property 29%



Level of Value

- Appraisal Date = June 30
- Data Gathering period = 18 months prior to appraisal date (1/1/15 – 6/30/16)
- If not enough sales, can go back 5 years in 6 month intervals
- Sales are adjusted for time



Unusual Condition

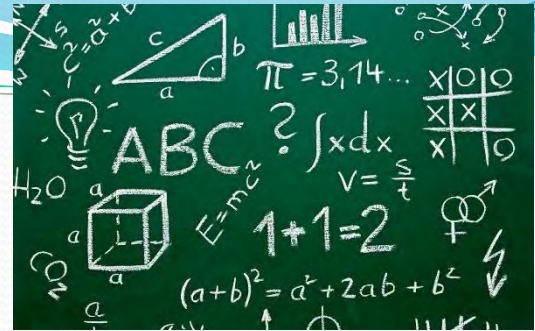
- Values stay the same in intervening year unless an unusual condition exists.
 - New Construction, including additions and remodels
 - Change in the use of the land
 - Destroyed property



Approaches to Value

- Cost Approach = Cost to Build
- Income Approach = Income Capitalized into Value
- Market Value = Sales Price





Mass Appraisal

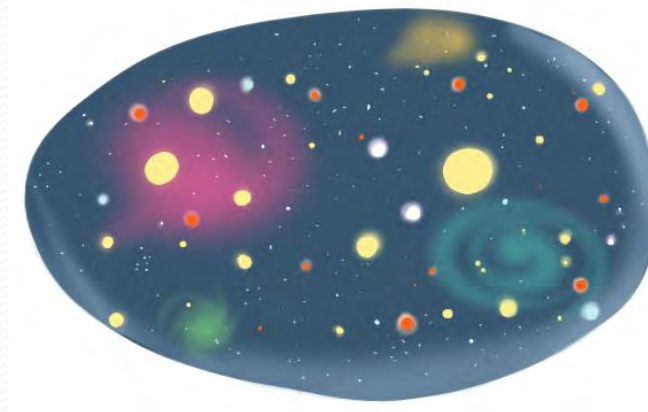
The systematic appraisal of groups of properties as of a given date using standardized procedures and statistical testing.

Definition from International Association of Assessing Officers (IAAO).

Mass Appraisal

Working Definition:

Valuing a universe of properties uniformly, producing defensible values, and ensuring the new values are within compliance standards.

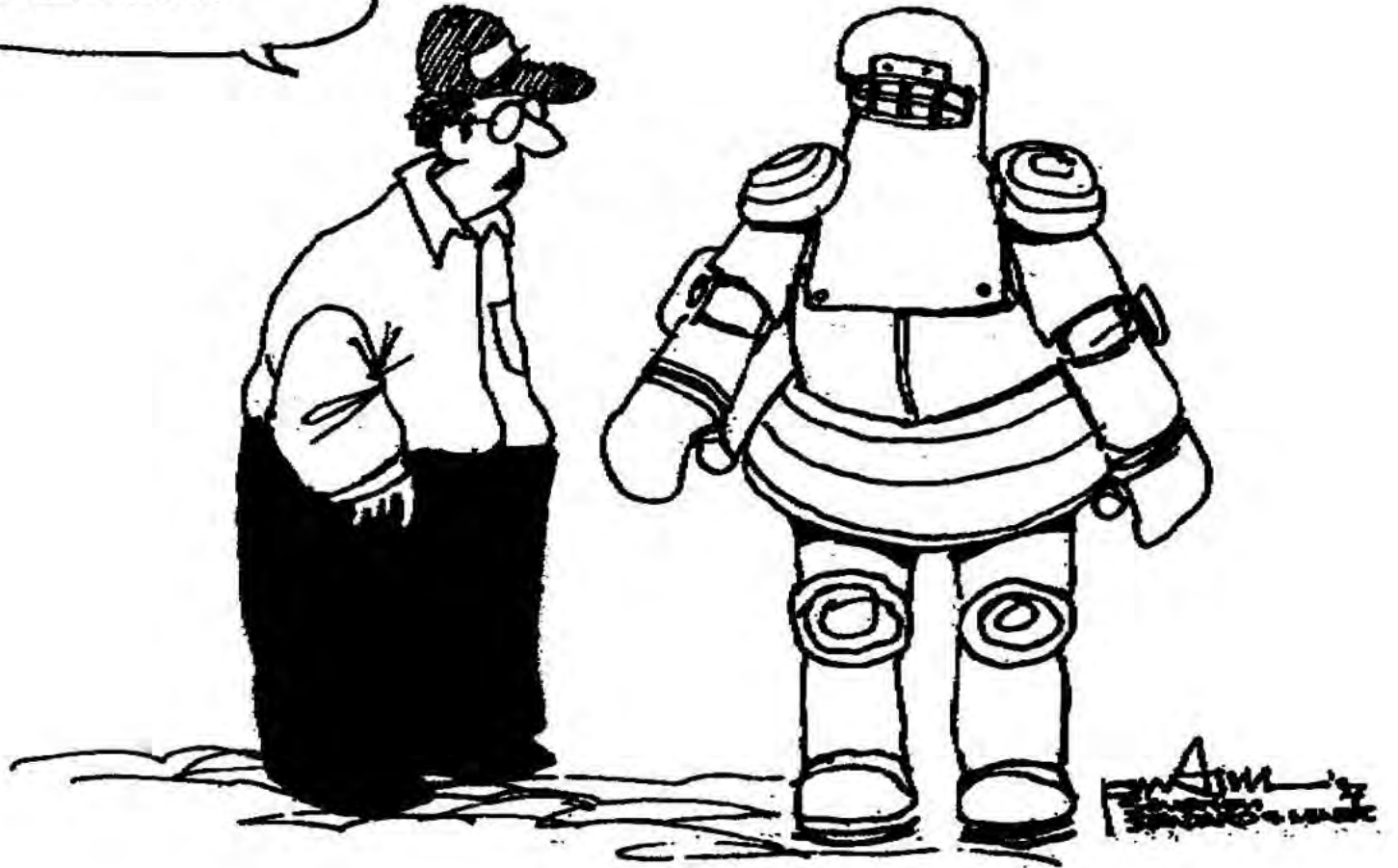


Exceptions

- Residential
 - Only Market Approach
- Agricultural Land
 - Modified Income Approach
- Oil and Gas Leaseholds
 - Selling price at wellhead less expenses
- Producing Mines
 - 25% of Gross or 100% Net proceeds
- Vacant Land Discounting



I SEE YOU'VE GOT
YOUR ASSESSMENT
PROTEST SUIT ON,
ZIMMERMAN.



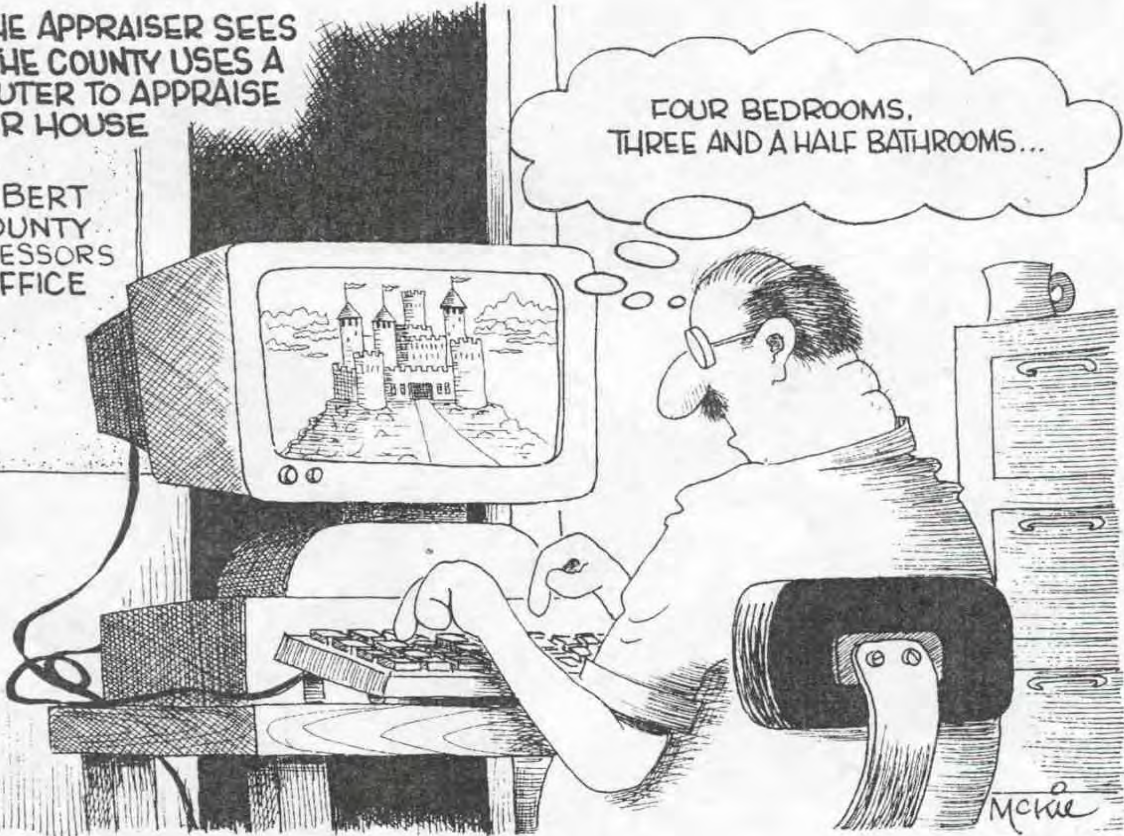
OPINION

CLIFF MCKIE

WHAT THE APPRAISER SEES
WHEN THE COUNTY USES A
COMPUTER TO APPRAISE
YOUR HOUSE

ELBERT
COUNTY
ASSESSORS
OFFICE

FOUR BEDROOMS,
THREE AND A HALF BATHROOMS...

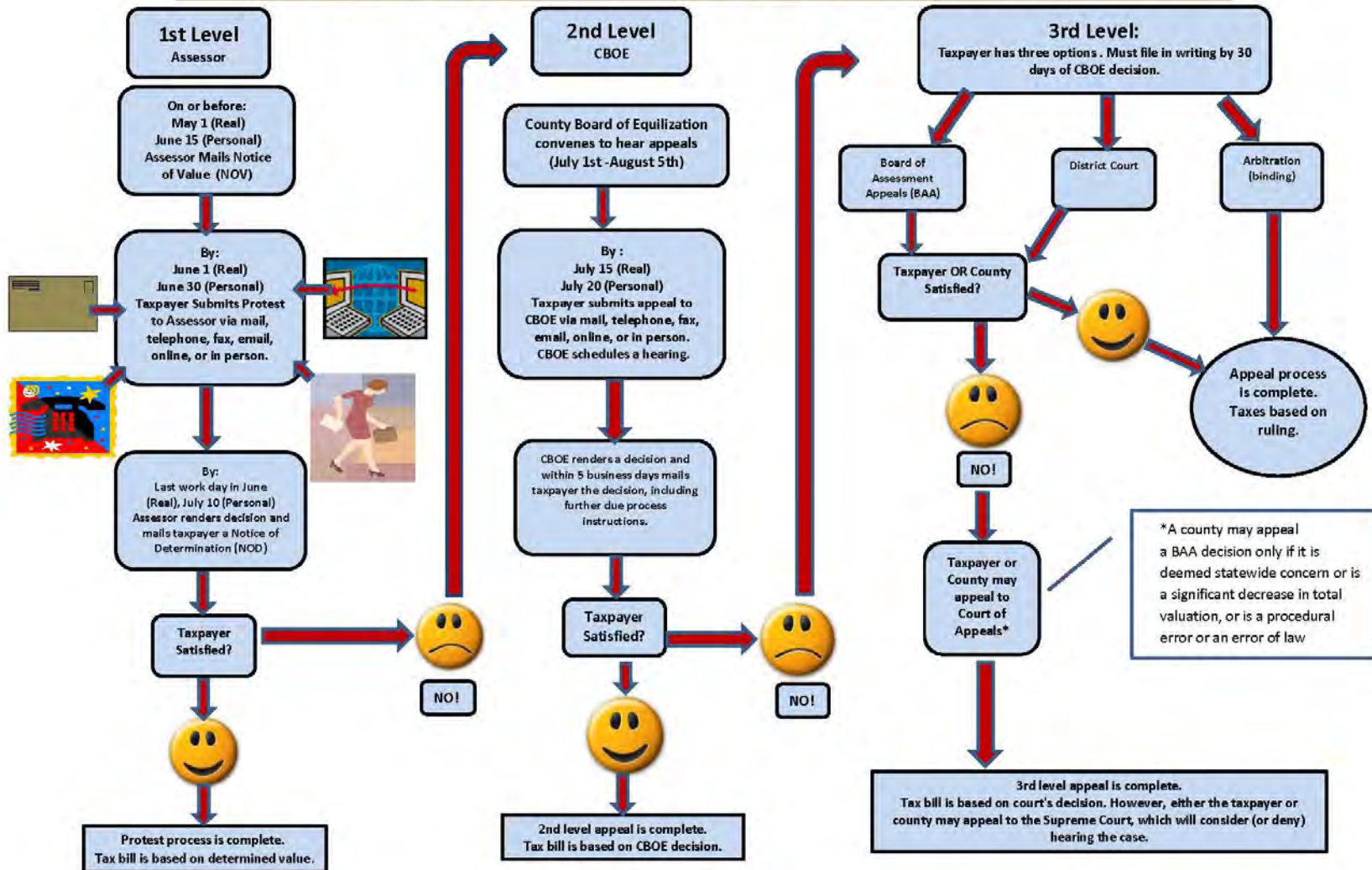


Notices of Valuation (NOVs)

- Notifies owner of new actual value
- Mailed annually
 - Real = May 1
 - Personal = June 15
- Includes Appeal information
- See Handout 1 for Table of Appeal Dates



STANDARD PROTEST AND APPEALS PROCESS



A taxpayer cannot appeal to the Supreme Court without first starting with the assessor.

Assessor's Protest Period

- Real Property
 - Hearings begin the first working day after NOV's are mailed.
 - All protests must be postmarked or received by June 1.
 - Hearings conclude on June 1.
- Personal Property, Mines, Oil and Gas
 - Hearings begin June 15.
 - All protests must be postmarked or received by June 30.
 - Hearings conclude on July 5.

If a taxpayer filing date falls on a holiday or weekend, the property owner has until the next business day to file



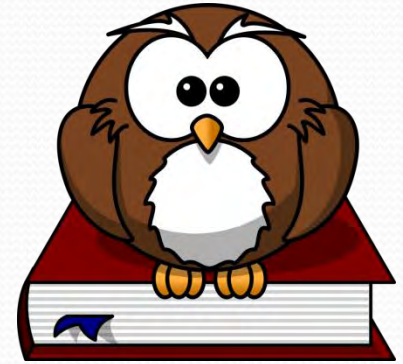
Standing

- Owner of the Property
- Agent for the Owner
- Lessee if proper authorization



Assessor's Decision

- Assessor's decision documented on NOD
 - Real Property – Last working day in June
 - Personal Property – July 10
- NOD must contain reason for assessor's decision
- If taxpayer dissatisfied, next appeal is to the County Board of Equalization



Assessor's Alternate Decision

- Assessor's decision documented on NOD
 - Real Property – Last working day in ~~June~~ August
 - Personal Property – ~~July 10~~ Last working day in August





July 1 – A New Hat

County Board of Equalization

- **Reviews the assessment roll of all taxable property in the County.**

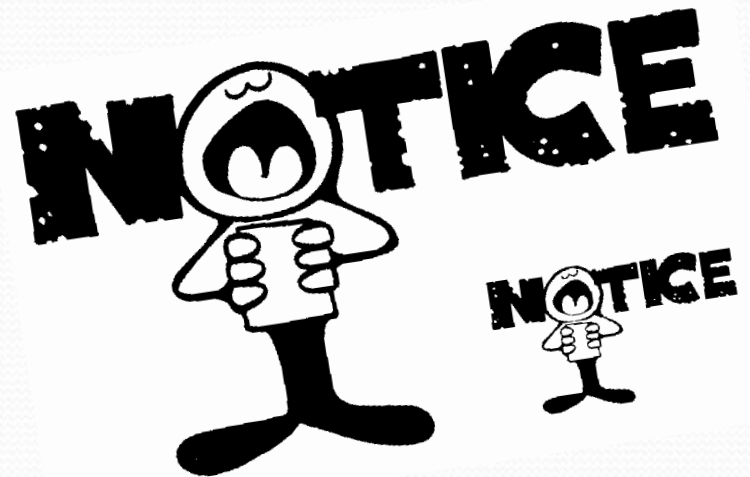


- **Hears individual taxpayer's appeals of the Assessor's determinations.**



Public Notice

- Clerk and Recorder gives public notice
- Beginning July 1, the CBOE will review the assessment roll and hear appeals from determinations of the assessor.



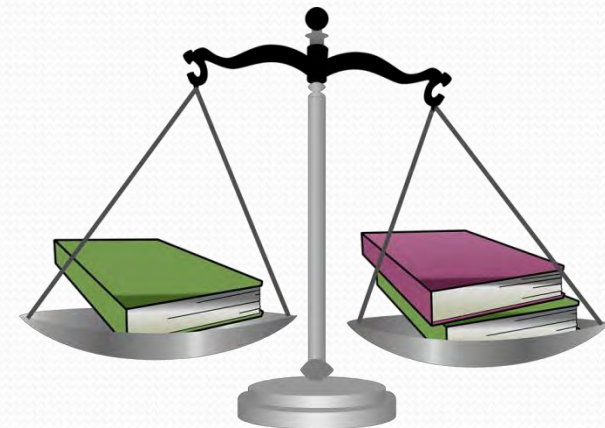
Review of Assessment Roll

- The Assessor submits to the CBOE no later than July 15:
 - A Real Property Report:
 - Total assessed value of all real property
 - A list of property owners who protested
 - A Personal Property Report:
 - Total assessed value of all personal property
 - A list of property owners who protested
 - A list of property owners who failed to file declaration schedules



Appeals to the CBOE

- Hearings subject to open meeting laws (Sunshine Act)
- Amount of time allotted to each hearing may vary
- All testimony and evidence presented at hearing must be considered
- Decisions based on the preponderance of the evidence
- Upon written request, the Assessor is required to make valuation data available to taxpayer 3 working days prior to hearing



Highest

- Denver 3362
- Boulder 2867
- Jefferson 2428

Lowest

- Kiowa 0
- Sedgwick 0
- Lincoln 0

See Handout 3 for assessor and CBOE
appeals filed in 2017

Appeals to CBOE

- Time Frame
 - Begins: July 1
 - Ends: August 5
- Appeal to CBOE Deadlines
 - July 15 = Real Property
 - July 20 = Personal Property



CBOE Alternate Appeal Period

- Hearings can begin on ~~July~~ September 1
- Real Property
 - Petitions must be postmarked or delivered to the CBOE on or before ~~July~~ **September 15**
- Personal Property, Mines, Oil and Gas
 - Petitions must be postmarked or delivered to the CBOE on or before ~~July 20~~ **September 15**
- Notice of Hearing
- Hearings conclude and decisions rendered by ~~August 5~~ **November 1**



Independent Referees

- People with experience in property valuation who are appointed by CBOE to hear appeals
- Make recommendations to CBOE for final action
- Referee's findings and recommendations are public record

See Handout 4 for samples of Referee Decisions



Order of Proceedings

- Property owner presents evidence and testimony
- Assessor presents evidence and testimony
- Either party may ask questions
- Hearings are generally informal



CBOE Decision

- Board Decision does not have to be made or announced during hearing
- Written Decision Must include:
 - Statement of findings and conclusion
 - Appropriate order, relief, or denial
 - Appeal rights
 - See Handout 5



CBOE Decision

- Board Decision can be sent electronically
 - Telephone
 - Email
 - Text



CBOE Decision

- If the Assessor or CBOE fails to act:
 - Property owner may file directly to the BAA no later than September 11 or December 8 for alternate protest process



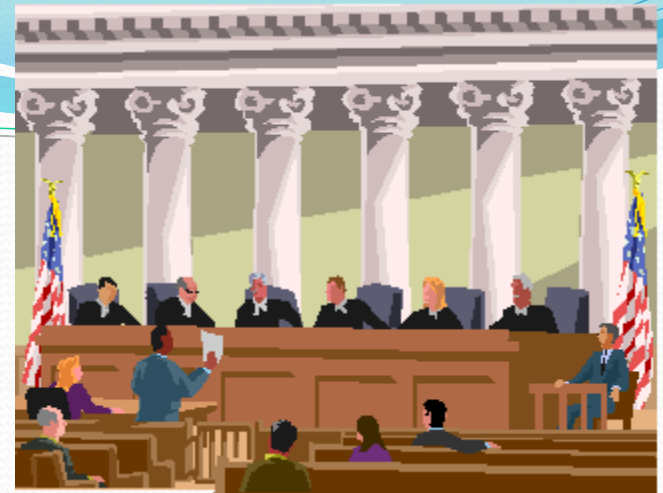
APPEALS BEYOND THE CBOE

TAXPAYER HAS THREE OPTIONS:

- Binding Arbitration
- BAA
- District Court



COURT OF APPEALS SUPREME COURT



- BAA or District Court decisions can be appealed to the Court of Appeals
- Court of Appeals decisions can be appealed to the Colorado Supreme Court



CBOE CASE SCENARIOS

Should this property be classified as Agricultural?

Facts:

- 10.2 acre parcel unplatted tract with a 2.5 million dollar house in central Denver
- Wild grass grows naturally, no planting or management of the land
- Contractors hired to cut the grass on the 10 acres of land then bale it
- The grass is sold to CDOT for use as erosion control along portions of I-70 and I-25.

Should this property be Ag?

County's Testimony:

- This does not meet the statutory requirement to qualify as a farm, § 39-1-102(3.5), C.R.S.
- The grass is not planted
- It is cut by a large “lawnmower” not a crop harvester or swather
- The grass is used for erosion control, not sold for food, and sold to government, not to market.

Should this property be Ag?

Property Owner's Testimony:

- Taxpayer is harvesting grass hay. It doesn't matter by what mechanism.
- It doesn't matter who they sell it too, they are attempting to make a profit. And, doesn't matter what the product is used for, it grows in the ground.
- § 39-1-102, C.R.S., (3.5) "Farm" means a parcel of land which is used to produce agricultural products that originate from the land's productivity for the primary purpose of obtaining a monetary profit.

Should this property be Ag?

- Court ruled in favor of property owner

Is this property Overvalued?

Facts:

- Taxpayer owns an entire city block located near a major tourist attraction
- The property is platted as 4 separate building sites, the house sits on one of the lots, taxpayer could sell any lot without having to go through land use regulations
- Property is zoned “residential” but is across the street from “commercial” zoning
- House built in 1911, 1988 square feet, 896 square foot basement with no finish

Is this property Overvalued?

County's Testimony:

- Assessor valued the land based on sold residential vacant land comparables
- Because the land is 4 separate contiguous lots, the assessor applied a land value equal to 4 buildable lots
- The assessor valued the house based on a model
- The Highest and Best Use of this property is 4 buildable lots

Is this property Overvalued?

Taxpayer's Testimony:

- Statutes do not allow the assessor to value residential property based on vacant land sales
- Property owner contends the concept of Highest and Best Use is not defined in statute
- The property should be valued based on sold comparables of other Single Family Residences, regardless the size of the land parcel

Is this property Overvalued?

Taxpayer's Testimony:

- This house is the original family homestead, this is where my father was born, the land should not be valued as 4 lots when it is only being used as one lot
- The county is taxing me out of my home

Is this property Overvalued?

- BAA has upheld county's valuation on every appeal
- Court of Appeals disallowed taxpayer appeal as property is in a trust and taxpayer must have an attorney

Can assessor change value in intervening year?

Facts:

- Property sold 7/13/2015, for cash purchase for \$1.3M
- Built in 1937, 3043 square feet, 996 square foot basement with 90% finish

Can assessor change value in intervening year?

County's Testimony:

- Assessor verified sale, reviewed MLS, found evidence that remodeling had occurred
- MLS noted kitchen, plumbing, electrical and bath were renovated, described as an above average house, renovation prior to 2015
- Assessor's office missed building permit
- Landowner had refused access
- Raised value from \$800 K (2015 value), to 2016 value \$1,169,700, then lowered to \$1.15M

Can assessor change value in intervening year?

Property Owner's Testimony:

- Assessor can't raise value in intervening year, change was 45% increase, county had no proof of change that justified increase
- The taxpayer's interior decorator testified all that was done was "brightening, refreshing, painting, redecorating" and that does not constitute remodel

Can assessor change value in intervening year?

Property Owner's Testimony:

- The interior decorator estimated updates no more than \$10K, new gourmet kitchen as listed in MLS was incorrect
- Assessor relied on sale outside statutory time frame, assessor can't revalue property in an intervening year based on a sale outside the data gathering period

Can assessor change value in intervening year?

- Board agreed with above average condition
- Denied protest, case heard at Court of Appeals, awaiting decision



GO ROCKIES!!!