

Property Taxes

“Are they out of your control?”

Presented by Craig Larson,

La Plata County Assessor

August 13, 2008

Objectives

1. Appraisal: How Values are determined.
2. Property type comparisons by location.
3. What makes up a taxing district.
4. Making a difference
 - . Where you live; Your 1st place to affect taxes
 - . Boards and Budgets: Your 2nd place to affect taxes.
 - . The valuation of your property; Your 3rd place to affect taxes.
 - . Tax limitations; Your 4th place to affect taxes.

Real Estate Valuation

- Actual as of June 30th in even number years.
- Based on sales values in the previous 18 months, trended to 6/30.
- Developed from 12 economically based areas and 150 neighborhoods based on.
 - 1. Location
 - 2. Physical attributes
 - 3. Economic conditions
 - 4. Governmental controls
 - 5. Social characteristics

Appraisal



- Based on location and similarity to properties that sold in your neighborhood within a specific time period.
- Size, quality, condition etc. are all factors that we measure based on our extensive inventory of all properties.
- We immediately visit all properties that have sold to verify the inventory and establish bench marks for comparable valuation.
- We strive to model market behavior.

A Look at Residential

Assessment ratio

7.96%

- **DURANGO**

- \$200,000 Home@ 7.96%

- 15920 Assessed

- .027805 Mill Levy

- \$446.56 **Taxes**

- **Ignacio**

- \$200,000 Home@ 7.96%

- 15920 Assessed

- .021605

- \$343.95 **Taxes**

- **BAYFIELD**

- \$200,000 Home@ 7.96%

- 15920 Assessed

- .040023

- \$637.17 **Taxes**



Vacant Land

Assessment ratio 29%

- **DURANGO**

- \$100,000 Value @ 29%
- 29,000 Assessed
- .027805 Mill levy
- **\$806.35 Taxes**

- **IGNACIO**

- \$100,000 Value @ 29
- 29,000 Assessed
- .021605 Mill levy
- **\$625.55 Taxes**

- **BAYFIELD**

- \$100,000 Value @ 29%
- 29,000 Assessed
- .040023 Mill Levy
- **\$1160.68 Taxes**



A Look at Commercial/Industrial

Assessment ratio

29%

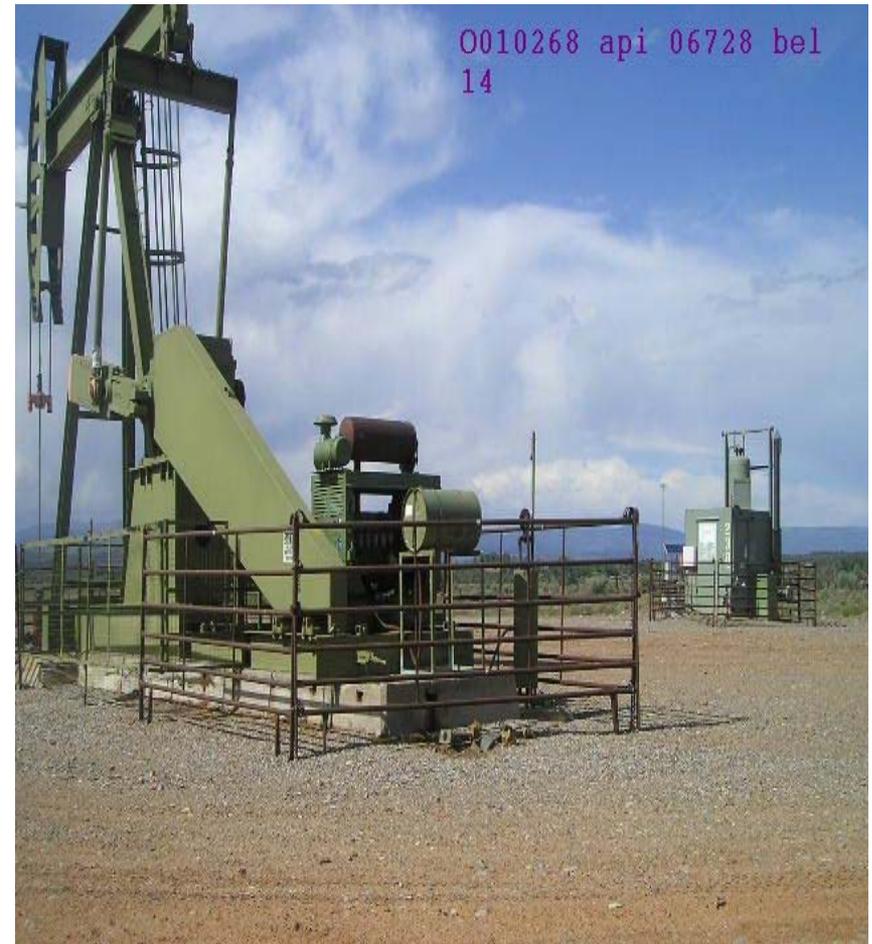
- **Durango**
 - \$200,000 Prop. @ 29%
 - 58,000 Assessed
 - .027805 Mill Levy
 - \$1612.69 **Taxes**
- **Bayfield**
 - \$200,000 Prop. @ 29%
 - 58,000 Assessed
 - .040023 Mill Levy
 - \$2321.33 **Taxes**
- **Ignacio**
 - \$200,000 Prop. @ .29%
 - 58,000 Assessed
 - .021605
 - \$1253.09



Oil and Gas

Assessment ratio
87.5%

- Annual Production X
price= value
- \$200,000 Value @
X .875
- 175,000 Assessed
- .024089 Mill Levy
\$4215.58 Taxes



Taxes in Rural Areas

- **Vallecito Area**
 - \$200,000 House
 - .0796 Assessment ratio
 - .034073 Mill Levy
 - \$542.44 **Taxes**
- **Purgatory Metro District**
 - \$200,000 Condominium
 - .0796 Assessment Ratio
 - .059864 Mill Levy
 - \$953.03 **Taxes**
- **Marvel Area**
 - \$200,000 House
 - .0796 Assessment ratio
 - .03128 Mill Levy
 - \$497.98 **Taxes**
- **Forest Lakes Metro Dist.**
 - \$200,000 House
 - .0796 Assessment Ratio
 - .069597 Mill Levy
 - \$1107.98 **Taxes**

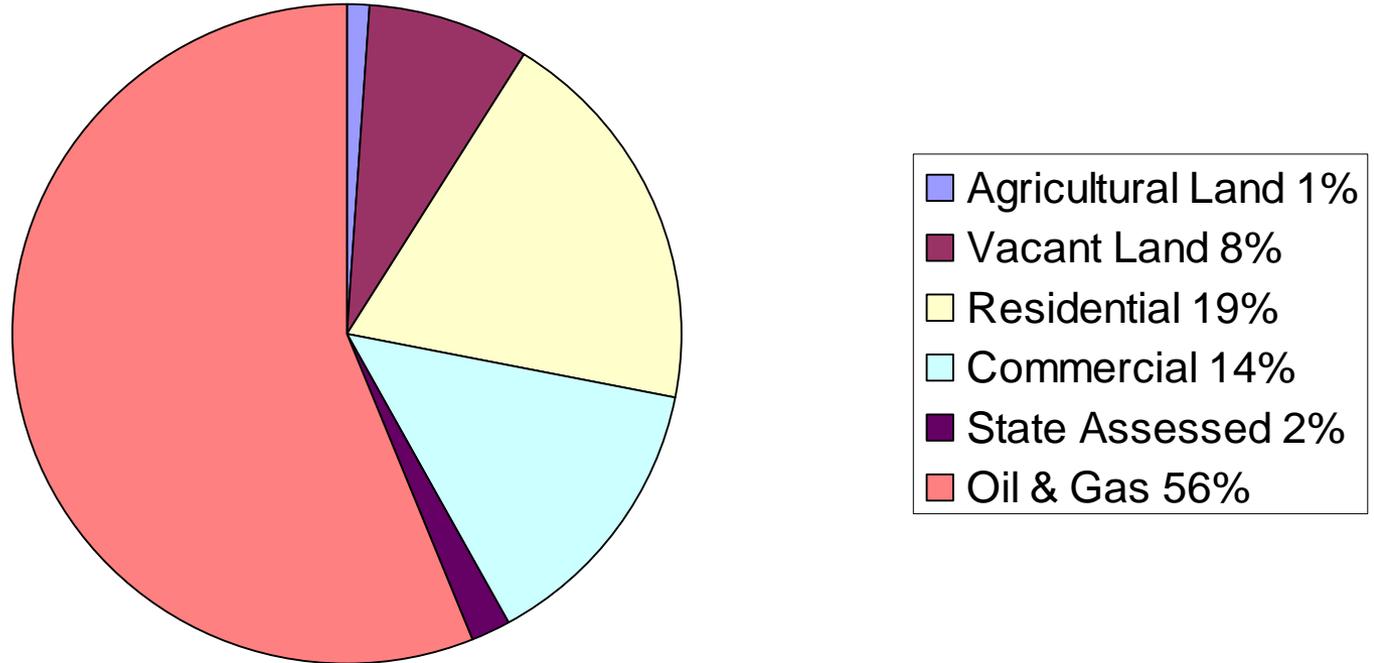
Other Area Comparisons

Taxes for 2007 due in 2008

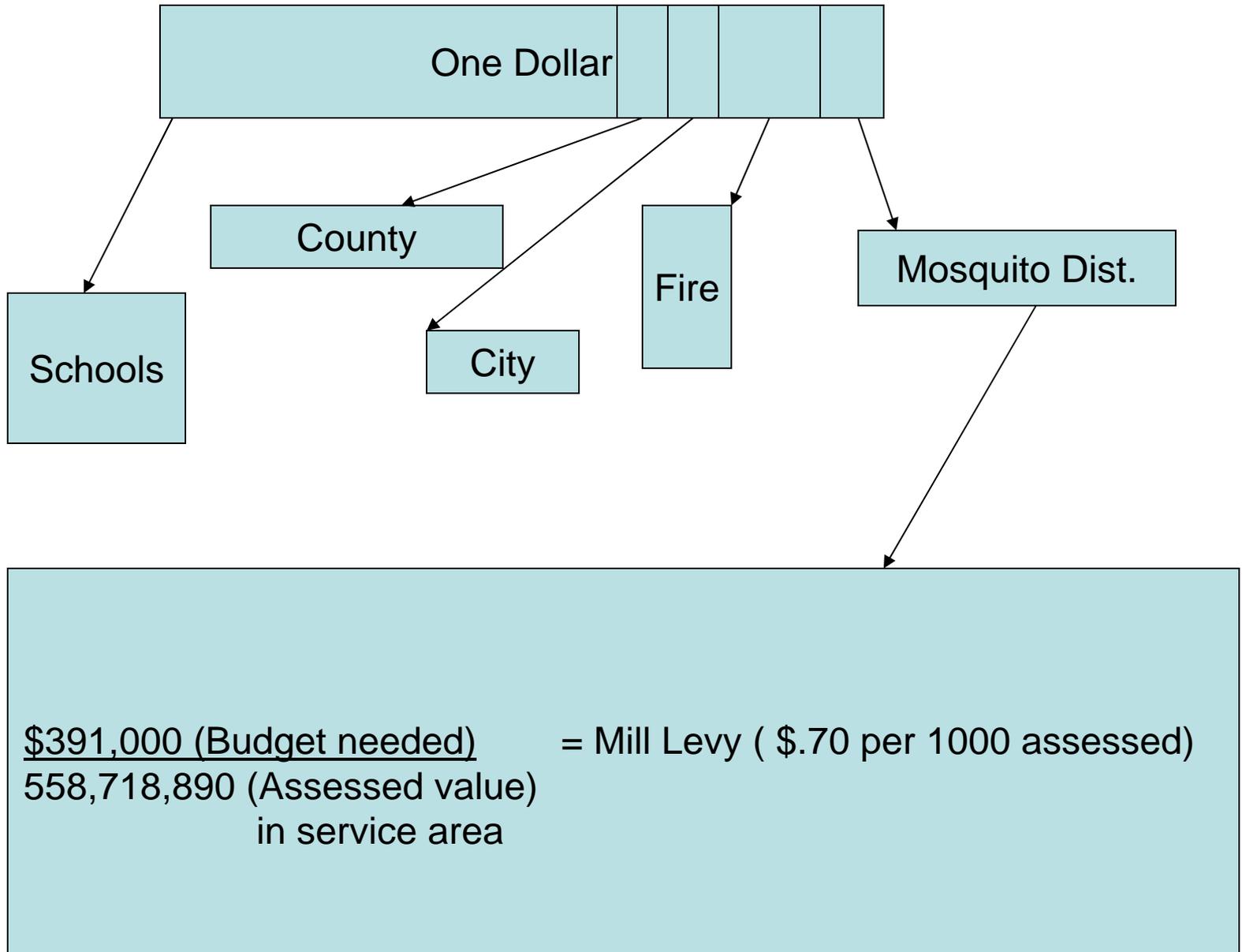
- California-
- \$200,000 home
- X 1% of sales price
- \$2000 **Taxes**
- \$637 **Taxes** in Bayfield
- \$1108 **Taxes** at Forest Lakes (our highest)
- City of Colorado Springs
- \$200,000 home
- \$967 **Taxes**
- City of Grand Junction
- \$200,000 home
- \$1024 **Taxes**

Who Pays what in La Plata County?

La Plata County Taxbase 2007



How a Tax Dollar is Spent



THE BUDGET PROCESS AND YOU

- Most Boards are Elected- **You can be a part of the Board or the Board election process.**
- They meet, at least annually, to consider the level of the service they will provide to people in their service area.
- They consider the changing assessed value of their service area and adjust the Mill levy accordingly to bring in the necessary revenues.

STATE LAW LIMITATIONS

Gallagher Amendment to the Constitution

- Chief points;
 - Residential Properties will pay no larger share of taxes, state wide, than in previous years.
 - This means in proportion to other classes of property, Residential will always pay 45% of the taxes and all other types will pay 55%
 - This has caused the Residential rate to “ratchet” down from 21% in 1986 to 7.96% today, all other properties will have an assessment rate of 29%, except Oil & Gas production at 87.5%

TABOR AMENDMENT

- Chief points;
- To restrain the growth of government
- Requires elections for;
 - **State level;** Vote on budget increases over and above inflation (in the Denver/Boulder area) plus a factor for change in State population.
 - Valuation for assessment ratio increases.
 - **Local level;** Vote on budget increases over inflation (in the Denver/Boulder area) plus a factor for local growth of new building construction.
 - Vote to approve revenue change offsets, AKA De-Bruceing.
 - Allow entities to keep revenues over limits rather than to refund.
Most of the local entities have done this.

Tax Entities and You

The choice is yours

Cities;

1. Cities have more compact infrastructure therefore bang for each buck.

Greater reliance on sales taxes for services.

More complete services.

School Districts;

1. Better districts can cost more but home appreciation is usually better.

Metro Districts;

1. Better general services (central water, sewer, snow plowing) without crowding.

Tax Entities and You

The choice is yours

Fire Districts;

1. Lower home insurance rates and timely protection.

Mosquito Districts;

1. Ability to sit outside without getting eaten.

Library Districts;

1. Educational and Media support

Water Conservation Districts;

1. Reservoirs for drinking and recreation.

Tax Entities and You

The choice is yours

Cemetery districts;

1. Where death and taxes meet.

Television Translator;

1. More TV and better reception.

Business

Improvement

districts;

1. Improved business climate through cultural events.

Conclusions

1. Select a property in an area with service levels you are willing to support.
2. Get elected or affect the election of Board members that agree with your sense of service levels.
3. Attend budget hearings, held in the fall of every year, and learn/speak/write about what you will be receiving for your tax dollars.
4. Read your Notice of Value and be familiar with the real estate trends in your neighborhood.
5. Be aware of mill levy and tax limitation or extension issues in your area and the state, then vote.