

October 1, 2013

To the Editor,

Just like harvest season, the local government calendar proceeds to its winter conclusion as Colorado Assessors measure, then take stock, of how the property tax base has fared for 2013.

Colorado Assessors mailed to all property owners, last May, the value of their property as of June 30th 2012. The values reflected changes in value from 2010 to the June 2012 date.

Many of you remember that your real estate value dropped or changed based on the market values between the above dates. These changes reflected market conditions, on a neighborhood by neighborhood basis, after close analysis by Assessor appraisal staff. Some neighborhoods sustained substantial losses while others more or less held their own. Such is the nature of real estate supply and demand.

The tax base is dynamic for all counties, and especially for a county that has a valuable resource that makes up a substantial portion of that base.

La Plata County had a tax base in 2012 where 46% of the value was in oil and gas production and facilities. This year the percentage of oil and gas properties is 37% of a smaller tax base affected by the drop in overall real estate value I already mentioned.

This drop in oil and gas value can be attributed to lower prices paid for natural gas in 2012 and declining production.

While it looks, today in 2013, like both the value of some real estate and the price of natural gas is rising slightly, the law requires taxing entities to operate with the smaller tax base which we just certified to them.

This means taxing entities will receive less revenue when tax bills go out in 2014 than in 2013. This will make for challenges.

The tax base can be much like farming, where the nature of market conditions, like the weather, affect the revenue people can generate to educate children, put out fires and otherwise provide for services they have come to expect.

The Assessor's Office is happy to talk about matters of valuation at any time.

Sincerely,

Craig Larson, La Plata County Assessor