



## **2009 REAL PROPERTY SUMMARY**

Prepared by the Assessment Division  
City and County of Denver  
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- ◆ How real property is valued
- ◆ 2009 property taxes payable in 2010
- ◆ What should taxpayers do if they disagree or have questions concerning their valuation
- ◆ Assessment calendar
- ◆ Typical questions and answers for the protest period

## HOW REAL PROPERTY IS VALUED

### **Base Year Concept**

Under Colorado law, the Assessor must reappraise all real property every two years. The property value, or the "Actual Value", must reflect the appropriate "base year" level of value. For assessment years 2009 and 2010 the "base period" is the 18-month period from January 1, 2007 to June 30, 2008 and market data (sales, rents & expenses for commercial properties) will be collected from the "base period" to project values for 2009/2010. The specific "Assessment Date" is January 1.

### **Approaches to Value**

The Assessor determines the Actual Value of property by considering three approaches to value: the *market* approach, the *cost* approach, and the *income* approach.

**MARKET APPROACH:** Market sales of similar properties which sold during the "base period" are analyzed, compared and adjusted for time (to June 30, 2008) to arrive at a value for the subject property. Amendment 1 to the Colorado Constitution requires all residential property be valued exclusively by the market approach.

**COST APPROACH:** Estimates the replacement cost of buildings and fixtures at the base year level of value, less any depreciation that may have occurred, plus the value of the land.

**INCOME APPROACH:** Determines the net income of the property (usually a commercial or industrial occupied building) from rents, by deducting operating expenses (excluding taxes), from the gross income. The net income is capitalized into an indication of value.

Typically, the Actual Value will be based on the one approach that most accurately reflects the market value. Some classes of properties (generally, Commercial, Industrial, etc.) may be valued by a "Correlation" between two or all three approaches.

## REAL ESTATE VALUES AND TAXES

### **Fair Market Value**

For 2009 the Assessor must estimate the fair market for all Denver properties as of June 30, 2008 as they stand on the assessment date, January 1. All items affecting value are considered, including general inflationary trends, the value of new construction, remodeling, renovation, demolition, change in use, or any other component of the real estate market.

### **Assessed Value**

Residential assessed values are established by multiplying the actual value (Fair Market Value) by the “ratio of assessment”. For 2009, preliminary indications are that the State Legislature will maintain the current 7.96% for residential property. All other property is assessed at 29%.

The actual or market value is based on the condition of the property as of January 1, 2009 at the June 30, 2008 level of value using information from the 18-month base period. Market sales are adjusted for time to June 30, 2008.

### **Tax Rate**

The location of your property determines the jurisdictions to which you pay taxes. These may include City and County levies, school district levies, and special taxing jurisdictions, such as business improvement districts or pre-annexation special districts.

Each year the City Council, the School Board and special districts hold budget hearings to determine how many dollars will be needed, and are allowed, for the following year's operations.

Per Amendment 1 requirements, these taxing jurisdictions may only increase their tax rate or mill levies to account for inflation and local growth or to recover revenue lost due to abatement and refunds. Any other property tax increases must receive specific approval from the voters in the November elections. **Note:** *The tax rate (mill levy) shown in the calculation on the following page is the 2008 rate, for taxes paid in 2009; mill levies for 2009 taxes to be paid in 2010, will be established in the upcoming budgetary process, and are normally final in December of each year.*

## RESIDENTIAL PROPERTY TAXES

Property taxes are calculated by multiplying the actual value times the assessment ratio then multiplying the assessed value by the appropriate mill levy. This example assumes the same mill levy for 2008 and 2009.

Assessed Value	(determined prior to May 1)
X _____ (Tax rate)	(to be set prior to December 15)
 = Property Taxes	 (Payable in January)

<b>Example:</b>	<b><u>2008</u></b>	<b><u>Projected 2009</u></b>
Residence valued at	\$ 230,900	\$ 230,900
Multiplied by the Assessment Ratio	x <u>7.96%</u>	x <u>7.96%</u>
Assessed Value	\$ 18,380	\$ 18,380
Multiplied by the Tax Rate (Mill Levy) (current levy; Next year's not yet set)	x <u>.066783</u>	x <u>.066783</u>
<b>Property Taxes</b>	<b>\$ 1,227</b>	<b>\$ 1,227</b>

## WHAT SHOULD TAXPAYERS DO IF THEY DISAGREE OR HAVE QUESTIONS CONCERNING THEIR VALUATION?

1. When you receive the Notice of Valuation you should study it carefully. The property tax bill you will receive next January will be based on this information.
2. Contact the Assessor's Office if you find errors, if you don't understand the form, or if you have questions about the new value.
  - a. To Appeal in Writing:
    - i. Use the "Real Property Appeal Form" which is included as a part of the Notice of Valuation, or draft your own request for review letter. (Be sure to refer to the schedule number of your property.)
    - ii. Submit with your appeal any documentation from the 18-month base period (January 1, 2007 to June 30, 2008) in support of your value conclusion. The documentation could be an appraisal or market sales. **Appraisals or market sales subsequent to June 30, 2008 will be considered in the upcoming 2011 reappraisal. By state statute current market data cannot be considered in your 2009 appeal.** Please retain a copy of your submissions for your records.
    - iii. Your written objection must be postmarked no later than June 1st.
    - iv. Mail to:           Assessor's Office  
                          Attn: Real Property Appeal  
                          201 W Colfax Ave Dept 406  
                          Denver, CO 80202
  - b. To Appeal Online: Go to [www.denvergov.org/onlineprotest](http://www.denvergov.org/onlineprotest) .
  - c. To Appeal in Person:
    - i. To avoid delays in service, please schedule a specific appointment time.
    - ii. After May 1, call (720) 913-4164 to arrange for an appointment.
    - iii. Bring your Notice of Valuation and any other pertinent documents from the 18 month period, January 1, 2007 to June 30, 2008 (appraisal, market sales, repair estimates if repairs are needed, etc.) to your scheduled appointment.
    - iv. June 1st is the deadline for protesting your valuation in person.
    - v. In person appeals can be delivered to the Assessor's downtown office.

Note: The Assessor will mail a decision regarding your appeal on or before August 31..

3. If you are dissatisfied with the Assessor's decision, you may appeal to the County Board of Equalization by September 15<sup>th</sup>.
  - a. The County Board of Equalization may conduct hearings as early as September 15. All hearings must be concluded by November 2.
  - b. All timely appeals to the Board will be scheduled for a hearing before a hearing officer. You will be notified by mail of the date, time and location of your hearing.
  - c. The Board must notify you in writing of their final decision within five business days of the date such decision is rendered.
  
4. If you are dissatisfied with the County Board of Equalization's decision, you may appeal to the State Board of Assessment Appeals, District Court, or arbitration. You must file your appeal within 30 days of the County Board of Equalization's decision.

### **2009 ASSESSMENT CALENDAR**

<b>DATE</b>	<b>ACTION</b>
No later than <b>May 1</b>	Assessor mails Notice(s) of Valuation for real property to taxpayers.
By <b>June 1</b>	Deadline for protesting a value "in person", by fax or internet. Assessor concludes all hearings of real property valuation appeals.  All appeals received by mail must be postmarked by this date to be considered a timely filing.
On or before <b>August 31</b>	Assessor mails Notice of Determination (decision on the appeal) concerning real property value to taxpayer.
Beginning as early as <b>September 15</b>	County Board of Equalization hears taxpayer appeals from determinations of the Assessor. All appeals concerning real property must be filed by September 15.
<b>November 2</b>	County Board of Equalization concludes hearings and renders decision on real and personal property appeals. Any decision shall be mailed to the petitioner within five business days of the date on which the final decision is rendered.
No later than <u>30 days</u> after the decision of County Board of Equalization is mailed	Appeals from decisions of the County Board of Equalization must be filed with the Board of Assessment Appeals, District Court or to binding arbitration.

***For additional information visit the Assessor's Website at <http://www.denvergov.org/assessor>***

## QUESTIONS AND ANSWERS FOR THE PROTEST PERIOD

**QUESTION:** How is the value on this notice for my property derived?

Answer: The Assessor is required by law to determine residential values by studying home sales from the *base period*, which is the 18-month period from January 2007 to June 2008. All sales, by statute, must be adjusted for time to the end of the valuation period, which is June 30, 2008. The notice you have received reflects the value using base period sales for homes similar to yours, and the condition of your property as of January 1, 2009.

**QUESTION:** My value went up more than my neighbors' property. Why the difference?

Answer: Each property is valued as of the January 1, 2007, through June 30, 2008 base period, and its specific condition as of January 1, 2009. Property values in every neighborhood differ based upon property age, size, basement finish, number of baths, condition, etc. Certain styles, quality, and classes of property increase or decrease in value at different rates.

**QUESTION:** How can I find out which sales the Assessor used to value my property?

Answer: For residential, condominium and apartment properties comparable sales used to value your home will be included with the Notice of Valuation. Comparable sales can also be found on the Assessor's web page at [www.denvergov.org/assessor](http://www.denvergov.org/assessor). If you have further questions you can call (720) 913-1311.

**QUESTION:** I don't agree with this valuation. How do I file an appeal?

Answer: Protest instructions are included on the Real Property Notice of Valuation. This form describes the procedures on how to file an appeal in person or in writing. If you want to appeal in person, you should set an appointment by calling (720) 913-4164. **By statute the Assessor can only consider market data for the base period, January 2007–June 2008. Current market conditions will be reflected in the 2011 revaluation.**

**QUESTION:** If I submit my appeal in writing, what information should I send in?

Answer: Since your valuation is based upon sales that occurred between January 1, 2007 and June 30, 2008, comparable sales for that time period would be appropriate. The more similar the "sale" home is to yours, the more comparable it will be. Also, if you have had an appraisal conducted for purchase or refinancing purposes during the base period, you may submit a copy of that appraisal with your documentation. If you file your appeal in writing, be sure to retain a copy of all documentation sent to the Assessor and postmark your appeal by June 1st.

**QUESTION:** I own an income-producing property. What information will the Assessor need to evaluate my claim of over-valuation?

Answer: The basis for valuing most income-producing properties is the cost, market or income approach to value. Please submit information relating to all rents received during 2007 and 2008 and all expenses incurred to operate the property during that time. Market sales from the base period can be submitted as well.

**QUESTION:** When will I be notified of the Assessor's decision on my appeal?

Answer: The Assessor is required to notify all property owners of the results of the appeal review no later than August 31, 2009. If you disagree with the Assessor's decision, you may continue your appeal to the Denver County Board of Equalization.