

Jeffco

Here's What You Need to Know About Appealing the Assessor's Valuation of Your Home

By the time this column appears in print, all Colorado homeowners will have received in the mail a letter from their County Assessor declaring the "Actual Value" of their real estate holdings in that county. I own both a commercial property (Golden Real Estate's office) and my personal residence, so I will be receiving two such letters.

The letters give taxpayers until June 1st to file an appeal of that valuation which, if successful, could lower the "Assessed Value" (explained below) against which taxes will be levied for 2017 and 2018.

Property taxes in Colorado are paid in arrears, which means that the property tax for 2017 isn't payable until April 2018, and the property taxes for 2018 will be payable in 2019. The valuation you just received in the mail, however, is not a statement of your home's **current** value. Rather, it is a statement of your home's market (or "Actual") value **as of June 30, 2016, based on its condition on January 1, 2017.**

In other words, if your house was significantly improved between last June 30th and January 1st, the assigned value should be what your home in its new condition **would have been able to sell for on June 30, 2016**, based on what comparable homes **did** sell for prior to that date. (You may need to read these two paragraphs a few times!)

The good news is that even though your home's value has continued to increase since last June and will continue to rise for the next year or two, you will only pay property taxes for both 2017 and 2018 based on what it **might** have sold for in June 2016.

Nevertheless, many of us (me included) are going to be shocked at how much the assessor claims our homes have increased in value.

Additional good news for homeowners is that, because of both TABOR and the Gallagher Amendment — too complicated for me to explain here — the percentage of "Actual Value" against which your local mill levy will be applied, has reduced by almost 10% — from 7.96% of actual value to 7.2%. That creates the "Assessed Value."

To keep it simple, here's an example using round numbers. If the assessor says the market value of your home for the last two years has been \$500,000, your "Assessed Value" was 7.96% of that, which equaled \$39,800. If your mill levy is 100, then your tax bill was \$3,980 (100 x 39.8). Let's say your home's "Actual Value" as of last June 30 rose to \$600,000, a 20% increase. Your "Assessed Value" will be 7.2% of that, or only \$43,200. Thus, your tax bill, at 100 mills, will be \$4,320, **an 8.5% increase in taxes despite a 20% increase in market value.** By the way, this is the first reduction in the assessment percentage since 2003. Great timing!

And it gets even better. Unless the voters in a particular tax district voted to "de-Bruce" the mill levy, that tax district **must lower its mill levy as much as necessary to keep its revenue from increasing beyond TABOR limits** based on population growth plus any increase in the cost of living. For example, the City of Lakewood has lowered its mill levy a couple times since 2011 to comply with TABOR limits. That's not the case, however, with

our biggest mill levy, Jeffco Schools, which "de-Bruced."

Nevertheless, since your property taxes are the sum of multiple mill levies from various districts, that hypothetical rate of 100 mills that I used above might actually be lower this year, further reducing your property tax bill.

To guide Jeffco homeowners through the appeal process, I created a website which you may find helpful. It's at www.HowToAppealValuations.info. Meanwhile, let me give you some key advice.

1) You can only appeal the assessor's valuation by citing comparable sales during the 24 months prior to June 30, 2016. Unless your home was mischaracterized (wrong neighborhood, style, etc.), **all eligible comps** are listed under "Neighborhood Sales" on the assessor's web page for your home, so don't bother looking elsewhere.

2) You must "age" every comp you cite in your appeal by about 1% per month, since Jeffco properties increased by an average 22.8% over that 24-month period. Thus, if a comp sold in Jan. 2016 for \$500,000, you can't cite it as a comp at the price, but must increase that price by 6% to its theoretical value as of June 30, 2016.

To find your home on the assessor's website, visit <http://assessor.jeffco.us> and click on "Property Records Search."

As I write this, I haven't seen the letter myself. Last cycle, the Jeffco Assessor stopped saying which comps they used to calculate each home's value. That's unfortunately. By comparison, Denver's assessor gives at least 3 comps and shows on their website how each one was used to establish value, much like in a formal appraisal.

This Week's Featured Listings From Golden Real Estate

5-Bedroom Home in Arvada's Valley at Rainbow Ridge

This 5-bedroom, 3½-bath 1994 home is located in Arvada's Valley at Rainbow Ridge subdivision, which adjoins Van Bibber open space park on the north and Skyline Park on the east. The address is **11793 W. 56th Circle**, only a block from a pedestrian/bicycle entrance to those parks. Among the features you'll appreciate about this 3,399-sq.-ft. home are the 3-car garage, the finished basement, hardwood flooring, newly poured concrete patio, the four upstairs bedrooms, and the spacious master suite with its vaulted ceiling and updated bathroom. More pictures and info are at www.RainbowRidgeHome.info. Open House is on Saturday, May 6th, 1-4 pm.



Updated Townhome Listed by David Dlugasch

The owners of this 3-BR townhome at **10649 W. Dartmouth Ave.** have spent the last year remodeling it with top notch finishes, including new windows, carpeting, paint and hardwood floors on the main level, which overlooks a living area with high ceilings and fireplace. Beautiful light fixtures, granite counter tops, ceiling fans and new closet doors give this home a warm and inviting atmosphere. The large master bedroom has plenty of room for a king-size bed and more. Nice patio too! Tour it at www.LakewoodTownhome.info or call Dave Dlugasch at 303-908-4835.

Half-Acre Wondervu Lot Listed by Jim Swanson

Wondervu is a settlement at the very top of Coal Creek Canyon, about 12 miles west of Highway 93. It's so named because of the amazing view of the continental divide which appears suddenly as you pass the Wondervu Café. This half-acre parcel (unusually large for the Wondervu community), consists of two smaller lots across from the Café, where a home once stood. The address is **33465 Coal Creek Canyon Road**. The original home burned down in May 2015. What remains is a 250-sq-ft addition and two outbuildings still occupied by the seller, plus a registered well and septic system. This property presents a great opportunity to build a new home in a cozy and friendly community of mostly small cabins. More info can be at www.WondervuLot.info, or call Jim Swanson at 303-929-2727



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