

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 Denver homeowners will have received in the mail a letter from the Denver Assessor declaring the "Actual Value" of their real estate holdings in the City & County of Denver. The same is happening in all Colorado counties. The letters give taxpayers until June 3rd to file an appeal of that valuation which, if successful, could lower the "Assessed Value" (explained below) against which taxes will be levied for 2019 and 2020.

REAL ESTATE TODAY



By **JIM SMITH**, Realtor®

Property taxes in Colorado are paid in arrears, which means that the property tax for 2019 isn't payable until April 2020, and the property taxes for 2020 will be payable in 2021. 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, 2018, based on its condition on January 1, 2019.**

In other words, if your house was significantly improved between June 30, 2018 and January 1, 2019, the assigned value should be what your home in its **new** condition **would have been able to sell for on June 30, 2018**, 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 likely continue to rise for the next year or two, you will only pay property taxes for the next two years based on what it **might** have sold for in June of **last** year.

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 keeps going down—from 21% of actual value in 1982 to 7.15% today. That percentage creates the "Assessed Value."

To keep it simple, here's an example using round numbers. If the assessor said the market value of your home back in 2016 was \$500,000, your "Assessed Value" was 7.96% of that, which equaled \$39,800. If your mill levy was 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 new "Assessed Value" is 7.15% of that, or \$42,900. Thus, your tax bill, at 100 mills, will be \$4,290, a **7.8% increase in your property taxes despite a 20% increase in market value. That's only \$90 more than if your home was worth \$200,000 in 1982 when the assessment rate was 21%!**

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.

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.

Here are two key points you must keep in mind when appealing the valuation assigned to your home by the Denver assessor:

1) You can only appeal the assessor's valuation by citing comparable sales during the 24 months prior to June 30, 2018. Unless your home was mischaracterized (wrong neighborhood, style, etc.), **all eligible comps** are listed under "Comparables" on the assessor's web page for your home.

2) You must "age" every comp you cite in your appeal by about 1% per month, since the median increase in Denver residential property values was about 24% over that 24-month period. Thus, if a

comp sold in January 2018 for \$500,000, you can't cite it as a comp at that price, but must increase that price by 6% to obtain its value as of June 30, 2018.

To find your home on the assessor's website, visit www.denvergov.org/property and enter your address. When your property is displayed, then click on the address and you'll be able to click on a "Comparables" tab where you'll be able to see exactly how the value of your home (the "Subject" property) was determined against three or more comparable sales identified by address. If you feel that those comps are not truly comparable to your home, you can click on the "Neighborhood Sales" tab and choose three or more other comparable sales and cite those in your appeal. You have to file your appeal by June 3rd. Over the years, I've found in-person appeals to be most successful.

Southwestern Themed Home in the Meadowlake Subdivision

In this 3-bedroom, 2½-bath home at **6033 Alkire Court**, the switch plates have Kokopelli designs, and terracotta and turquoise colors predominate. The large yard backs to a greenbelt. It is three blocks from Meadowlake Park with its tennis courts and playground, and around the corner from a trail leading into Wyndham Park. It's evident as you walk through the home that the sellers, who bought it new in 1993, have been diligent in their care and maintenance of this home. Best of all, there's no homeowners association! Enjoy a narrated walk-through of the property (with drone footage) at www.ArvidaHome.info, then call your agent or Jim Smith at **303-525-1851** for a private showing. **Open Saturday from 1 to 4 pm.**



Fabulous Applewood Ranch-Style Home on a Quiet Street

This brick ranch at **3240 Arbutus Street** is in the Applewood Lane subdivision on the north side of 32nd Avenue across from the Manning and Maple Grove Schools. It's a self-managed HOA with annual dues of only \$120 to cover common area maintenance. I call it a "cul-de-sac" neighborhood because there is no through traffic, just neighbors getting to and from their homes. This home has 3 bedrooms plus a study that could be a 4th bedroom and 2½ baths on the main floor. The basement is unfinished except for the fully installed and working 4th bathroom. It is so ready-to-finish that there are framed walls and 25 sheets of drywall waiting to be installed! The sellers are the original owners of this 1993 home. View a narrated walk-through of the home at www.ApplewoodHome.info. **Open Sunday, May 12th, 11am-2pm.**



2-BR Townhome Close to the Link Rec Center & Belmar

This updated end unit at **1230 S. Reed St #6** in Lakewood features vaulted ceilings and spacious living areas including a roomy kitchen, large dining area and expansive master bedroom. Additional features include a main-level laundry and a private fenced courtyard! The finished basement has a non-conforming bedroom, abundant storage spaces and roughed in plumbing for a 3rd bathroom. Includes 2 parking spots. Less than a mile to Belmar shopping and entertainment! For a private showing, call **Andrew Lesko** at **720-710-1000** Tour it at LakewoodTownhome.info. **Open Sat. 11-3.**



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