

FREQUENTLY ASKED QUESTIONS

Q My property's value decreased significantly – will my property taxes also decrease significantly?

A Your tax bill may decrease; however, keep in mind that your property taxes will not change at the same rate as your property value. Property taxes are a result of assessed value running against the mill levies. The mill levies are established by the taxing districts at the end of each calendar year, based on the revenue needed to fund their annual budget. While there are constraints within the Colorado Constitution and Statutes to prohibit excess taxation, the responsibility lies with the taxpayer to attend the annual budget meetings of these tax districts and ensure the expenses within the budgets are reasonable and necessary. Tax districts are non-profit entities and are required to publish the dates of their meetings and provide financial statements at the public's request.

Q Why is the Assessor using sales from 5 years ago, when the market was at its highest?

A Residential properties, by law, must be valued solely by the market approach, using comparable verified sales from an 18-month minimum period ending on the appraisal date of June 30th. In reappraisals with low sales volume, up to 60 months of sales may be necessary to comply with audit requirements. When older sales are used, they must be adjusted (increased or decreased) to compensate for any significant changes in the market since the sale occurred. This process is called time trending because it adjusts or "trends" the sale price to match the market conditions as of the appraisal date. To see the time adjustments on the sales, visit the "Reappraisal Sales" page of the Assessor's office website.

Q Why are the taxes on my vacant land so much higher than the taxes on my neighbor's house?

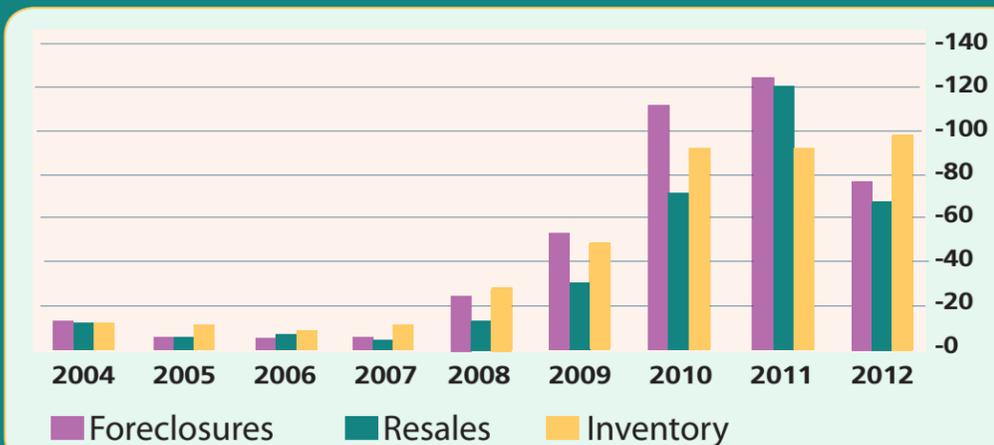
A A 1982 amendment to the Colorado state constitution set the assessment rate for all property, except residential improved property, at 29%. The purpose of this amendment, known as the Gallagher Amendment, was to limit the residential share of property taxes. The state legislature adjusts the residential assessment rate each reappraisal year to keep the property tax burden from shifting to residential property. The current assessment rate for residential improved property is 7.96%.

Q Are foreclosures included with the sales that the Assessor's office analyzes to set value?

A If a bank acquires a property through foreclosure, then sells the property on the open market as an arm's length transaction, the sale is considered valid and is included in the Assessor's analyses. A foreclosure is a legal process that transfers a property back to the lender or guarantor when the property owner defaults on their payments. A Deed in Lieu of Foreclosure is another method of transferring the property back to the lender or guarantor. These transfers do not constitute a sale; they are a transfer of debt under duress. A short sale is often used as an alternative to foreclosure and constitutes a sale of property in which the proceeds from selling the property will fall short of the total debt on the property. The guarantor agrees to accept less than the amount owed to avoid the additional costs of foreclosure. A short sale is a sale under duress and is excluded from the comparable sales lists.



Gunnison County Foreclosure Trends



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May 2013

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2013 Reappraisal Timeline

Single Family Residence Sale Trends

Notice of Valuation

Frequently Asked Questions

Foreclosure Trends

Median sales prices for single family residences appear to have stabilized after the boom-and-bust cycle of 2007 through 2011, and are now generally in line with the longer term trend of steady but moderate growth experienced during the preceding decade. In some areas of the county, the rebound began before the reappraisal date of June 30, 2012, while other areas are indicating improvement since that point.

The market recuperation is not necessarily evident in the 2013 notices of valuation. Vacant land and condominiums have continued to decline in value, although there are pockets of increased value throughout the county. Collectively, single family residences in Gunnison County have declined slightly in value, with better than average construction quality houses recovering more quickly than those with average or less than average construction quality. Commercial property values have fluctuated.

The total number of real estate transactions continues to be low, in comparison with previous years. Foreclosed and distressed properties are keeping the sales prices repressed in some neighborhoods. While the number of foreclosures is trending down, the unsold foreclosure inventory peaked in 2012 and until reduced will continue to be competing with non-distressed sales.

Gunnison County's trends are consistent with other western slope and ski area counties. To view sales trends by all Colorado counties, visit the Department of Local Affairs, Division of Property Taxation website and choose "Colorado Assessed Values" in the Publications section.

Gunnison County Total Assessed Value 1996-2012



2013 Gunnison County Assessor Report

2013 REAPPRAISAL TIMELINE - APPRAISAL DATE: JUNE 30, 2012

WHAT YOUR 2013 NOTICE OF VALUATION REPRESENTS

- All property in Colorado is reappraised by county assessors in even-numbered years, on June 30th. Your valuation notice is dated May 1, 2013, and represents your property value as of June 30, 2012, the reappraisal date.
- While the market may have changed between July 1, 2012 and May 1, 2013, those changes do not affect the June 30, 2012 appraisal date, the basis for your 2013 value. All sale activity occurring after June 30, 2012 affects the next reappraisal, in 2015.
- Your 2013 value is determined by analyzing sales between July 1, 2007 and June 30, 2012. These sales establish the value of all properties.
- Sales occurring early in the sales study period are time-adjusted to reflect the market conditions as of the appraisal date, June 30, 2012.
- To see the effect of the time adjustment on the sales, visit the Gunnison County Assessor's Office website and choose the link "Reappraisal Sales."



SINGLE FAMILY RESIDENCE SALES TRENDS 2003-2013

