

From: Cheryl Hasselbring <cheryl.hasselbring@pitkincounty.com>
Sent: Wednesday, April 5, 2023 2:43 PM
To: Tim Estin <Tim@estinaspen.com>
Subject: The Colorado Property Tax Valuation Process explained

The State of Colorado requires county assessors to perform a reappraisal of all real property every two years in the odd year. Notice of Valuation (NOV) for all properties will be mailed on May 1, 2023 to the address on record.

The NOV is not a tax bill. It is a notice of value of each property as of the market on June 30, 2022 (the Valuation Date) and the condition of the property as of Jan 1, 2023 (the Assessment Date). The final Actual Value of each property is applied to the mill levy approved by voters in the November elections post-election. The new or unchanged mill levies are applied to the property valuation and a corresponding tax bill will be sent out on January 1, 2024 for 2023 taxes. Taxes are paid in arrears: 2023 Taxes are paid in 2024.

To determine 2023 values, the assessor uses sales data from the 18 months* preceding June 30, 2022 (January 1, 2021 to June 30, 2022.) Sales after this time frame will be used in the next re-assessment cycle in 2025.

Assessors look at sales transactions of comparable properties in relevant neighborhoods to determine individual property owner's valuations, in the same way a fee appraiser evaluates property for a lender.

For Comparable sales: <http://www.pitkincounty.com/197/Comparable-Sales>

Generally, the valuations are a trailing indicator and are different from actual real time market values (in either a rising or falling market). Also, they do not take into account future anticipated values such as new construction or remodels until that work is actually performed and recognized within the respective sales data period.

Question to Assessor: So, the Jan 1, 2024 tax bill is for 2023 valuations. What happens in 2025...since 2024 is an even year...?

Answer: Properties that change in even years (new construction, demolition and other changes) do get "revalued" in the intervening year. If there has been no change to the property from January 1, 2023 to January 1, 2024, then the 2023 Actual Value will stay in place and taxes for the 2024 tax year will be calculated in the same manner and applied to the final mill levy at the end of 2024. The 2024 Tax Bill (as the property sat on Jan 1, 2024) will be mailed out around January 1, 2025.

**Colorado law requires that valuations be "time trended" so all values are time adjusted to reflect a specific point in time. For 2023 taxes, that date is June 30, 2022. The law states that the time trend can take place according to the assessor's best judgement: Typically in Pitkin County the time period has been 24 months, but it can be as short as 18 months (2023 taxes) or in some cases extended out to 5 years.*

Thanks, Cheryl Hasselbring, Senior Appraiser, Pitkin County Assessor