

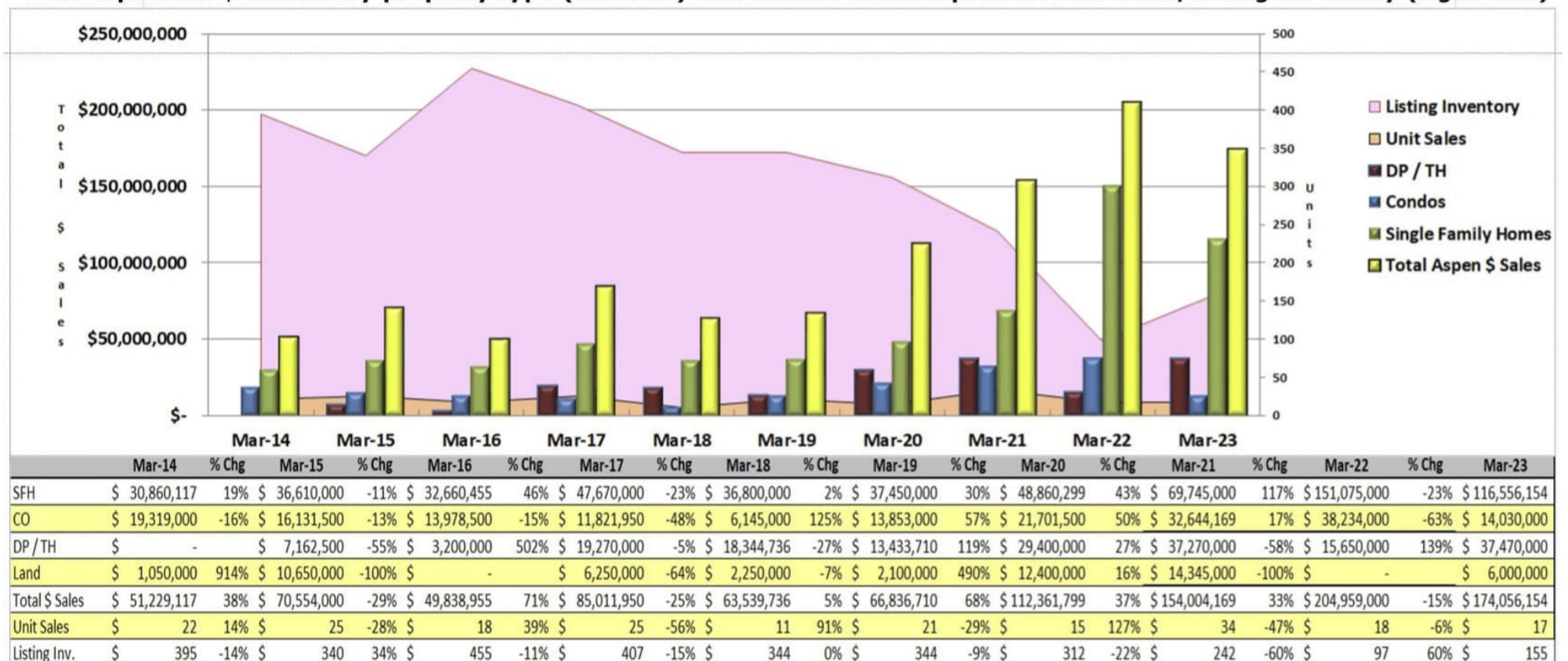
# Pitkin County property taxes won't skyrocket like property values have

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## March 2023 Aspen Sales Comparisons

Bars represent \$ volume by property type (left axis) and shaded areas represent unit sales/listing inventory (right axis)



\*Includes Aspen, Brush Creek Village, Woody Creek, and Old Snowmass homes over \$1.5M. Vacant land excluded for scale reasons.

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This graph from Tim Estin illustrates the relationship between residential property inventory versus sale price in Aspen year-by-year from each March from 2014-2023. *Tim Estin/Courtesy image*

As property values rise, so do property taxes. But most property owners in Pitkin County will be shielded from intense tax hikes due to restrictions on tax revenue at the state, local, or tax district level.

Colorado requires county assessors to re-evaluate property value every two years on odd years, so property owners are braced for a jump in their property value, plus property taxes.

But county staff cautioned against panic over potential skyrocketing residential property taxes.

“Generally speaking, I think if you’ve got a 70% increase in your valuation, you’re not going to get a 70% increase in property tax because of some of those districts that you pay property tax to have restrictions,” said Ann Driggers, the Pitkin County chief financial and administrative officer who is responsible for calculating property tax.

There are 53 active [tax entities](#) in Pitkin County, and all of them have different restrictions on collecting tax revenue.

Some restrictions come from the state, like the [5.5% Property Tax Revenue Limit](#) and the TABOR revenue limit, which allows for an annual change in property tax revenue based on the percentage change of the Boulder/Denver CPI and the local growth.

Pitkin County is one of two counties statewide that wrote a restriction into the Home Rule Charter, according to county Assessor Deb Bamesberger. Generally, the Home Rule Charter restriction is the least stringent of all possible restrictions.

The most stringent of restrictions applies, unless a tax district “debruced,” or opted out of state restrictions via a vote. Individual tax entities can implement their own restrictions through a ballot measure or elect to have no restrictions at all.

“Even if the taxing entity is exempt from any state restrictions such as TABOR or the 5.5%, they may be subject to a local restriction which was enacted by voters when initially approving the tax,” Drigger explained. “For example, the Pitkin County Healthy Community Fund is exempt from state restrictions but has placed a restriction limiting revenues to the fund to be no more than inflation.”

The complicated and localized nature of tax districts and restrictions means that wherever property is located within the county will determine how much a property owner pays in taxes.

The tax bill will list line by line all the taxing districts and their mill levies for owners, plus the dollar amount.

## The process of re-evaluating property value

The process all starts with the county Assessor's Office conducting a mass appraisal of property within Pitkin County, approximately 16,915 properties. They pull property sales data in the county from a time frame guided by the state.

"The state statute says that we need to use the last 18 months. Or if there aren't enough sales, we can go back up to five years. And typically, Pitkin County has been using a two-year cycle," Bamesberger said. "But this last two-year cycle, there were so many huge sales in that first six months that we threw that out because it was really good to mess with the values. So we started with January 2021 and went to June of 2022. And it worked better as far as the values go."

The mass appraisal software calculates an updated property value from sales Jan. 1, 2021, to June 30, 2022, and the Assessor's Office will mail out notices of valuation on May 1. If a property owner disagrees with the reassessed value, they send an appeal back to the Assessor's Office from May 2-June 8.

If it is denied, the owner may take the appeal to the county Board of Equalization, where the county commissioners hire hearing officers to be mediators between the Assessor's Office and the taxpayer. Beyond that, an owner could take the issue to the Board of Assessment Appeals in Denver or district court.

Bamesberger roughly estimated that about 25% of those appeals are approved through her office, then about 15%-20% of appeals that make it to the Board of Equalization get approved.

She said her office usually sees 1,200-1,300 appeals on an average cycle, but that number jumps when property value shifts drastically between re-evaluations.

The job of the Assessor's Office is to value property, educate the taxpayers how to file a successful appeal and understand where tax dollars are being used. The assessor also does not issue tax bills, establish tax rates or mill levies, collect or refund taxes, nor determine special assessment or maintenance district fees.

## How property taxes are calculated

"To get a tax number, you take the actual value times the residential assessment rate to get the assessed value, then times the mill levy whatever it may be to get their taxes," Bamesberger said.

The residential assessment rate for multi-family residential real property is 6.8% and for all other residential property is 6.95%, which is set by the state. The notice of value, or assessed value, calculated by the Assessor's Office is multiplied by that percentage and any mill levies in the district to get the actual value.

And this is where the restrictions come back into play.

"Each fund is subject to limitations or restrictions on revenue and/or tax rates. Methods of mill levy calculation vary, due to different restrictions or combination of restrictions on each fund," Driggers said.

The Assessor's Office sends out the certification of values to tax districts in August. Those districts work on their budgets, and at the end of that process, they set their mill levy. That information is given to the county treasurer, who then sends out property tax notices.

Districts have until December to finalize their mill levies, so property owners can expect their tax notices in January. No change in property tax will take place until then.

"Property tax is never the same. There are revenue restrictions on many. And that prohibits us collecting more than a certain amount," Driggers said. "So that would mean that if somebody's house value had gone up 1,000% or something, we still couldn't collect more than a 5.5% increase (or whatever restrictions apply)."

Driggers also noted that even though taxes will rise this cycle with higher property value, districts should not expect to be flush with capital as inflation likely affected their budgets.

## The changing housing market

The real-estate market in Aspen and the county has always been cutthroat. But the COVID-19 pandemic brought about a shift in the housing market at a similar scale to the chaos of the 2008 financial crisis.

Tim Estin is a local Aspen Snowmass Sotheby's broker who writes about the [Aspen real estate market](#). Data from the Aspen MLS shows how prices are steadily rising.

He reported that the median price for a single family home in the Aspen market hit \$13.96 million, or \$2,424 per square foot in March 2023. A year prior, buyers paid a median price of \$11.625 million, or \$2,205 per square foot.

And along with prices climbing, so is the number of units on the market.

“While inventory remains at record lows, in March YTD, we saw a 60% increase of Aspen properties for sale over last year, 155 now vs. 97 then,” Estin said. “In Snowmass Village, a 45% increase, 74 vs 51 (units). More properties are continuing to come onto the market — a sign that perhaps market dynamics may be slowly shifting in the buyer’s direction.”

Estin also said Aspen first quarter unit sales are down 43% — 36 in 2023 vs. 63 in 2022 — and down 44% in dollar sales — \$347 million in 2023 versus \$621 million 2022.

As a broker, Estin said that property taxes are not a huge part of the conversation in a residential sale.

“Property taxes in Pitkin County are amongst the lowest in the country,” he said. “We generally have the highest property prices but the lowest property taxes. Because of that, the issue of property taxes is usually addressed once and then forgotten.”