

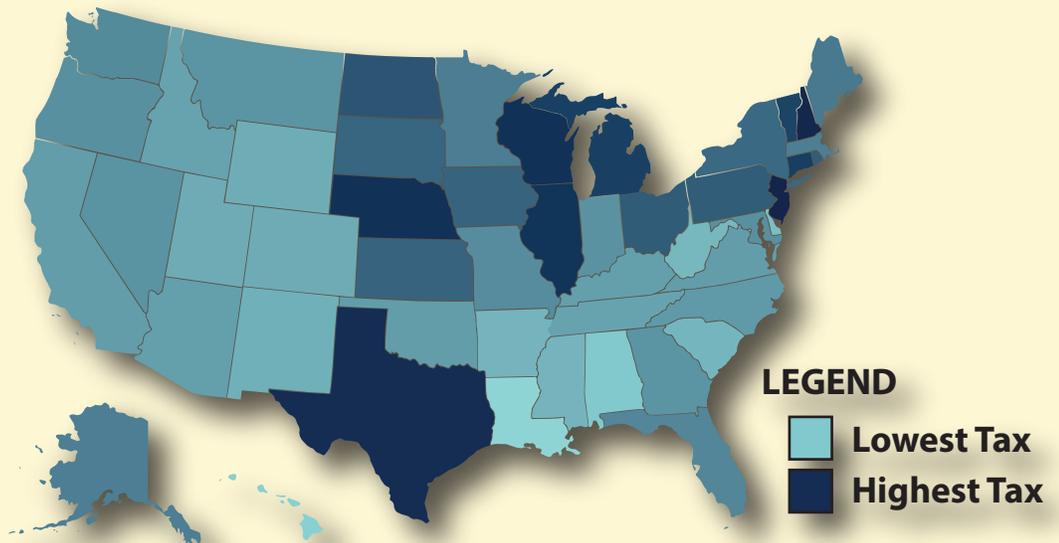
WHAT YOUR 2019 NOTICE OF VALUATION REPRESENTS

- Property throughout Colorado is appraised by County Assessors every odd-numbered year for property tax purposes. The 2019 reappraisal establishes the 2019 and 2020 values. The appraisal date for 2019 and 2020 values is June 30, 2018.
- Your 2019 Notice of Valuation reflects the probable price your property would have sold for on June 30, 2018.
- Colorado Assessors value residences by the Market (or Sales Comparison) Appraisal approach to value, using sales from a specific time frame. This time frame, known as the "study period," is between 18 and 60 months and ends on the appraisal date.
- To appraise large numbers of properties as of a single point in time, a technique called mass appraisal is used to establish property values. In mass appraisal, property sales from the study period are analyzed together to determine how characteristics such as location, size, construction quality, and access influence sales price.
- Your 2019 value will remain unchanged in 2020 unless there are changes to the property during 2019, such as new construction, remodeling, demolition, change of use, etc.

A CLOSER LOOK AT THE PROPERTY TAX LANDSCAPE

Nationwide, the median property tax rate for American households as a percentage of home value is 1.19 percent. In Colorado, that median is 0.6 percent, or roughly half the national rate. In fact, 38 other states have higher rates.

Check out this map to see how Colorado compares to other states.



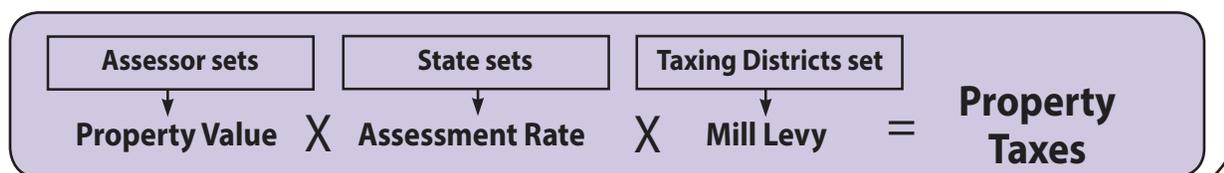
Wyoming: 0.58%
Utah: 0.6%
Colorado: 0.6%
Arizona: 0.72%

California: 0.74%
Florida: 0.97%
Nebraska: 1.76%
Texas: 1.81%

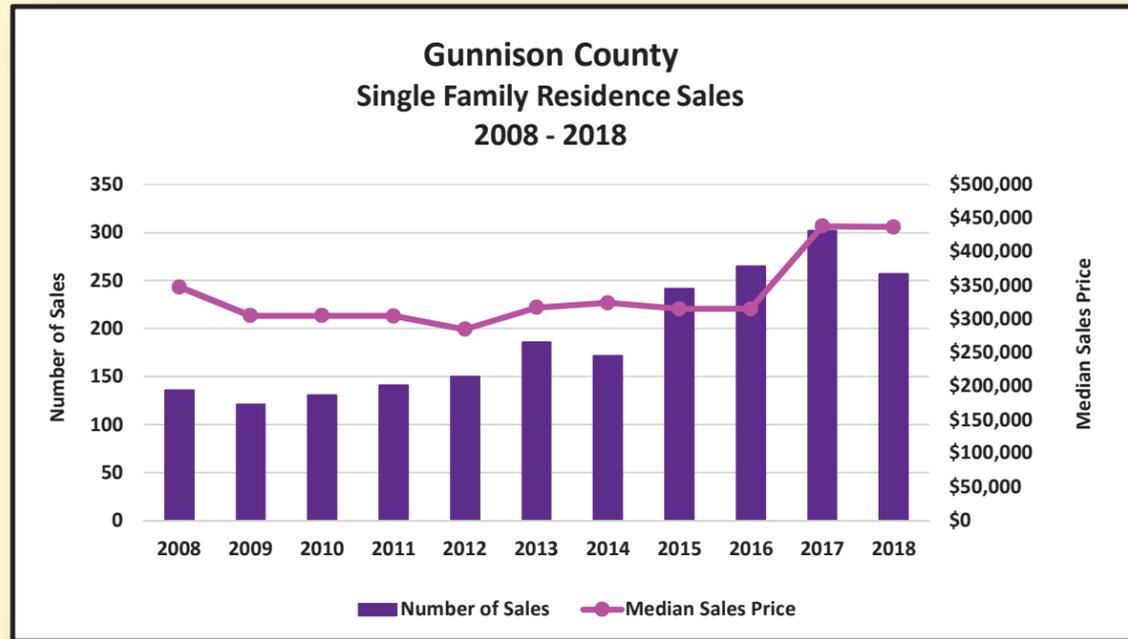
Sources:
www.tax-rates.org/taxtables/property-tax-by-state
and www.smartasset.com/taxes/property-taxes

How are Property Taxes Calculated?

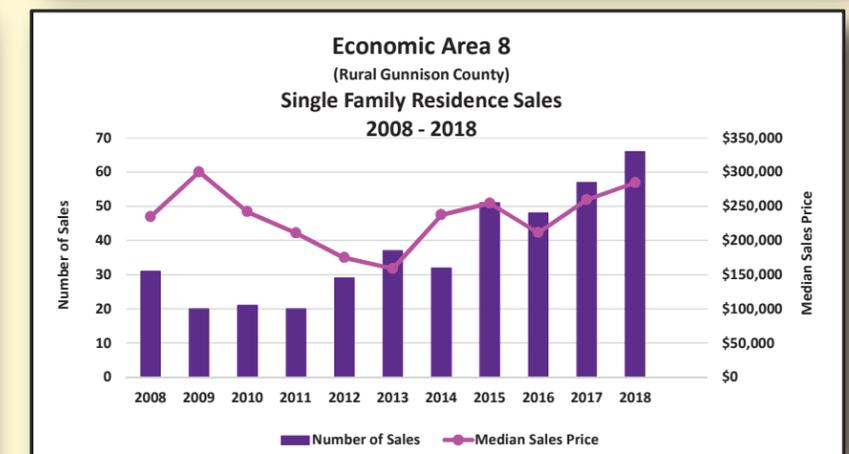
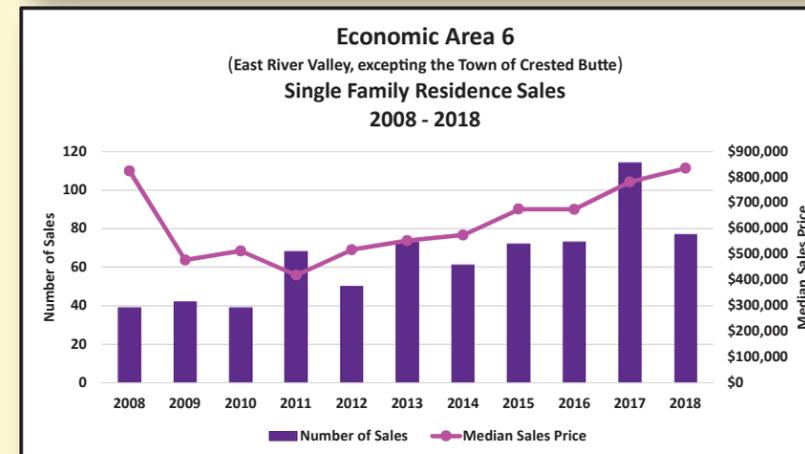
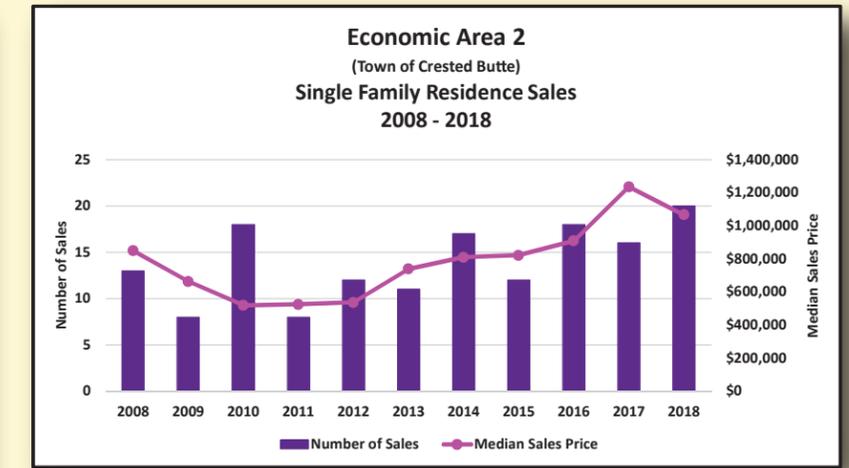
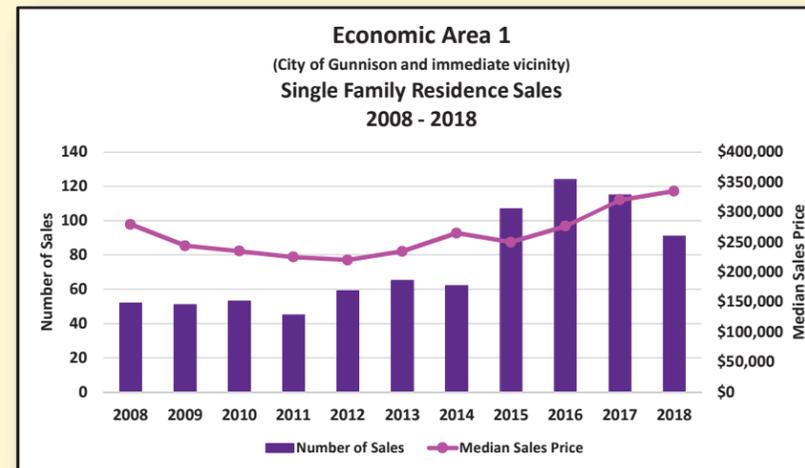
Property taxes are calculated by first multiplying the actual value of your property by the state-determined assessment rate to arrive at the assessed value. The assessed value is multiplied by the mill levy to arrive at the taxes due on your property. The County Treasurer is responsible for mailing the tax bill and collection of taxes. You will receive a tax bill from the Treasurer each year in January for the previous year's taxes.



SINGLE FAMILY RESIDENCE SALES TRENDS



These graphs depict single family home sales verified by the Assessor's Office as arm's-length transactions (on the open market, not between related parties, etc.). Condominiums and manufactured housing sales are excluded from these graphs.



PROPERTY VALUES ARE GOING UP AND THE RESIDENTIAL ASSESSMENT RATE IS GOING DOWN

Gunnison County's 2019 values have increased, more so in the upper East River valley than elsewhere in the county, as depicted in the graphs above. In 2018, Gunnison County's median sales price for a single family residence (excluding condominiums and manufactured housing) was \$437,000, up from \$315,000 in 2016. If including condominiums and manufactured housing, the 2018 median sales price drops to \$322,000. The 2018 median sales price for a single family home at the north end of the valley was \$925,000, while in the Gunnison area the median was \$335,000.

Offsetting these valuation increases is a projected drop in the assessment rate. In 2017, the residential assessment rate dropped to 7.2% from 7.96%, the rate from 2003 to 2016. In May of this year, the Colorado General Assembly will again adjust the residential assessment rate. The preliminary estimate is a drop to 6.95%. The assessment rate for non-residential property remains unchanged at 29%.

FREQUENTLY ASKED QUESTIONS

- Q HOW CAN MY ASSESSMENT OR VALUE CHANGE WHEN I HAVEN'T DONE ANYTHING TO MY PROPERTY?**
A While a property may not have been updated and characteristics remain the same, the property value is based on what it would sell for as of the current appraisal date. Real estate values are influenced by numerous external economic, social, governmental, and physical factors. As property values change in the market place, those changes must be reflected on the assessment roll. The word 'improvement' is an appraisal term that refers to a structure that is on a property, and does not imply that the structure has been improved since the last reassessment.
- Q IF I BOUGHT MY HOUSE DURING THE STUDY PERIOD, SHOULDN'T THE VALUE BE THE SAME AS WHAT I PAID FOR IT?**
A One sale alone does not determine market value. For consistency and equalization purposes, all neighborhood sales must be considered when establishing a level of value. Your sales transaction is verified and then will be considered along with sales of similar properties, as long as it is an arm's-length, open market transaction.
- Q WHY DOES THE ASSESSOR'S OFFICE USE MEDIAN VALUES INSTEAD OF AVERAGE?**
A When you have a set of values, for example the sales prices of single family homes in Gunnison County, the median value is the value closest to the middle of the set. This means that half of the values in the set will be greater than the median and half of them will be less. On the other hand, the average (or "mean") is the sum of all the values added together divided by the number of values in the set. Whenever there's a wide range of variability in a set of values, such as a lot of extremely high or low values, the median is not affected by the outliers and so it makes for a more accurate measure of "middleness" than the mean. Remember, when Bill Gates walks into a bar full of people, the average wealth of the patrons becomes millions of dollars, but the median wealth doesn't change...

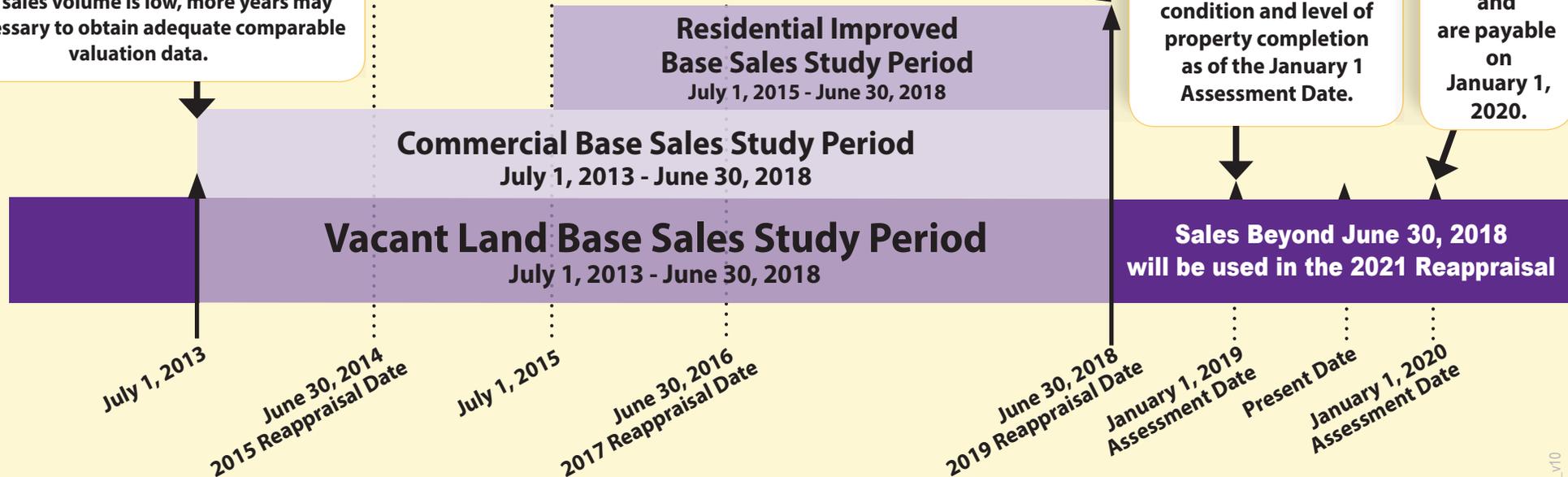
2019 REAPPRAISAL TIMELINE - APPRAISAL DATE: JUNE 30, 2018

When sales volume is low, the sales study period can be extended up to 60 months prior to the reappraisal date. For the 2019 reappraisal, Gunnison County used 5 years of sales for commercial property, between 2 - 5 years for vacant land, and 2 - 3 years for residential improved. When sales volume is high, fewer years can be used. When sales volume is low, more years may be necessary to obtain adequate comparable valuation data.

Sales used for analysis are valid, arm's-length transactions. The sales prices in the study period are adjusted to match the market conditions as of the appraisal date. The time adjusted sales price reflects what the sales price would likely have been had the property sold on June 30, 2018.

Values are based on condition and level of property completion as of the January 1 Assessment Date.

2019 property taxes are calculated on the June 30, 2018 level of value and are payable on January 1, 2020.



ADJUSTING FOR TIME

It is common for market conditions to change during the course of the study period, causing property values to go up or down over time. The Assessor's job is to value all property as of the appraisal date (being at the very end of the study period). Sales that occurred earlier in the study period may need to be adjusted to compensate for market changes between the time of sale and the appraisal date. If the market has appreciated, early sales will be adjusted up to account for the change. If the market has declined, earlier sales will be adjusted down. The result of these adjustments are called "time adjusted sales prices," or TASPs. These TASPs are what the Assessor analyzes to determine property values as of the appraisal date. To see the sales we've used in our analysis, visit the Assessor's website and click on the link "Reappraisal Sales."



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