

The 2023 Reappraisal: Tremendous Valuation Increases for Most Properties

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Under Colorado law, county assessors' offices throughout the state conduct a complete revaluation of all properties in their county every two years. The Colorado Legislature sets the appraisal date, the market sales data collection period, and the annual calendar for the assessment process.



The previous revaluation was completed in 2021 and was based on a June 30, 2020 level of value. These valuations were established using market sales data from January 1, 2019 through June 30, 2020 and were used for tax years 2021 and 2022 (payable in 2022 and 2023 respectively). As a result of the assessment calendar, property tax assessment valuations will always lag behind current market conditions. The current revaluations are based on a June 30, 2022 level of value. The new values have been established using market sales data from January 1, 2021 through June 30, 2022 and will be used for tax years 2023 and 2024 (payable in 2024 and 2025 respectively). Sales transactions occurring after June 30, 2022 cannot be considered until the 2025 reappraisal.

Due to the recent revaluation, real property classes saw the following changes. Vacant land experienced an overall average valuation increase of about 60%. These substantial increases in vacant land valuations were primarily due to very strong demand for new single-family home sites. Most residential improved properties, including single-family residences, condominiums, and townhomes typically increased about 45% to 50%. This upward trend in the residential market occurred throughout most of the County, including the Nucla/Naturita area which experienced a 50% to 60% increase. The Paradox/Bedrock area located in far western Montrose County had the highest valuation increase on average of about 80%. Most commercial and industrial properties also had sizable valuation increases, although the increases were slightly more modest as compared to the residential sub-class. The rate of change for commercial properties varied significantly based on the location, property type, and the age of the property. On average most commercial properties experienced valuation escalations between 30% and 35% over the two year period. Irrigated farmland had a relative modest increase in valuation for the 2023 reappraisal at about 7%. In conclusion, these tremendous overall increases in property values within Montrose County followed a similar trend to what occurred within most Western Colorado Counties. (See chart below)

Median % Change in Value: Western Colorado Counties		
	Residential Improved Properties	Commercial/Industrial Improved Properties
Delta	45%	15%
Garfield	45%	25%
Gunnison	53%	16%
Mesa	40%	42%
Moffat	26%	23%
Montrose	47%	32%
Ouray	66%	47%
Rio Blanco	30%	12%
San Miguel	58%	28%
Overall Average % Change	46%	27%
Overall Median % Change	45%	25%

The following is a general review of property assessment and taxes. Three factors determine the level of taxes on a property: the market valuation, the assessment rate, and the mill levy.

(Market Value x Assessment Rate = Assessed Value x Mill levy = Taxes)

The assessor’s office is solely responsible for establishing valuations, not taxes. To accomplish this, the assessor uses actual market sales transactions to build a mass appraisal valuation model that is then used to set the values on all properties within the county. With the 2020 repeal of the Gallagher Amendment to the State Constitution, assessment rates are now dictated by the Colorado Legislature for all 64 Colorado Counties. In an attempt to off-set the tremendous valuation increases across the entire state, the Legislature has made the following reductions in statewide assessment rates for several property classes for tax year 2023.

Assessment Rate by Property Class	2022 Tax Year	2023 Tax year
Residential	6.95%	6.765%
Residential-Multi-Family	6.80%	6.765%
Renewable Energy	26.40%	26.40%
Agricultural	26.40%	26.40%
Commercial, Industrial, Vacant Land	29.00%	27.90%
Business Personal Property	29.00%	27.90%
Other Agricultural Property	29.00%	27.90%
Oil & Gas	87.50%	87.50%

In addition to lowering assessment rates, the Colorado Legislature has also provided an actual value exemption of \$15,000 per residential property and \$30,000 per improved commercial property for tax year 2023. These actual valuation exemptions will not be reflected in the Notices of Valuation, but will be applied prior to the 2023 tax bills being mailed. The last component used to calculate taxes is the mill levy. Mill levies are established by the county commissioners, school districts, and the boards of the various taxing entities (fire, recreation, library, sanitation, cemetery, etc...). A summation of these various individual levies is applied to the assessed value to determine the taxes due. It is undetermined at this time what the 2023 mill levies will do since the taxing entities will not set their 2023 mill levies until later this fall during their budget hearings.

Ultimately, the assessor’s goal is to equalize property values and ensure that the tax burden is distributed fairly and equitably among property owners within the statutory and constitutional guidelines of the State of Colorado.

After receiving your new Notice of Valuation in early May 2023, please review your change in value. If you would like to review your property characteristics or research property records, please go to our online public records search program at <http://eagleweb.montrosecounty.net/eagleassessor/web>. If you would like to view sales used to establish the 2023 valuations, please go to <http://www.montrosecounty.net/assessor>. If you disagree with the new valuation, there are detailed procedures on the back of the notice explaining how to appeal your valuation. In anticipation of a high volume of inquiries, we have established an appointment only review process. After your own review of the reassessment data, if you wish to discuss your Notice of Valuation with an appraiser, you will need to schedule a 15 minute appointment. If you would prefer to return a completed appeal form, they can be dropped off at the office, mailed, or emailed prior to June 8th, 2023.

If you have any additional questions, please call the Montrose County Assessor’s Office at (970) 249-3753 or email us at assessor@montrosecounty.net. We are located at 320 S. 1st Street, in the lower level of the historic courthouse.