

INTRODUCTION

The county assessor is responsible for discovering, listing, classifying, and valuing all property in the county in accordance with state laws.

Property is classified by the assessor according to its actual use on January 1 of each year. The property's classification determines the rate at which the property will be assessed.

In 2011, House Bill 11-1042, as a response to the Fourmile fire (Boulder County) in the fall of 2010, prompted legislative changes to the classification process for assessors.

In 2014, House Bill 14-1001 introduced the state funded reimbursement program for properties that were destroyed by natural causes.

HOUSE BILL 11-1042

Amends the definition of "residential land" to include "land upon which residential improvements were destroyed by natural causes after the date of the last assessment as established in § 39-1-104(10.2), C.R.S."

Additionally, the bill specifies as of January 1, 2010 the residential land classification shall remain in place for the year of destruction and two subsequent years if the assessor determines there is evidence that the owner intends to rebuild or locate a residence on the land.

HOUSE BILL 14-1001

Commencing on or after January 1, 2013 real or personal property listed on a single schedule that was destroyed by natural causes shall be subject to a reimbursement from the state in an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred.

SENATE BILL 16-012

Grants the assessor the authority to extend the residential land classification to a landowner if good faith efforts are being made to reconstruct residential improvements that were destroyed by a natural cause

STATUTORY DEFINITION

Section 39-1-102 (8.4), C.R.S., "Natural Cause" means fire, explosion, flood, tornado, action of the elements, act of war or terror or similar cause beyond the control of and not caused by the party holding title to the property destroyed.

STATUTORY REFERENCES

Section 39-1-102 (14.4)(a), C.R.S., "Residential land" includes land which residential improvements were destroyed by a natural cause after the date of the last assessment.

Section 39-1-102 (14.4)(b), C.R.S., when residential improvements are destroyed, demolished or relocated as a result of a natural cause on or after January 1, 2010, that if it wasn't for their destruction, demolition, or relocation, would have qualified as residential the following property tax year. However, the residential classification shall remain in place for the year of destruction, demolition, or relocation and the two subsequent property tax years. The residential classification may remain in place for additional subsequent property tax years, not to exceed a total of five subsequent property tax years, if the assessor determines there is evidence that the owner intends to rebuild or locate a residential improvement on the land.

Section 39-1-102 (14.4)(b)(II) (A), C.R.S., the property owner should provide a good-faith effort to provide documentation to construct or place a new part of a new residential improvement on the land, and that additional time is necessary.

RESIDENTIAL LAND CLASSIFICATION AFTER DESTRUCTION BY NATURAL CAUSES

Assessors are instructed by statute to continue classifying land as residential if the residential improvements that were previously on the property were destroyed by natural causes. This classification can remain on the property indefinitely based on § 39-1-102(14.4)(b)(II)(A), C.R.S., if the assessor has received documentation that good faith efforts are being made to reconstruct a residential improvement.

REIMBURSEMENT PROCESS

Real or business personal property listed on a single schedule may be eligible for property tax reimbursement from the state if the property was destroyed by natural causes, § 39-1-123, C.R.S.

Assessor's Role

- Determines real and or business personal property destroyed by natural causes
- Prorate the real property – do not count the day of destruction as a taxable day
- Damaged property does not meet the statutory guidelines for proration
- Land is typically not destroyed
- All items on a single Personal Property schedule must be destroyed to meet the guidelines for reimbursement
- Personal Property is not prorated

Assessor compiles a report of destroyed properties that is delivered to the county Treasurer on or before December 15th.

The real property report contains the following:

- Legal description
- Schedule or parcel number
- Name of real property owner
- Description of the real property
- Date of destruction
- Prorated property taxes

For business personal property on a single schedule the report contains the following:

- Schedule or identifying number
- Name of the taxpayer or lessee
- Property taxes due for the year

County Treasurer's Role

Treasurer will verify the property tax that is eligible for reimbursement within 30 days of receiving the report from the assessor.

As soon as practicable after the treasurer verifies the report the treasurer will send the report to the state treasurer.

State Treasurer's Role

The state treasurer shall issue a reimbursement warrant to the applicable county treasurer in an amount equal to the total amount of property tax due. The reimbursement shall be paid from the state general fund.

Within 30 calendar days of receiving the funds the county Treasurer shall:

- Apply a credit to the tax bill of the destroyed properties for that year, or
- Pay the property tax owed for each destroyed property. If the owner paid the property taxes the Treasurer shall issue a reimbursement to the taxpayer

Any returned reimbursements shall be held for 6 months from the date the reimbursement was returned to the treasurer before it is sent back to the state treasurer. Any returned reimbursements shall be transferred to the general fund.

EXAMPLE:

Land actual value:	\$ 75,000
+ Improvement actual value:	\$200,000
Total actual property value:	\$275,000

Natural disaster June 27 177 taxable days

Improvement actual value ÷ 365 days
\$200,000 ÷ 365 days \$547.95/day

Improvement actual value per day x # of days taxable
\$547.95 x 177 days \$96,987

\$96,987 is the prorated taxable improvement actual value

The prorated taxable value x the residential tax rate is the assessed taxable improvement value

\$96,987 x 0.072 \$6,980

The assessed taxable improvement value x the mill levy is the amount the state will reimburse

\$6,980 x 0.085 (estimated mills) \$593.30

The land value is not adjusted nor are the land taxes reimbursed.

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 Baca County (719) 523-4332
 Bent County(719) 456-2010
 Boulder County(303) 441-3530
 Broomfield County(303) 464-5819
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 Cheyenne County (719) 767-5664
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 Eagle County(970) 328-8640
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 Gilpin County(303) 582-5451
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 Summit County..... (970) 453-3480
 Teller County..... (719) 689-2941
 Washington County (970) 345-6662
 Weld County..... (970) 400-3650
 Yuma County..... (970) 332-5032

NATURAL DISASTER VALUATION IN COLORADO



This brochure was created to provide general information on the Colorado property tax system. For more information on any one of these topics, please visit our website at colorado.gov/dola/property-taxation.

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