

How does your valuation equate to tax dollars?

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The property tax process begins with the County Assessor and ends with the various taxing entities that provide services to the citizens of Ouray County. While your property assessment and your property taxes are linked, they are very different processes.

The responsibility of the Ouray County Assessor's Office is to place all taxable property on the tax roll utilizing fair and equitable assessments as set forth by the Colorado State Statutes. Once these valuations are established, the Assessor reports the total assessed value of the County to each taxing entity by August 25th of each year. Soon after this date, each taxing entity will hold their annual budget meeting to determine the mill levy needed for their budget for the coming year.

County Commissioners, city and town councils, school board members and special district board of directors (collectively known as "taxing authorities" or "taxing entities") hold public budget meetings to determine the dollars needed for their upcoming year's operations. These taxing entities finance their operating budget, in part or in total, with property taxes. Each of these taxing entities has a geographic area that they provide services to, and all property owners in that geographic area contribute a portion of their property taxes for those services. Taxing entities are allowed to collect property taxes by setting a mill levy that runs against the total property value for their geographic area. Each taxing entity determines the revenue needed to operate in the coming fiscal year. The required revenue is then divided by the total assessed value to determine the mill levy for the entity.

As an example:

- Little Switzerland School District needs \$2,850,000 for its annual operating budget.
- The Assessor has determined that the collective property value within Little Switzerland's geographic area is \$100,000,000.
- The mill levy is then equated as follows: $\$2,850,000 \div \$100,000,000 = 2.85\%$ or 28.5 mills for that district

A vacant lot with an actual value of \$100,000 x 29%(assessment rate) = \$29,000 x 28.5 mills = \$826.50 to School Dist

A home with an actual value of \$300,000 x 7.96%(assessment rate) = \$23,880 x 28.5 mills = \$680.58 to School Dist

Tabor and Gallagher Amendments

The Tabor (Taxpayer's Bill of Rights) Amendment controls the amount of revenue that local governments and taxing entities can collect and spend. However, if an entity has "debruced," some or all of the restrictions placed on the amount of revenue they can collect and spend imposed by the Tabor Amendment have been lifted. Additionally, Colorado State Statute sets a 5.5% limit on the annual percentage increase that taxing entities can increase their revenues. Some taxing entities have had this revenue restriction removed by the voters as well. You can get this information directly from each taxing authority or from the Colorado Department of Local Affairs at (303)866-2156.

The Gallagher Amendment, approved by the voters in 1982, amended the Colorado Constitution to limit the residential taxpayers' share of property taxes statewide; consequently, resulting in vacant land and commercial property being assessed at 29% and residential homes at 7.96%. The State Legislature analyzes the residential assessment rate each reappraisal year; however, it has remained at its current 7.96% level for over 6 years.

Property Owner Responsibility

It is your responsibility as a property owner and property taxpayer, to contact the taxing entity or attend the annual budget meetings if you have any questions or concerns about how your tax dollars are spent. It is important to understand what it takes to operate the taxing entity's operations, and what the challenges are – current and future. There are often many issues that affect the budget, which aren't readily apparent, such as federal or state unfunded mandates on services, standards and personnel qualifications. Then there are other issues that are more obvious such as rising fuel costs, a heavy snow year, aging infrastructure or expanded school enrollment. Become informed about the services provided in your area. Don't wait until after you receive your tax bill to question the tax rate. If you are interested in being involved, it's important that you participate in the taxing entity's budget process this fall. The budget hearing dates are published in the paper, and you can also contact the organization directly. Contact information for the taxing authorities is listed on the reverse side.