

## **PHILLIPS COUNTY RESIDENTIAL VALUES TO INCREASE DUE TO LOCAL SALES**

In early May 2019, Phillips County real property owners will receive a 2019 Notice of Valuation. This document is the result of a countywide reappraisal and reflects changes in market values over a two-year period. For the first time in several years, most Phillips County property owners will see sharp increases in their official property values.

Under Colorado law, County Assessor's offices throughout the state conduct a complete reassessment of all properties in their county every two years.

During the two-year period between June 2016 and June 2018, the number of Residential sales remained consistent with past years, however; the sale prices of these transactions increased drastically. Colorado law requires that all residential property values be determined solely by the market approach to value, also commonly referred to as the sale comparison approach. **In some cases, Residential home values may increase anywhere from \$30,000 to \$90,000 or more based on comparable sales in the county. It's the biggest increase in quite some time, based on the sales and folks are coming to the closing tables with \$5,000, \$10,000, \$20,000 above the asking price.**

The Commercial market remained stable or has shown a slight increase this appraisal cycle.

For the 2019 reappraisal, there will be a slight increase in dryland and grazing lands, and a slight decrease in irrigated land values.

Taxes are based on three factors: the market valuation, the assessment rate, and the mill levy.

$$\text{Market Value} \times \text{Assessment Rate} = \text{Taxable Value} \times \text{Mill Levy} = \text{Taxes}$$

The Assessor's office is solely responsible for establishing valuations, **not taxes**. The county assessor is responsible for valuing all property in the county as directed by state laws. Currently, the assessment rate for residential improved properties is 7.2% but is expected to decrease to 7.15% therefore even though home values increased, the tax burden associated with that increase may not be as substantial. All other property types have an assessment rate of 29%. 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, hospitals, cities, towns, etc.). A summation of these various individual levies is applied to the taxable value to determine the taxes due.