holds tax down cutting budgets



Kit Carson County, Colo. Tax rate 2000 - 37.942 mills. Tax rate 2010 - 39.185 mills. Up 9.7 percent over 10 years. Adjusted for inflation, 37.942 mills in 2000 would equal 47.43 mills in 2010. Levy increase is 25 percent below inflation.

Spending 2000 - \$11,923,521. Spending 2010 - \$13,857,619. Up 8.6 percent over 10 years. Adjusted for inflation, \$11,923,521 million spent in 2000 would equal \$14,943,785 in 2010, an increase of 25 percent. Increase in adjusted spending is 25 percent under inflation.

Superintendent Don Anderson said he is working on the exact figures for a request this year, but it should be about \$600,000. He said the district hopes enough voters will switch sides in the mail-in ballot to get the issue by.

Mullis said when the Corrections Corporation of America was planning to build the prison, people thought that would bring an increase in valuation and increase revenue for the city, county and schools. While the project did bring an increase, it did not hit the books until after the complex was completed. The tax increase hit at least a year before that, upsetting people when they got their bills.

She said something similar is happening with a new wind farm built north of Burlington. The total valuation for the county will go falls below the TABOR limit.

up about \$15 million, and it would be considered new construction money, which is exempt from restrictions.

Mullis said farm ground value in Colorado is based on a "landlord formula," subject to the 29 percent assessment rate. She said the formula results in a fairly low value depending on the crop being harvested. She said the assessed value of irrigated land runs around \$200 an acre and the best irrigated land is valued about \$240 an acre. Dry farmland runs about \$90 to \$95 an acre, and grassland is around \$20 an acre, even though market prices are much higher.

Under the state formula, many typical farming expenses, including fertilizer, fencing, chemical and others, are subtracted from the gross operating income to produce a net income figure. The net income is then capitalized or divided by 13 percent to determine the taxable value of agricultural lands.

In Kit Carson County, the cities of Burlington and Stratton have 2 percent voter-approved sales taxes.

The county's property tax levy for this year was 37.642 mills. Residential property assessed for 2010 was \$20,892,443 or 15.9 percent of the total taxable assessed property based on figures from the Colorado Department of Revenue, Division of Property Tax. Commercial property was valued at \$35,806,336 or 27.3 percent. Agriculture was \$37,101,771 or 28.3 percent. The stateassessed apportionment of public utilities was \$32,997,100, or 25.1 percent. Industrial, natural resources, oil and gas and vacant property values make up the final 3.4 percent.

As Mullis said, the Colorado property tax system is complicated, and many cities across the state have asked their voters to remove the TABOR restrictions.

In 2005, Colorado voters approved Referendum C, which allows the state to retain more of the property tax increases, and allows the state to eliminate the "ratchet-down" effect, where spending decreases when revenue

are keeping most services

partments, an airport, emergency manage- pay to keep the same services. ment, ambulance service, road and bridge, noxious weed, health, solid waste and other services. The county has also become a rural opportunity zone, partnering with the state to bring people, especially young professionals, into the county.

So far, she said, they haven't had to cut back on services or money for outside organizations.

In Decatur County, Commissioner Stan McEvoy, said he isn't aware of any services the county has had to get rid of. Some might have to be scaled back, he said, or people may need to decide how much they are willing to

Mr. McEvoy said the commission has kind of decided to try to keep its financial support even to what the county has been able to do in the past, but not add anything.

"There might be hard decisions to make in the future," he added.

The county supports ambulance, fire, road and bridge, noxious weed, register of deeds, law enforcement, senior, landfill and health services, to name a few. Decatur County is also taking part in the new rural opportunity zone program to help bring young professionals to the area.

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September 2011

PROPERTY TAX REVIEW