

Assessor Special Summary Report to CBOE Regarding a Recommendation to Perform a Reduction of 2023 Actual Value on all Improved Single Family Residential Property

September 19, 2023

Good afternoon, Douglas County Commissioners.

I want to thank you for your time today, as you meet as the County Board of Equalization (CBOE), and for your continued efforts and partnership in responding to this year's impactful reappraisal.

As you recall, one week ago, I stood before you to request your support and direction to perform an analysis on the post-protest assessments on homes in Douglas County, with the goal of determining whether there was any suitable action the CBOE could take now to help mitigate the incredible value increases facing homeowners. As a reminder for anyone who hasn't heard the message yet, Assessor values skyrocketed throughout the state, including in Douglas County, because of the 2023 reappraisal.

Today I have the privilege of reporting back to you the summary findings of my office's research regarding the prospect of the Douglas County CBOE enacting a broadly applied adjustment to the 2023 assessments of homes in our County and I have a modest recommendation resulting from that work. Our analysis indicates that this group of properties can and should be reduced in an action today by the CBOE by 4.0%. This recommendation results, broadly, from a series of small steps undertaken by my staff, including:

- Consideration of the spread in average value change from county to county, especially within the metro area, including our neighboring counties.
- Review of the change in real estate market conditions through the 2023 study period.
- A review of market conditions in and around the appraisal date of June 30, 2022.
- A review of the Preliminary Audit results, specifically the ratio study results on the Residential property class.
- A review of the results of the Final Audit, specifically the ratio study results on the Residential property class.
- A review of sales ratios using Actual Values post Assessor Protest.
- A review of specific outlier transactions and their possible effect on the mass appraisal models.
- The calculation of a recommended valuation multiplier, reviewed for statutory and regulatory compliance.

In addition to these technical steps, our office communicated with partner entities and individuals where it was important to do so, including staff at the auditor's office, State of Colorado Division of Property Taxation, and our own county legal staff. The objective of those conversations was not to gather buy-in or acceptance of this process or action, but rather to review certain technical details, procedures, or results, for compliance.

As a result of this work, I recommend the Douglas County Board of Equalization use your power under the C.R.S. 39-8-102 to reduce the Post-Assessor Protest, Pre-CBOE Actual Value on certain residential properties, including single family attached and detached homes, condominiums, and townhouses. All other property types and classes are excluded from our analysis and this recommendation.

If approved, our office would immediately begin developing and implementing a plan to apply these changes to Douglas County systems, including incorporating the changes into the CBOE appeals process, which has just begun and runs until late October. I think it is important to note some of the summary statistics that would result from this this decision should you choose to make it.

- Actual Values reduced on 125,809 parcels
- Total reduction in Actual Value is 4.06 billion
- Average reduction in Actual Value is 32,300
- Average reduction in Assessed Value is 2,200
- Average decrease in Estimated Tax in \$223
- Total decrease to next year Estimated Taxes is \$28,071,871

Finally, I'd like to remind you of a few additional, important, and related points regarding your decision today.

First, the County Board of Equalization continues their work and will do so until those appeals are heard. Those hearings will conclude on or about November 1. Regardless of the decision made today, Douglas County citizens due process will continue.

Second, this board has put forth more effort and taken greater action on this subject than any I can recall. I'd like to remind the citizens about your prior mill levy reductions, town halls, educational videos, challenge of Proposition HH, and an anticipated tax authority summit next week.

Which reminds me of my last point, this effort is not over. I remind citizens that mill levies have yet to be determined, which means there is more work to be done.

Thank you very much for you time today,

Toby Damisch
Douglas County Assessor