Phillips County Assessor Doug Kamery reports, in early May 2009, Phillips County real property owners will receive a 2009 Notice of Valuation. This document is the result of a countywide reappraisal and reflects changes in market values over a two-year period.

“Will property values be decreasing due to the current economic slowdown?”

The short answer is, unlikely; in most cases valuations will be increasing or remain constant. To understand why, a basic explanation of how the Colorado property tax system works needs to be addressed.

Under Colorado law, county assessor’s offices throughout the state conduct a complete reassessment of all properties in their county every two years. The Colorado legislature sets the appraisal date and the annual calendar for the assessment process. As a result, property tax assessments are always lagging behind current market conditions.

The previous reassessment was done in 2007. These valuations were based on a June 30, 2006 level of value, using market sales data from Jan. 1, 2005 through June 30, 2006. The 2009 valuations will be based on a June 30, 2008 level of value, using market sales data from Jan. 1, 2007 through June 30, 2008.

Any recent downward market conditions that have occurred between June 30, 2008 and today will not be taken into consideration when establishing the new 2009 valuations. These factors will not be recognized until the 2011 reappraisal cycle.

Another important factor to understand is the difference between a decrease in the volume of sales activity versus a decrease in the selling prices of property. During the two-year period between June 2006 and June 2008, there was a definite decrease in the overall number of transactions; however, the sale prices of these transactions did not decrease.

In most cases, prices actually increased or remained stable. The Commercial market in particular took an increase this appraisal cycle.