

Taxes for Residential or Agricultural Classification

Routt County and the State of Colorado appreciate the value of agricultural land to the community and support its use. Agricultural classification refers to property that is continually used to grow agricultural crops or raise livestock to be sold for a profit. Hobby and recreational agricultural uses do not qualify. The property owner may be the agricultural operator, or the property may be used as part of a larger, separate agricultural operation. Classification is subject to change depending on the current use of the property. Agricultural use must be the predominate use of the property and must be substantiated every year. For agricultural qualifications please contact the agricultural appraiser at the Routt County Assessor's Office.

Zoning does not affect agricultural classification. Permissible uses are determined by County zoning and are not tied to assessment classification.

Agricultural classification values and taxes:

Agricultural land is appraised at agricultural value, rather than market value. Agricultural value is based on the soil's potential to produce a crop or graze livestock. For instance, land that has irrigation or sub-irrigation from nearby live water sources can grow more hay or graze more livestock and is appraised higher than dry, steep, and rocky land. Agricultural land values in Routt County for 2005 and 2006 ranged from \$14 per acre to \$398 per acre.

The agricultural land value is multiplied by 29% and then by the appropriate Mill Levy to compute the taxes on the land.

Outbuildings on agricultural land are called "Agricultural Improvements". They are appraised at cost using Marshall and Swift guidelines. Quality of construction, size, utilities, and age are factors that affect the values. The Agricultural Improvements values are multiplied by 29% and then by the appropriate Mill Levy to compute their taxes.

Residences on agricultural land are appraised at market value, the same way as on residential land. The appraiser uses mass appraisal techniques to analyze sales of similar properties and extract the market value of residences and land from total sales prices. The market value of the residence is multiplied by the residential ratio and then by the district's Mill Levy to compute the taxes on the residence. The residential ratio for 2005 and 2006 was 7.96%. This ratio is determined by the state of Colorado every two years and is the same for all residences, whether on agriculturally classified or residentially classified land.

Residential Classification values and taxes:

The land and the residence are appraised at market value. Outbuildings are appraised at cost. All values, including the outbuildings, are multiplied by the residential ratio (7.96% for 2005 and 2006), then by the district's Mill Levy to compute the taxes.

Vacant Land Classification values and taxes:

"Vacant" refers to a parcel of land that does not have a residence on it. Vacant land that is not being used agriculturally is appraised at market value.

Vacant land, commercial land, commercial structures, agricultural structures, and all other properties are assessed using the 29% ratio. To compute the taxes on vacant land, multiply its market value by 29% then by the appropriate Mill Levy.

Examples:

The Residential Ratio used is the 7.96 % for 2005 and 2006. The ratio is determined by the state and may vary every two years. The Mill Levy used is for example purposes only. To calculate for a specific area, please refer to the Assessor's website for the current Mill Levy for the property. Small acreage refers to a parcel smaller than 45 acres. Market values are for example purposes only.

Example #1: A small acreage parcel in North Routt County

With Ag classification:	<u>Value</u>	x <u>Ratio</u>	=	<u>Assessed Value</u>
Ag Land:	\$ 600	29.00 %		\$ 174
Ag Residence:	\$ 500,000	7.96 %		\$ 39,800
Ag Improvements(Outbuildings)	\$ 30,000	29.00 %		<u>\$ 8,700</u>
Total Assessed Value				\$ 48,674
Mill Levy			x	<u>.055500</u>
Taxes				\$ 2,701

With Residential Classification:

Land	\$ 250,000	7.96 %		\$ 19,900
Residence	\$ 500,000	7.96 %		\$ 39,800
Res Improvements(Outbuildings)	\$ 30,000	7.96 %		<u>\$ 2,388</u>
Total Assessed Value				\$ 62,088
Mill Levy			x	<u>.055500</u>
Taxes				\$ 3,446

(Difference in taxes is \$745)

Example #2: A small acreage parcel close to Steamboat

With Ag classification:	<u>Value</u>	x <u>Ratio</u>	=	<u>Assessed</u>
Ag Land:	\$ 600	29.00 %		\$ 174
Ag Residence:	\$ 800,000	7.96 %		\$ 63,680
Ag Improvements(Outbuildings)	\$ 100,000	29.00 %		<u>\$ 29,000</u>
Total Assessed Value				\$ 92,854
Mill Levy			x	<u>.055500</u>
Taxes				\$ 5,153

With Residential Classification:

Land	\$ 500,000	7.96 %		\$ 39,800
Residence	\$ 800,000	7.96 %		\$ 63,680
Res Improvements(Outbuildings)	\$ 100,000	7.96 %		<u>\$ 7,960</u>
Total Assessed Value				\$ 111,440
Mill Levy			x	<u>.055500</u>
Taxes				\$ 6,185

(Difference in taxes is \$1,032)

Example #3: A small acreage parcel in West Rountt County

	<u>Value</u>	x <u>Ratio</u>	=	<u>Assessed Value</u>
With Ag classification:				
Ag Land:	\$ 600	29.00 %		\$ 174
Ag Residence:	\$ 150,000	7.96 %		\$ 11,940
Ag Improvements(Outbuildings)	\$ 30,000	29.00 %		<u>\$ 8,700</u>
Total Assessed Value				\$ 20,814
Mill Levy			x	<u>. 055500</u>
Taxes				\$ 1,155

With Residential Classification:

Land	\$ 85,000	7.96 %		\$ 6,766
Residence	\$ 150,000	7.96 %		\$ 11,940
Res Improvements(Outbuildings)	\$ 30,000	7.96 %		<u>\$ 2,388</u>
Total Assessed Value				\$ 21,094
Mill Levy			x	<u>. 055500</u>
Taxes				\$ 1,171

(Difference in taxes is \$16)

Example #4: A Vacant Land parcel in Rountt County

	<u>Value</u>	x <u>Ratio</u>	=	<u>Assessed Value</u>
With Ag classification:				
Ag Land:	\$ 600	29.00 %		\$ 174
Mill Levy			x	<u>. 055500</u>
Taxes				\$ 10

With Vacant Land Classification:

Land	\$ 250,000	29.00 %		\$ 72,500
Mill Levy			x	<u>. 055500</u>
Taxes				\$ 4,024

(Difference in taxes is \$4,014)

The difference is greater on Vacant Land than on Residential properties. If there were a residence on this property, and no outbuildings, the difference in taxes would only be about \$1,000. This is the result of the lower residential ratio multiplier.
