



Bill Ritter, Jr.
Governor

Colorado Department of Local Affairs
Susan E. Kirkpatrick
Executive Director

DIVISION OF PROPERTY TAXATION
JoAnn Groff
Property Tax Administrator

BULLETIN NO. 12

TO: County Assessors
FROM: JoAnn Groff
Property Tax Administrator
DATE: April 1, 2009

THE BULLETIN IS AVAILABLE ON OUR WEBSITE
New website address: <http://dola.colorado.gov/dpt>

<u>Date</u>	<u>Title</u>	<u>Distribution</u>
4/1/09	Ski Area Cap Rate for 2009 Tax Year	Circulate to Appraisal Staff. File in ARL Volume 3, Chapter 7.
4/1/09	Valuation of Wind Facilities according to 39-4-102(1.5), C.R.S.	Circulate to State Assessed Appraisers.





Bill Owens
Governor

Colorado Department of Local Affairs
Executive Director, Michael L. Beasley

DIVISION OF PROPERTY TAXATION
Mary E. Huddleston
Property Tax Administrator

TO: All County Assessors

FROM: JoAnn Groff
Property Tax Administrator

SUBJECT: Ski Area Cap Rate for 2009 Tax Year

DATE: April 1, 2009

DISTRIBUTION: Circulate to Appraisal Staff
File in ARL Volume 3, Chapter 7.

MEMORANDUM

The Ski Area Cap Rate for the valuation of the ski areas in the state **has NOT been published for the 2009 tax year**. When we published the changes from the March 19, 2009 Statutory Advisory Committee to our website, we failed to omit the pages from ARL Volume 3 which contained preliminary information. We are making that correction immediately, and apologize for the error and any inconvenience this has caused.

We have received the data necessary to calculate the new rate, but it is in a different format from that received in previous years. We will be publishing it as soon as we can be sure of the accuracy.

If you have any further questions, please call Cherice Kjosness at 303-866-2698.





Bill Ritter
Governor

Colorado Department of Local Affairs
Executive Director, Susan Kirkpatrick

DIVISION OF PROPERTY TAXATION
JoAnn Groff
Property Tax Administrator

TO: Owners/Developers of Wind Energy Facilities and Other Interested Parties
FROM: JoAnn Groff
SUBJECT: Valuation of Wind Energy Facilities according to 39-4-102(1.5), C.R.S.
DATE: April 1, 2009

MEMORANDUM

Wind energy facilities (WEF) that are put into operation on or after January 1, 2006, are to be valued “based solely upon the income approach”. The statute requires that the “actual value of a wind energy facility shall be at an amount equal to a tax factor times the selling price at the interconnection meter.” The Excel template used to develop the tax factor for each WEF will be available on the Division’s web site at http://dola.colorado.gov/dpt/state_assessed/index.htm by the end of this week. This template can be used by interested parties to estimate the current year property tax liability for a WEF. **(NOTE: This provides an estimate only. The final value for property tax purposes will be developed by the Division. The Division’s value will be based on specific information for each facility that is available only through that facility’s purchase power agreement.)**

The mechanics of the tax factor template are summarized as follows:

- a. The WEF is first valued using the cost approach based on the cost of an equivalent nonrenewable energy facility. A resulting 20-year estimate of total taxes to be paid is calculated.
- b. A second 20-year tax estimate is calculated based on the projected gross revenue. The projected gross revenue at the interconnection meter is calculated based on the plant capacity, purchase power agreement energy price, and the net capacity factor.
- c. A tax factor multiplier is calculated using the “goal seek” function in Excel, that when applied to the estimated tax revenue from the projected gross revenue model, will equal the 20-year estimate of taxes calculated using the cost approach (unadjusted dollars).
- d. The resulting tax factor is applied to the actual gross revenue reported by the facility on its annual statement of property for the prior calendar year. The product of that calculation is the actual value of the WEF for the current tax year.



It is important to know that the Division will recalculate this tax factor for each WEF every year and that the tax factor will likely change every year. The variables in this calculation are: 1) the Net Capacity Factor, 2) the Energy Price, and 3) the Comparable Non-renewable Capital Cost Threshold.

If you have questions or need additional information please call Deb Myer, Mark Walker, or Curt Settle at 303-866-2371.