



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. 41

TO: County Assessors  
FROM: JoAnn Groff  
Property Tax Administrator  
DATE: October 28, 2009

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

<u>Date</u>	<u>Title</u>	<u>Distribution</u>
10/27/09	Division of Property Taxation Position Opening	Review with staff. File in General Correspondence File.
10/28/09	Meeting to Review 2010 Proposed Natural Resource Rates and Prices	Natural Resource appraisers.





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**DIVISION OF PROPERTY TAXATION**

JoAnn Groff  
Property Tax Administrator

TO: County Assessors

FROM: JoAnn Groff, Property Tax Administrator

SUBJECT: Division of Property Taxation, Position Opening

DATE: October 27, 2009

DISTRIBUTION: Review with staff. File in General Correspondence File.

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**MEMORANDUM**

Attached please find a job announcement for a Property Tax Specialist II in the Administrative Resources Section of the Division of Property Taxation. Through this process, we plan to hire two positions that will work from our Grand Junction office.



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## Department of Local Affairs

*Strengthening Colorado Communities*

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### Open Competitive

### EMPLOYMENT OPPORTUNITY

Department of Local Affairs

Division of Property Taxation

**Job Title:** PROPERTY TAX SPECIALIST II

**Position Number:** 80091-1009 and 80082-1009

**Job Location:** Grand Junction

**Salary:** salary range \$4,409-4,900/mo.

**Release Date:** October 23, 2009

**Apply By:** November 5, 2009

**Employment Type:** Full-Time

**Class Code:** H8J3XX

#### Information About The Job:

**DUTIES:** This position in the Administrative Resources Section of the Division of Property Taxation will perform operating or journey level duties in handling problems in the field of ad valorem taxation, requiring the application of advanced professional expertise and skill in the administration and appraisal functions of an assessor's office. The position participates in the development of materials for publication in manuals, guidelines, procedures, and narrative reports for use by county assessors, public policy makers, and taxpayers; produces administrative and appraisal education curricula and conducts classroom and on-site training for county assessors and their staff; provides recommendations for interpretation and clarification of statutory language, rules and policies for the Division of Property Taxation, elected officials and the public; responds to consulting requests from assessors; and makes recommendations for specific research and development projects dealing with typical property tax issues.

**MINIMUM QUALIFICATIONS:** Qualified applicants must possess a bachelor's degree in real estate appraisal, real estate, economics, tax auditing, accounting, business, business administration, public administration, finance, finance economics, political science, political science and government, or mathematics; AND two years of property taxation experience, land negotiation and appraisal experience, and/or real estate appraisal experience. **NECESSARY SPECIAL REQUIREMENTS:** Must possess and maintain a Colorado driver's license and be willing to travel. **PREFERRED QUALIFICATIONS:** The preferred candidate will have demonstrated competency in both the administrative and appraisal functions of an assessor's office. The preferred candidate will have a Colorado real estate appraisal license at the licensed level or above.

**SUBSTITUTION:** Any combination of work experience in property taxation, land negotiation and appraisal, and/or real estate appraisal, which provided the same kind, amount, and level of knowledge acquired in the required education, may be substituted on a year-for-year basis for the bachelor's degree.

**PLEASE NOTE:** Applications are used as part of the selection and exam process. Applications will be reviewed to determine if you meet the minimum requirements for the position and will be ranked to determine the most qualified applicants for this position. Be sure your application specifically addresses all the requirements listed above.

#### How To Apply:

Submit your **completed** State of Colorado Employment Application for Announced Vacancies and a current resume directly to the Department of Local Affairs, Human Resources Office, 1313 Sherman Street, Room #315, Denver, CO 80203, or fax 303-866-2251, by 5:00 p.m. on the announcement closing date. If your application and resume are not received by the closing date of this announcement, you will not be considered for this position. If you have any questions, please call (303) 866-5884 or email [susie.esparza@state.co.us](mailto:susie.esparza@state.co.us) . **Please include your current e-mail address on your application, as most correspondence regarding this position will be electronic-based.** The department cannot guarantee the successful delivery of e-mail. You will be notified of the status of your application two weeks after the closing date of the announcement. If you do not receive information regarding the status your application after this time, please contact (303) 866-5884.

For employment application and full job announcement including Important Information About Your Application and Appeal Rights please visit our employment website at <http://dola.colorado.gov/employment.html> .

**YOU MUST BE A RESIDENT OF COLORADO TO APPLY.  
THE STATE OF COLORADO IS AN EQUAL OPPORTUNITY EMPLOYER.**



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**DIVISION OF PROPERTY TAXATION**

JoAnn Groff  
Property Tax Administrator

TO: CAA Natural Resource Committee  
Industry Members and Other Interested Parties

FROM: JoAnn Groff  
Property Tax Administrator

DATE: October 28, 2009

SUBJECT: Meeting to Review 2010 Proposed Natural Resource Rates and Prices

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### MEMORANDUM

Attached for your review are the 2010 proposed changes to the following addenda from the Assessor's Reference Library (ARL) Volume 3, Chapter 6:

**Addendum 6-A: 2010 SAND AND GRAVEL ECONOMIC ROYALTY RATES**  
**Addendum 6-B: 2010 COAL AND OTHER RATES AND PRICES**  
**Addendum 6-C: 2010 HOSKOLD FACTORS WORKSHEET**

General spot coal prices increased 22%, or \$0.89 per 1000 BTUs as compared to last year.

Economic royalty rates for the five sand and gravel districts were carefully reviewed for 2010 and changes have been made to the calculations. Only royalty rates for sand and gravel products have been used for the 2010 published rate. Royalty rates for clay, decorative rock and other stone products have been removed from the calculations. The statewide economic royalty rate for "Borrow" decreased to \$0.48 per cubic yard.

The State Discount Rate for 2010 is 12.07%.

You are invited to attend a meeting to provide your comments regarding the proposed rates and prices. The meeting date and times are as follows:

**November 4, 2009**  
**9:00 A.M. – Sand and Gravel Royalty Rates**  
**10:00 A.M. – Coal Rates, Prices, and Discount Rate**  
**DIVISION OF PROPERTY TAXATION**  
**1313 Sherman Street, Room 419**  
**Denver, Colorado 80203**

If you are planning to attend either meeting, please notify Jim Hannum at (303) 866-2131. If you cannot attend, but wish to provide written comments regarding the changes, please send your response to the Division by November 3, 2009.



After assessor and industry input have been considered, the 2010 proposed addenda will be submitted for Statutory Advisory Committee (SAC) review at its meeting scheduled for December 17, 2009 at 9:00AM. The changes will be effective January 1, 2010 for use by all assessors.

A voice conference call-in option will be made available for those county assessors, staff, vendors, industry representatives, and other interested parties that are located outside of a two-hour driving range of the Denver meeting location.

JAG/JH/jh

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## **ADDENDUM 6-A, 2010 SAND & GRAVEL ECONOMIC ROYALTY RATES**

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### **District #1 - \$.60 per ton**

Counties:

Adams	Denver	Jefferson
Arapahoe	Douglas	Larimer
Boulder	El Paso	Weld
Broomfield	Elbert	
Clear Creek	Gilpin	

### **District #2 - \$.51 per ton**

Counties:

Kit Carson	Phillips	Yuma
Logan	Sedgwick	
Morgan	Washington	

### **District #3 - \$.55 per ton**

Counties:

Baca	Fremont	Otero
Bent	Huerfano	Prowers
Cheyenne	Kiowa	Pueblo
Crowley	Las Animas	
Custer	Lincoln	

### **District #4 - \$.77 per ton**

Counties:

Alamosa	La Plata	Saguache
Archuleta	Mineral	San Juan
Conejos	Montezuma	San Miguel
Costilla	Ouray	
Dolores	Rio Grande	

### **District #5 - \$.66 per ton**

Counties:

Chaffee	Hinsdale	Park
Delta	Jackson	Pitkin
Eagle	Lake	Rio Blanco
Garfield	Mesa	Routt
Grand	Moffat	Summit
Gunnison	Montrose	Teller

### **Statewide royalty rate for borrow - \$.48 per cu. yard**

To convert tons to cubic yards:

**tons X .74 = cubic yards**

To convert cubic yards to tons:

**cubic yards :- .74 = tons**

## **ADDENDUM 6-B, 2009 COAL & OTHER RATES AND PRICES**

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### **COAL**

Royalty Rates: 6% of market price underground  
 9% of market price surface (strip)  
 Discount Rate: 12.09%\*

Market Prices BTU's		Steam Coal Price/Ton
Less than	8,770	\$28.50 /ton
8,771	8,920	\$29.00 /ton
8,921	9,080	\$29.50 /ton
9,081	9,230	\$30.00 /ton
9,231	9,390	\$30.50 /ton
9,391	9,540	\$31.00 /ton
9,541	9,690	\$31.50 /ton
9,691	9,850	\$32.00 /ton
9,851	10,000	\$32.50 /ton
10,001	10,160	\$33.00 /ton
10,161	10,310	\$33.50 /ton
10,311	10,460	\$34.00 /ton
10,461	10,620	\$34.50 /ton
10,621	10,770	\$35.00 /ton
10,771	10,930	\$35.50 /ton
10,931	11,080	\$36.00 /ton
11,081	11,230	\$36.50 /ton
11,231	11,390	\$37.00 /ton
11,391	11,540	\$37.50 /ton
11,541	11,690	\$38.00 /ton
11,691	11,850	\$38.50 /ton
11,851	12,000	\$39.00 /ton
12,001	12,160	\$39.50 /ton
12,161	12,310	\$40.00 /ton
12,311	or more	\$40.50 /ton

A deduction of \$3.00 per ton from the above listed prices should be made if the coal operation prepares the raw coal produced to achieve a saleable product. If this deduction is taken, the assessor must use raw production tonnage as reported by the mine owner or operator.

## ADDENDUM 6-C, 2010 HOSKOLD FACTORS WORKSHEET

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Discount Rate = 12.07%  
Sinking Fund Factors @ 4.14%

ECONOMIC LIFE IN YEARS	DISCOUNT RATE	SINKING FUND + FACTOR	+ EFFECTIVE TAX RATE	= CAP RATE	HOSKOLD FACTOR
1.00	0.1207	1.000000			
2.00	0.1207	0.489860			
3.00	0.1207	0.319906			
4.00	0.1207	0.235000			
5.00	0.1207	0.184111			
6.00	0.1207	0.150232			
7.00	0.1207	0.126073			
8.00	0.1207	0.107988			
9.00	0.1207	0.093952			
10.00	0.1207	0.082752			
11.00	0.1207	0.073613			
12.00	0.1207	0.066020			
13.00	0.1207	0.059616			
14.00	0.1207	0.054146			
15.00	0.1207	0.049424			
16.00	0.1207	0.045309			
17.00	0.1207	0.041693			
18.00	0.1207	0.038495			
19.00	0.1207	0.035647			
20.00	0.1207	0.033097			
21.00	0.1207	0.030802			
22.00	0.1207	0.028728			
23.00	0.1207	0.026845			
24.00	0.1207	0.025130			
25.00	0.1207	0.023563			
26.00	0.1207	0.022125			
27.00	0.1207	0.020804			
28.00	0.1207	0.019585			
29.00	0.1207	0.018460			
30.00	0.1207	0.017417			

## **ADDENDUM 6-J, OIL & GAS 2010 NETBACK BBB BOND RATE, 2010 NERF, AND NERF SPREADSHEET INSTRUCTIONS**

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The oil and gas threshold rate for Return on Investment (ROI) calculations for the 2010 assessment year is 7.43 percent. The rate is calculated from the monthly average BBB Industrial bond yields from October 2008 through September 2009 as found in Standard and Poor's "Credit Week." and "Bloomberg Finance L.P."

Oil and gas operators and take-in-kind royalty owners are allowed their actual 2009 calendar year rate of return up to the published rate. Actual rates of return on investment in excess of this published rate must be restated to the published rate prior to calculating the allowed ROI deduction.

### **NETBACK EXPENSE REPORT FORM (NERF)**

The use of the NERF by county assessors is optional or at the assessor's discretion. If the assessor chooses to request completion and submission of a NERF, the form may be mailed, either with the DS 658 Oil and Gas Real and Personal Property Declaration Schedule or later in the year after the declaration schedules are received, to all oil and gas producers that are using either the unrelated party, comparable expense deduction, or related party netback methods to determine the netback wellhead price reported on the declaration schedule. If completion of the NERF is requested from the producer, the required filing deadline is 45 days after the date of the request, but no earlier than the statutory filing deadline for the declaration schedule which is April 15th. If the NERF is sent along with the declaration schedule, it should be mailed to the oil and gas producers as soon as practicable after January 1 of each year. However, the NERF may be mailed at any time during the current assessment year. A blank NERF and its accompanying Supplemental Information Report Form (SIRF) follow this page. Instructions for completion of the forms are included on the back of the forms.

### **INSTRUCTIONS TO ACCESS NERF SPREADSHEET ON-LINE**

In lieu of using the NERF, an electronic NERF Spreadsheet is available to taxpayers as an optional, but not mandatory, information source to supplement the DS 658, Oil & Gas Declaration Schedule. If the assessor's office requests completion of a regular NERF by a taxpayer, the taxpayer may submit a completed electronic NERF Spreadsheet instead. The electronic NERF Spreadsheet may be accessed and downloaded from the Division's website:

<http://www.dola.colorado.gov/dpt/>

After reaching the Division's home page, you may select "**Forms**" in the blue column at the left of the screen, and then select "**NERF SPREADSHEET.**" The spreadsheet is downloadable by opening it, selecting "Save As," and saving it to a folder in your local computer. The "**NERF Spreadsheet**" is an Excel File. After closing the connection to the Internet, you may open the spreadsheet by going through Excel and opening the file in the folder where it was placed. It will then be ready for your input.

After opening the “**NERF Spreadsheet**,” you will notice that the file consists of five worksheets with tabs at the bottom titled:

**Instructions**  
**NERF Spreadsheet**  
**NGL Worksheet**  
**Netback Expenses**  
**Assessment Analysis**

The worksheet marked “**Instructions**” explains how the other four worksheets are used. As the taxpayer completes the worksheets labeled “**NERF Spreadsheet**,” “**NGL Worksheet**,” and “**Netback Expenses**,” pertinent information from these worksheets is automatically transferred to the “**Assessment Analysis**” worksheet, which is used primarily by the assessor’s office. Note that the spreadsheet is adaptable for any assessment year. The taxpayer is required to input the BBB Bond Rate published by the Division for the assessment year chosen for the submission. Please see the NERF Spreadsheet “**Instructions**” for further clarification.