

## Glossary of Terms

**Abatement:** An official reduction or invalidation of an assessed valuation after the initial assessment for ad valorem taxation has been completed.

**Abstract of Assessment:** Annual report showing the total assessed valuation for Gunnison County by the property classification in an abbreviated manner as of a specific date. This data is used by the State Division of Property Taxation to calculate the impact upon the statewide residential assessment rate.

**Acre:** A land measure equal to 43,560 square feet.

**Actual Value:** That value determined by appropriate consideration of the cost approach, the market approach, and the income approach to appraisal.

**Adjusted Sale Price:** The sales price that results from adjustments made to the stated sales price to account for the effects of time, personal property, financing, or the like.

**Ad Valorem Tax:** A property tax based on the assessed value of the property, which is not necessarily equivalent to its market value.

**Agricultural Property:** Land dedicated to agricultural use as a farm or ranch for the purpose of monetary profit for at least two (2) consecutive years immediately preceding the assessment date.

**Amenity:** a tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user, but is not essential to its use. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, golf courses and other recreational facilities.

**Appeal:** A legal process in which a property owner contests a value or assessment either formally or informally on taxable real or personal property. For each year, there are specific statutory dates when an appeal can be made.

**Appraisal Date:** Property is valued based upon how the property exists (property characteristics) as of January 1 of each year. However, the value of the property, or level of value, must reflect the value established on the last day of the data collection period (June 30) for each reappraisal cycle.

**Appraisal:** 1. An analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate. 2. The act or process of estimating value: an estimate of value.

**Appraiser:** An individual or person who estimates the value of property. Typically, one of a group of professionally skilled persons holding themselves out as experts in valuation. Appraisers for property taxation are usually licensed and certified appraisers.

**Approaches to Value:** Systematic procedures used to derive value indications in real property appraisal. (See also: cost approach, income capitalization approach, sales comparison approach)

**Arbitration:** A process in which one or more individuals are selected by opposing parties to settle a dispute outside of court. The decision of an arbitrator is generally binding.

**Arm's-length Transaction:** A transaction between unrelated parties under no duress.

**Assess:** 1. To estimate property value as a basis for taxation; 2. To fix or determine, e.g., by a court or commission, the compensation due a property owner for the taking of real property.

**Assessed Value:** The Assessed Value of a property is calculated by multiplying the actual (or market) value and the statutory assessment rate. The Assessment Rate for residential property is currently 7.20%. All other property, including vacant land, is assessed at 29%. Assessed Value is the basis of the property tax calculation (Assessed Value times Mill Levy = Property Tax).

**Assessment Date:** The assessment date in Colorado is twelve noon January 1 of each year. Property is assessed according to its status, use, and condition on the assessment date.

**Assessment Period:** The period during which all property in the assessment district must be reassessed; also called "assessment cycle" or "reappraisal."

**Assessment Rate:** A statutory rate or percentage which when multiplied times the actual value of the property results in the assessed value used for property tax purposes. The assessment rate for residential property is 7.20% (single family homes, mobile homes, condominiums, townhomes, multi-family, etc.). All other property has an assessment rate of 29% (vacant land, commercial, industrial, agricultural, natural resource property, etc.). *Actual Value X Assessment Rate = Assessed Value.*

**Assessment Ratio:** The relationship between assessed value and market value, as determined by Colorado state statute. See the Gallagher Amendment for more information.

**Assessment roll:** A public record that shows how the property tax levy is allocated among the property owners in a jurisdiction with taxing powers; usually identifies each taxable parcel in the jurisdiction, the name of the owner of record, the address of the parcel or the owner, the assessed value of the land the assessed value of the improvement (s), applicable exemption codes if any, and the total assessed value.

**Assessment/Sales Ratio:** The number derived by dividing the assessed value by the selling price; used as a measure of the relationship between a property assessment and market value.

**Assessment:** The official valuation of property for ad valorem taxation.

**Assessor:** The elected official whose legal responsibility is to discover, list, classify, and value (appraise) all real and personal property located in their jurisdiction.

**Assumptions and Limiting Conditions:** For appraisal and analysis purposes, a list of assumptions and limitations on which an appraisal or analysis is based.

**Bargain and Sale Deed:** A deed that conveys real property from a seller to a buyer but does not guarantee clear title; used by court officials and fiduciaries to convey property they hold by force of law, but to which they do not hold title. (See also: deed, quitclaim deed, warranty deed).

**Board of Equalization:** A non-judicial board that reviews assessments to see that all districts are assessed at a uniform level of value; authorized to raise or lower the assessments to achieve a uniform basis of taxation.

**Book Value:** the original cost of an asset as carried in books of account less depreciation.

**Boundary Line Adjustments:** The transfer of a portion of a parcel from that parcel to an adjacent parcel, or the realignment of boundary lines between adjacent parcels, resulting in no increase in the number of parcels.

**Breakdown Method:** A method of estimating accrued depreciation in which the total loss in the value of a property is estimated by analyzing and measuring each cause of depreciation (physical, functional, and external) separately.

**Bundle of Rights Theory:** The concept that compares property ownership to a bundle of sticks with each stick representing a distinct and separate right of the property owner, e.g., the right to use real estate, to sell it, to lease it, to give it away, or to choose to exercise all or none of these rights.

**Capitalization Rate:** The ratio between net income and value. The current value of a property can be estimated by dividing its current or stabilized net income by the appropriate capitalization rate.

**Certificate of Title:** A document, usually given to a home buyer with the deed, which states that the title to the property is believed to be clear; usually prepared by an attorney or another qualified person who has examined the abstract of title for the property.

**Classification:** Property is both classified and assessed in different manners. Property is classified as either real property or personal property. Real property may be further classified as residential, commercial, industrial, vacant land, agricultural, producing mines, exempt, etc. Most property is assessed by the local assessor, although the State centrally assesses property classified as operating property for utilities.

**Coefficient of Dispersion (C.O.D.):** a statistical measure of assessment uniformity for a category of property or for all property within a taxing jurisdiction.

**Common Area:** Land and improvements within a lot, parcel, or area for the beneficial use and enjoyment of all owners. The common area may be held by owners of lots or residential units as an undivided interest, owned in its entirety by a homeowners' association, or a combination of both.

**Comparables:** A shortened term for similar property sales, rentals, or operating expenses used for comparison in the valuation process; also called "comps."

**Condominium:** 1. A form of fee ownership of separate units or portions of multi-unit buildings that provides for formal filing and recording of a divided interest in real property; 2. A multi-unit structure or property in which persons hold fee simple title to individual units and an undivided interest in common area.

**Consumable personal property:** is defined as any item having a life of one year or less regardless of cost; or any item with a life longer than one year that has a cost of \$350 or less at the time of acquisition. The \$350 limitation applies to each item of personal property fully assembled and ready for use including all installation costs, sales taxes, and freight expenses.

**Contiguous Parcel:** Parcels of land under common ownership that share a common boundary. One of the parcels has a residential improvement.

**Cost Approach:** A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee

simple value of the subject property to reflect the value of the property interest being appraised.

**Cost to Cure:** Estimated cost to correct or replace a component or defect within a property.

**County Board of Equalization:** also called Board of Equalization; A non-judicial board that reviews assessments to see that all districts are assessed at a uniform level of value; authorized to raise or lower the assessments to achieve a uniform basis of taxation.

**County:** The largest division of local government in all states except Louisiana and Alaska, where the comparable units are parish and borough, respectively.

**Curable Depreciation:** Items of physical deterioration or functional obsolescence that are economically feasible to cure. Economic feasibility is indicated if the cost to cure is equal to or less than the anticipated increase in the value of the property.

**Deed:** A written, legal instrument that conveys an estate or interest in real property when it is executed and delivered. (See also Bargain & Sale Deed, Quitclaim Deed, Warranty Deed).

**Depreciation:** In appraising, a loss in property value from any cause; the difference between the reproduction or replacement cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

**Deterioration:** Impairment of condition; a cause of depreciation that reflects the loss in value due to wear and tear, disintegration, use in service, and the action of the elements.

**Easement:** An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right-of-way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.

**Effective Age:** The typical age of a structure with respect to condition and utility, as of the appraisal date.

**Effective Tax Rate:** The tax rate expressed as a percentage of market value. It will be different from nominal tax rate when the assessment level is not equal to one.

**Egress:** A way out; an exit or outlet. (see Ingress)

**Eminent domain:** The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as "the takings clause," guarantees payment of just compensation upon appropriation of private property.

**Equalization:** The process by which an appropriate governmental body attempts to ensure that all property under its jurisdiction is assessed equitably at market value or at ratio or ratios as required by law.

**Escheat:** The right of government that gives the state titular ownership of a property when its owner dies without a will or any ascertainable heirs.

**Et al:** Refers to 'a number of people' and is used in the ownership records of the Assessor's office when there is insufficient room to list all of the owners of the property. Full details of ownership are available from the Assessor's office by telephone.

**Exempt Personal Property:** Inventories for resale; property rented for 30 days or less; materials and supplies held for business use or sale; livestock; agricultural products; equipment used on a farm or ranch to produce agricultural products or handle livestock; computer software; household furnishings not productive of income at any time during the year; consumable property; and all personal property schedules with a total actual value of \$7,000 or less are exempt from property taxation by law.

**Exemptions:** properties that are exempt from local taxation by state law. Various types of exemptions are allowed in Colorado pursuant to Colorado Revised Statutes.

**Farm:** A parcel of land that is used to produce agricultural products that originate from the land's productivity for the primary use of obtaining a monetary profit; i.e., crops have been raised, harvested, and or sold.

**Fee Appraiser:** An appraiser who is paid a fee for the appraisal assignments he or she performs.

**Final Value Estimate:** The range of values or single dollar figure derived from the reconciliation of value indications and stated in the appraisal report.

**Fixtures:** Items that were once movable, but have become physically incorporated into an improvement or affixed to the land. "Fixtures" include systems for heating, air conditioning, ventilation, sanitation, lighting, and plumbing. "Fixtures" do not include machinery, equipment, or other articles related to commercial or industrial operations that are affixed to the real property for proper utilization.

**Floodplain:** The flat surfaces along the courses of rivers, streams, and other bodies of water that are subject to overflow and flooding.

**Forced Sale:** 1. Offering and transferring property for a valuable consideration under conditions of compulsion; 2. A sale at public auction made under a court order.

**Foreclosure:** The legal process in which a mortgagee forces the sale of a property to recover all or part of a loan on which the mortgagor has defaulted.

**Geocode:** Geographic coordinates, often expressed as latitude and longitude that associates the location of a property or improvement in a geographic information system (GIS).

**Geographic coordinates:** Spatial identification system that enables every location on earth to be specified by a set of numbers or letters, typically a combination of vertical and horizontal positions. Common coordinates are latitude, longitude and elevation.

**Grantee:** A person to whom property is transferred by deed or to whom property rights are granted by a trust instrument or other document.

**Grantor:** A person who transfers property by deed or grants property rights through a trust instrument or other document.

**Guaranteed Title:** A title whose validity is insured by an abstract, title, or indemnity company.

**IAAO:** International Association of Assessing Officers.

**Improved Land:** 1. Land that has been developed for some use by the construction of improvements; also land that has been prepared for development by grading, draining, installing utilities, etc., as distinguished from raw land.

**Improvements:** Buildings or other relatively permanent structures or developments located on or attached to land.

**Income Approach:** A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at the market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

**Incurable Depreciation:** An element of accrued depreciation; a defect caused by a deficiency or super-adequacy in the structure, materials, or design, which cannot be practically or economically corrected.

**Industrial Property:** Land and /or improvements that can be adapted for industrial use; a combination of land, improvements, and machinery integrated into a functioning unit to assemble, process, and manufacture products from raw materials or fabricated parts; factories that render service, e.g., laundries, dry cleaners, storage warehouses, or those that produce natural resources, e.g., oil wells.

**Ingress:** A means of entering; an entrance (see Egress)

**Instrument:** In real estate, a formal, legal document, e.g., a contract, a deed, a lease, a will.

**Intangible Property:** 1. Nonphysical items of Personal Property, e.g., franchises, trademarks, patents, copyrights, goodwill and computer software not used as built-in machine language initiated during the computer start-up.; 2. Deferred items such as a development or organization expense.

**Intervening Year:** A term used exclusively in Colorado for ad valorem taxation (property taxation), which refers to the year between mandated reappraisal years. Colorado is on a two-year cycle, the first year being the Reappraisal Year and the second year the Intervening Year. The Intervening Year occurs during even calendar years.

**Intestate:** The condition of dying without leaving a valid will.

**Investment Property:** Property that constitutes a business enterprise consisting of all tangible and intangible assets assembled and developed as a single unit of utility for lease or rental, in whole or in part, to others for profit; normally purchased in expectation of annual net income and/or capital gain.

**Joint Tenancy:** Joint ownership by two or more persons with the right of survivorship.

**Land or Site Analysis:** A careful study of factual data relating to the neighborhood characteristics that create, enhance, or detract from the utility and marketability of the land or site as compared with competing, comparable land or sites.

**Land-To-Building Ratio:** The proportion of land area to gross building area; typical land-to-building ratios for properties combine land and building components into a functional economic unit.



**Land Use Analysis:** A systematic study of an area or region that documents existing conditions and patterns of use, identifies problem areas, and discusses future options and choices. As part of the general planning process, such an analysis might cover topics such as traffic flow, residential and commercial zoning, sewer services, water supply, solid-waste management, air and water pollution, or conservation areas. In short, any factors that could affect how particular areas of land should, or should not, be used.

**Leasehold Improvements:** Additions or remodeling made and owned by a lessee.

**Legal Description:** A description of land that identifies the real estate according to a system established or approved by law; an exact description that enables the real estate to be located and identified.

**Legal Owner:** The owner of title, as distinguished from the holders of other interests, e.g., beneficial or possessory interests.

**Level of Value:** The value as established for a statutorily prescribed appraisal date.

**Limited Partnership:** An ownership arrangement consisting of general and limited partners. General partners manage the business and assume full liability for partnership debt, while limited partners are passive and liable only to the extent of their own capital contributions.

**Living Trust:** A trust that becomes effective during the lifetime of its creator, as distinguished from a trust under a will.

**Lot:** 1. A distinct piece of land; a piece of land that forms a part of a district, community, city block, etc.; 2. A smaller portion into which a city block or subdivision is divided; described by reference to a recorded plat or by definite boundaries; a piece of land in one ownership, whether platted or unplatted.

**Lot Cluster:** The vacation of line(s) between adjacent lots that are commonly owned.

**Manufactured (Mobile) Homes:** Manufactured and Mobile homes are classified and valued in the same manner as other real property, for example, like residential single family homes. "Mobile Homes" refer to those manufactured prior to 1976, built to American National Standards Institute (ANSI) standards. "Manufactured Homes" are built to Department of Housing and Urban Development (HUD) standards. (Red Tag) Manufactured home (§ 39-1-102, C.R.S.(7.8)): "Manufactured home" means any preconstructed building unit or combination of preconstructed building units that: (a) includes electrical, mechanical, or plumbing services that are fabricated, formed, or assembled at a location other than the residential site of the completed home; (b) is designed and used for residential occupancy in either temporary or permanent locations; (c) is constructed in compliance with the "National Manufactured Housing

Construction and Safety Standards Act of 1974”, 42 U.S.C. sec. 5401 et seq., as amended; (d) does not have motive power; (e) is not licensed as a vehicle; and (f) is eligible for a certificate of title pursuant to part 1 of article 29 of title 38, C.R.S.



**Market Value:** The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property right should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

**Mass Appraisal:** the process of valuing a universe of properties as of a given date utilizing standard methodology, employing common data, and allowing for statistical testing.

**Mean Value:** The average value. It is determined by dividing the total value by the number of properties.

**Median Value:** The value of the property located at the midpoint of all property values when arranged in order according to size. It is a positional average and is not affected by extreme values.

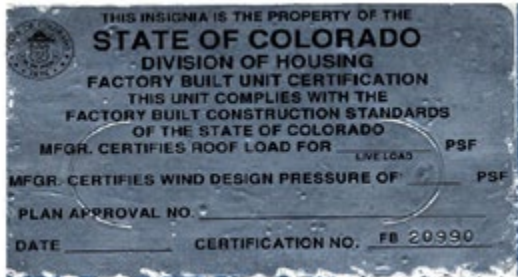
**Metes and Bounds System:** A system for the legal description of land that refers to the parcel's boundaries, which are formed by the point of beginning (POB) and all intermediate points (bounds) and the courses or angular direction of each point (metes).

**Mill Levy:** A tax rate expressed in tenths of a cent; e.g., a tax rate of one mill per thousand means \$1 of taxes per \$1000 of assessed value.

**Mill:** One-tenth of one cent; often used to express real estate taxes.

**Modular:** (Silver Tag) Modular home (§ 39-1-102, C.R.S. (8.3)): “Modular home” means any preconstructed factory-built building that: (a) is ineligible for a certificate of title pursuant to part 1 of article 29 of title 38, C.R.S.; (b) is not constructed in

compliance with the “National Manufactured Housing Construction and Safety Standards Act of 1974”, 42 U.S.C. sec. 5401 et seq., as amended; and (c) is constructed in compliance with building codes adopted by the division of housing in the department of local affairs.



**Multiple Regression:** Multiple Regression Analysis (MRA) is a statistical method to predict the market value of all properties as of the appraisal date, based on actual sales in comparable areas (neighborhoods). MRA models create adjustments based on the contributory value of characteristics such as quality, age, architectural style, and square footage.

**Multiple Use:** 1. A combination of compatible land uses in an area; 2. A combination of compatible uses in a single building.

**Neighborhood:** A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

**Notice of Valuation:** The Assessor must notify the property owner of any change in value. The "N.O.V." is mailed no later than the 1st of May for real property and June 15th for personal property each year. This provides the property owner with the opportunity to protest the value.

**Obsolescence:** One cause of depreciation; and impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or other external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

**Over improvement:** An improvement that does not represent the most profitable use for the site on which it is placed because it is too large or costly and cannot develop the highest possible land value; may be temporary or permanent.

**Owner of Record:** The owner of title to a property as indicated by public records.

**Parcel:** a contiguous area of land described in a single description by a deed or other instrument or as one of a number of lots on a plat or plan, separately owned and capable of being separately conveyed.

**Parcel Number:** A code number that serves as an abbreviation of, or replacement for, a parcel's legal description; used to facilitate the storage and use of land data in an information system; may be based on geocodes, government surveys, or tax maps.

**Partial Interest:** Divided or undivided rights in real estate that represent less than the whole.

**Partnership:** A business arrangement in which two or more persons jointly own a business and share in its profits and losses.

**Personal Property:** Identifiable portable and tangible objects that are considered by the general public to be "personal", e.g., furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate. Personal property includes movable items that are not permanently affixed to, and part of, the real estate.

**Personal Property Penalty:** if any personal property is not listed by the person whose duty it is to list such property on or before April 15 on any year, when such property is assessed there shall be added to the assessed valuation of such property as a mandatory penalty, amounts as follows: 1) If listed or assessed after March 15, but on or before April 15, ten percent (10%) of the assessed value. 2) If listed or assessed after April 15, twenty percent (20%) of the assessed value. If the county assessor fails, neglects, or refuses to add the valuation penalty, he shall be liable on his official bond for the amount of said penalties.

**Plat:** 1. A plan, map, or chart of a city, town, section, or subdivision indicating the location and boundaries of individual properties; 2. A map or sketch of an individual property that shows property lines and may include features such as soils, building locations, vegetation, and topography.

**Power of Attorney:** A legal instrument in which a person authorizes another to act as his or her attorney or agent.

**Property:** Consists of two categories, "real" and "personal".

**Real** — Land, buildings, and improvements affixed to the land.

**Personal** — All property not permanently affixed to land, such as aircraft, business equipment, agricultural equipment, billboards, etc.

**Quality:** Quality descriptors are based on a standard ratings of Low, Fair, Average, Good, Very Good, and Excellent. Attributes such as above-average interior trim, custom kitchen design, or unique architectural embellishments add to the property's quality rating.

**Quitclaim Deed:** A form of conveyance in which any interest the grantor possesses in the property described in the deed is conveyed to the grantee without warranty of title.

**Ranch:** A parcel of land that is used for grazing livestock for the primary purpose of obtaining a monetary profit. Livestock means domestic animals that are used for food for human or animal consumption, breeding, draft, or profit.

**Real Estate:** Physical land and appurtenances attached to the land, e.g., structures. An identified parcel or tract of land, including improvements, if any.

**Real Property:** All interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed. In some states, real property is defined by statute and is synonymous with "real estate".

**Reappraisal:** Review and adjustment of property value to a different level of value.

**Reappraisal Cycle:** Colorado is currently on a two-year reappraisal cycle. The cycle begins each odd year (2007, 2009, 2011, 2013, etc.). The second year of the cycle is referred to as the intervening year (2008, 2010, 2012, 2014, etc.)

**Reappraisal Year:** A term used in Colorado which refers to the mandatory year in which all property must be valued or reappraised for property tax purposes. Reappraisal years occur during each odd calendar year.

**Reassessment:** The process in which all property within a taxing jurisdiction is revalued to assign new assessed values.

**Reconciliation:** 1. The last phase of any valuation assignment in which two or more value indications derived from market data are resolved into a final value estimate, which may be either a final range of value or a single point estimate; 2. In the Sales Comparison approach, reconciliation may involve two levels of analysis: derivation of a value indication from the adjusted prices of two or more comparable sales expressed in the same unit of comparison, and derivation of a value indication from the adjusted prices of two or more comparable sales expressed in different units of comparison.

**Recorded Map:** A map of a parcel of land that has been filed in the office of the County Clerk and Recorder; e.g. "As per map recorded in book 56 at page 20"

**Recording:** The filing of a copy of a legal instrument or document, e.g., a deed, in a government office provided for this purpose; creates a public record of the document for the protection of all concerned and gives constructive notice to the public at large.

**Rectangular Survey System:** A system for the legal description of land that refers to the parcel's location in a township, an area approximately six miles square that is formed by the intersection of principal meridians and base lines. Each township contains 36, one-square-mile sections of 640 acres.

**Residence:** Any property used as a dwelling; in law, the legal domicile; used for owner occupancy, not investment income.

**Right of Survivorship:** Right of surviving joint tenant to acquire the interest of the deceased joint tenant in joint tenancies without any probate proceedings.

**Sales Comparison Approach:** A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.

**Sales-Ratio Analysis:** A study of the relationship between actual values and sale prices and the deviations that result from differences between the two; used to determine the efficiency and fairness of the assessment process in a particular jurisdiction.

**Sales Study Period:** Time period

**Section:** In the government survey system of land description, one of the 36 sections, each one mile square, into which each township is divided.

**Senior Exemption:** In 2000, Colorado voters amended the state Constitution with the adoption of Section 3.5, Article X. This created a property tax exemption for two groups of people: a) Qualifying seniors and b) Surviving spouses of seniors who previously qualified. For those who qualify, 50 percent of the first \$200,000 in actual value of their primary residence is exempted. A qualifying senior must be at least 65 years old on January 1 of the year qualifying, and must have owned and lived in the home for at least 10 years as of January 1 of the year qualifying.

**Situs:** In real estate, the physical location of a property; in personal property, the taxable location because personal property may be moved from one place to another.

**Special Assessment:** An assessment against real estate levied by a public authority to pay for public improvements, e.g., sidewalks, street improvements, sewers; an amount levied against individual owners in a condominium or cooperative to cover their proportionate shares of a common expense.

**Special Districts:** Special service governments created to provide a particular service, e.g., economic development districts, water resource management districts.

**Square Foot Cost:** The cost of one square foot of an improvement; obtained by dividing the actual, or estimated, cost of a building by its gross floor area or by dividing the actual, or estimated, cost of a land improvement by its square foot area; can be multiplied by the number of square feet in a building or land improvement to produce the actual or estimated cost.

**State Audit:** Colorado law requires all assessors to value property at a specific level and within certain uniformity standards. To ensure this, an independent auditor conducts an annual 1% study of all property in each county and reports their findings to the State Board of Equalization.

**State Parcel Number:** Twelve digit number assigned in accordance with a geographic location, consisting of numbers assigned to township, section, quarter section, block and lot.

**Study Period:** Data collection period defined by statute to be used for each reappraisal consisting of the eighteen months immediately preceding the July 1 prior to the January 1 assessment date of the reappraisal year. Example: A reappraisal conducted for 2013 is required to use a study period of January 1, 2011 through June 30, 2012. The Assessor is also authorized to utilize data immediately preceding this one-and-one-half-year period in six month increments up to five years if necessary to obtain adequate comparable valuation data.

**TASP:** (Time Adjusted Sales Price) Colorado Statute requires that sales prices be adjusted for time to an appraisal date of the last date of the study period. Time adjusted sales prices reflect market conditions on that date.

**Tax:** A compulsory contribution legally exacted from persons, corporations, and other organizations by a government, for the support of government and the maintenance of public services.

**Taxation:** The right of government to raise revenue through assessments on valuable goods, products, and rights.

**Tax Base:** The unit of value to which the tax rate is applied to determine the tax due; for property taxes, the assessed valuation; for income taxes, the net taxable income.

**Tax District:** A political subdivision of one or more assessment districts where a governmental unit has the authority to levy taxes. Also known as a "Tax Authority".

**Tax Exemption:** Total exemption or freedom from tax; granted to educational, charitable, religious, and other nonprofit organizations. Partial exemptions from ad valorem tax are granted to homesteads in some states.

**Tax Levy:** In property taxation, the total revenue that will be realized by a tax.

**Tax Lien:** A lien that is automatically attached to property in the amount of its unpaid property taxes.

**Taxpayer:** One who pays or is liable for a tax.

**Tax Rate:** The ratio between that tax and the tax base; applied to the assessed value to determine the amount of tax; obtained by dividing the amount of the tax levy by the total assessed value of all properties in the tax district; usually expressed in dollars per \$100 or \$1,000 (mills) of assessed value.

**Tax Warrant:** Annual report showing the taxable assessed valuation for Douglas County by taxpayer and the amount of taxes due. This report includes the legal description and assessed value attributable to land, improvements, or personal property on each property record.

**Tax Roll:** The official list of all taxpayers subject to property tax, the amounts of their assessments, and the taxes due.

**Taxable Property:** All property classified as Real or Personal Property which is not exempt by law.

**Taxing Entity:** Political subdivision of the state with the power to levy tax on property that lies within its geographical boundaries.

**Tenancy:** 1. The holding of property by any form of title; 2. The right to use and occupy property as conveyed in a lease.

**Tenancy in Common:** An estate held by two or more persons, each of whom has an undivided interest.

**Time Trending:** Colorado Statute requires that sales prices be adjusted for time to an appraisal date of the last date of the study period (Time Adjusted Sales Price). Time adjusted sales prices reflect market conditions on that date.

**Title:** The combination of all elements that constitute proof of ownership.



**Townhouse:** A single family, attached dwelling unit with common walls with common area facilities owned either as an undivided interest by the lot owners or by a homeowners' organization.

**Township:** In the government survey system of land description, the area between two township lines and two range lines; normally contains 36 sections of approximately 640 acres each.

**Township Lines:** In the government survey system of land description, survey lines that run east and west at six- mile intervals north and south of a baseline and form the north and south boundaries of townships.

**Tract:** A parcel of land; an area of real estate that is frequently subdivided into smaller parcels.

**Transfer Declaration:** According to Colorado Statute (C.R.S. §39-14-102), any conveyance document presented for recordation must be accompanied by a Real Property Transfer Declaration that has been completed and signed by either the grantor or the grantee. Selling prices of sold properties, taken from deeds, are used extensively in the appraisal process. Because of circumstances surrounding a sale (for example, a sale between family members), some selling prices are not truly indicative of a property's value. Appraisers typically adjust sale prices when unusual circumstances exist, or disqualify (ignore) these sales altogether. The Real Property Transfer Declaration (TD-1000) alerts the appraiser in the Assessor's Office to sales which may not be an indication of a property's value.

**Trust Deed:** A deed that establishes a trust, an instrument that conveys legal title to a property to a trustee, stating the trustee's authority and the conditions that bind the trustee in dealing with the property.

**Trustee:** A person who controls legal title to a property under a trust agreement.

**Under-improvement:** An improvement that is inadequate to develop the highest and best use of its site; usually a structure that is of lesser cost, quality, and size than typical neighborhood properties.

**Undivided Interest:** Fractional ownership without physical division into shares.

**Uniform Standards of Professional Appraisal Practice (USPAP):** Current standards of the appraisal profession, developed for appraisers and the users of appraisal services by the Appraisal Standards Board of the Appraisal Foundation. The Uniform Standards set forth the procedures to be followed in developing an appraisal, analysis, or opinion and the manner in which an appraisal, analysis, or opinion is communicated. They are endorsed by the Appraisal Institute and by other professional appraisal organizations.

**Unimproved Land:** Vacant land or land that lacks the essential, appurtenant improvements required to make it useful.

**Units of Comparison:** The components into which a property may be divided for purposes of comparison, e.g. price per square foot, front foot, cubic foot, room, bed, seat, apartment unit.

**Valuation:** The process of estimating the market value, insurable value, investment value, or some other properly defined value of an identified interest or interests in a specific parcel or parcels of real estate as of a given date. Valuation is a term used interchangeably with appraisal.

**Value:** 1. The monetary worth of a property, good, or service to buyers and sellers at a given time; 2. The present worth of the future benefits that accrue to real property ownership.

**Warranty Deed:** A deed that conveys to the grantee title to the property free and clear of all encumbrances, except those specifically set forth in the document.

**Weighted Average:** An average in which each component is adjusted by a factor that reflects its relative importance to the whole; obtained by multiplying each component by its assigned weight, adding the products, and dividing the sum of the products by the sum of the weights.

**Zoning:** The public regulation of the character and extent of real estate use through police power; accomplished by establishing districts or areas with uniform restrictions relating to improvements; structural height, area, and bulk; density of population; and other aspects of the use and development of private property.