



February 8, 2024

Southshore residents,

As mentioned in our previous letter, property owners should have received their property tax bills from Arapahoe County. Each year property owners reach out after receiving their property tax bills with questions. Here are the frequently asked questions and their respective answers.

How are Southshore Property Taxes Calculated?

$$\begin{matrix} \text{Arapahoe County} \\ \text{Appraised Value} \end{matrix} \times \begin{matrix} \text{Colorado State Approved} \\ \text{Residential Assessment Rate} \end{matrix} \times \begin{matrix} \text{Metro District} \\ \text{Mill Levy} \end{matrix} = \text{Property Taxes Due}$$

What is the difference between the appraised and assessed value?

Essentially, the appraised value is the amount the County Assessor thinks your home is worth. The assessed value is calculated by multiplying the County Assessor appraised value by the Colorado State’s residential assessment rate.

Is the Mill Levy rate the tax rate?

Not exactly, one (1) mill is one dollar per \$1,000 dollars of assessed value. To determine the effective tax rate, multiply the Colorado State Approved Assessment Rate by the Metro District Mill Levy.

Why does the Mill Levy rate increase?

Since 1982, Colorado has frequently lowered the assessment rate of residential property. When lowering the assessment rate, the effective tax rate decreases. When the assessment rate decreases, the Metro District adjusts the Mill Levy rate to ensure a consistent effective tax rate. Example:

	Appraised Value	X	Assessment Rate	X	Mill Levy	=	Property Taxes
	\$100,000		7%		1		\$7
Lowered Assessment Rate	\$100,000		6%		1		\$6
Raised Mill Levy to maintain Constant Tax Rate	\$100,000		6%		1.166		\$7

Did Colorado reduce the assessment rate for 2024 property taxes?

Yes, but not until late November 2023. Coloradoans voted no on Proposition HH, resulting in a special session of the Colorado Legislature. The legislature lowered the assessment rate in the special session. The assessment rate was lowered to 6.7% and also included a \$55,000 reduction in the actual valuation calculation for each residential property.

Why did the Southshore Metro District budget initially reflect a different Mill Levy from the Arapahoe County property tax bill?

Because of the Colorado Legislature’s last-minute changes to the law, Arapahoe County could not provide revised assessed values until after the District approved the 2024 budget. The Board authorized the mill levy to be adjusted to maintain the same effective tax rate as approved in the budget.



How did the change in the assessment rate impact Southshore's assessed values?

In August 2023, Arapahoe County provided a preliminary Southshore assessed values of \$107,030,567. The final Arapahoe County assessed value for Southshore came in at \$99,492,078 reflecting a 7% decrease.

What other factors affect the Mill Levy calculation?

Although Southshore is a residential community, the community also consists of vacant land (homes under construction), commercial, and state assessed property (utilities). Each property type has a different assessment rate; as an example, vacant land is assessed at 27.9%.

How does Southshore compare to the surrounding communities?

Arapahoe County has an Assessed Property Value Change report which reflects the change by home and neighborhood. The report is attached for your reference and can be viewed on the Arapahoe County Assessor's home page.

Why did the Metro District need to raise the mill levy with the increase in property appraised values?

As communities transition away from developer control and approach build out, communities have leveraged the advantages of Metro Districts. In fact, most of the surrounding communities use their metro districts for operations, including Inspiration, Blackstone, Tallyn's Reach, Wheatlands, Beacon Point, Tollgate, Sorrel Ranch to name a few.

Metro districts have several advantages including, but not limited to, government immunity, property tax deductibility, insurance pool participation, no sales tax, County responsible for income collections, and access to state and local grants.

The Metro District Board has been monitoring the total assessed value for several years. 2024 marks the first year the Metro District could maintain the effective tax rate and generate enough property tax revenues to sustain operations, debt service, and have a healthy cash reserve.

As the owner of Southshore's common assets, the Metro District will begin maintaining the common assets effective April 1, 2024. At that time, the Master Association will continue to provide covenant enforcement and design review, Social Committee events, and trash and recycling services.

By assuming the operations of Southshore's common assets, the effects should greatly reduce the Master Association's operating expenses, relieving their membership the burden of maintain reserves.

In service to Southshore,
The Southshore Metropolitan District Board of Directors

Assessed Property Value Change 2021 - 2023

Township Present Value Change

- Up to 25%
- More than 25% up to 50%
- More than 50% up to 65%
- More than 65%

Neighborhood Present Value Change

- Up to 25%
- More than 25% up to 50%
- More than 50% up to 65%
- More than 65%

Assessed Current value by neighborhood or census tract
assessed by the county for 2021. This information is not subject to public dissemination.

Assessed Current value by township
assessed by the county for 2021. This information is not subject to public dissemination.

0 1,000 3,000 5,000 9,000 12,000 Feet

1 in = 3,000 Feet

