



From: Dave dave@[REDACTED]
Subject: HB18-1036 Reduce Business Personal Property Taxes
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I own a small second home in Park County that I occasionally use for short term vacation rentals. Last year I was surprised to learn that the business personal property tax applied to me. Apparently if I have a paying overnight guest for even one night a year, the tax is levied.

I was sent a CRS 39-5-107 compliant inventory request form which I dutifully completed and returned. Park County then ignored the form and assessed a valuation based on \$10 psf of the size of the house. This is not one of three approved methods of valuation specified in CRS 39-1-103 which requires valuation based on a cost, market or income approach. In discussions with the County and through three levels of appeals, I discovered that their valuation approach is identical to that of surrounding counties for part time vacation rental properties.

After I filed an appeal with the BAA, Park County agreed to do an inspection and a Title 39 compliant market valuation which resulted in the valuation being reduced from over \$13K to about \$5K and my assessed tax from over \$300 to \$0.

The current \$7,400 exemption encourages county assessors to use an illegal valuation method to pursue vacation rental owners. This subjects the assessors to legal liability under CRS 39-5-126 for second degree perjury.

In my case, getting a correct valuation for my business personal property took an enormous amount of time and effort both for myself and the assessors office. There is no efficient and enforceable way to value the personal property of ordinary homeowners who rent their space for one or more nights per year. Having a more reasonable exemption threshold for reporting and tax collection would eliminate this issue and the resultant personal legal liability for assessors across the State.

Vacation rental owners are currently being assessed for taxes they may not even owe. Taxpayers must be willing to do tax research and file multiple appeals of illegal valuation methods in order force many counties to comply with the current business personal property tax system and pay the correct assessment. Increasing the \$7,400 exemption would remove most vacation rental owners from this mess.

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