

Agricultural Classification



TELLER COUNTY
ASSESSOR'S
OFFICE



Agenda

- A look at Teller County in relation to Agricultural Classification
- Introduction to Agricultural Classification
- Why is it so important to Classify Agricultural properties correctly?
- How do I get my property classified Ag?
- How do I keep my property classified Ag?
- What can I expect from my Assessor's Office?

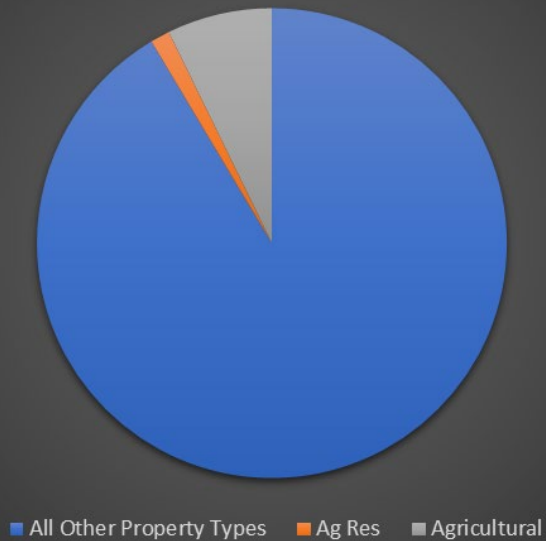




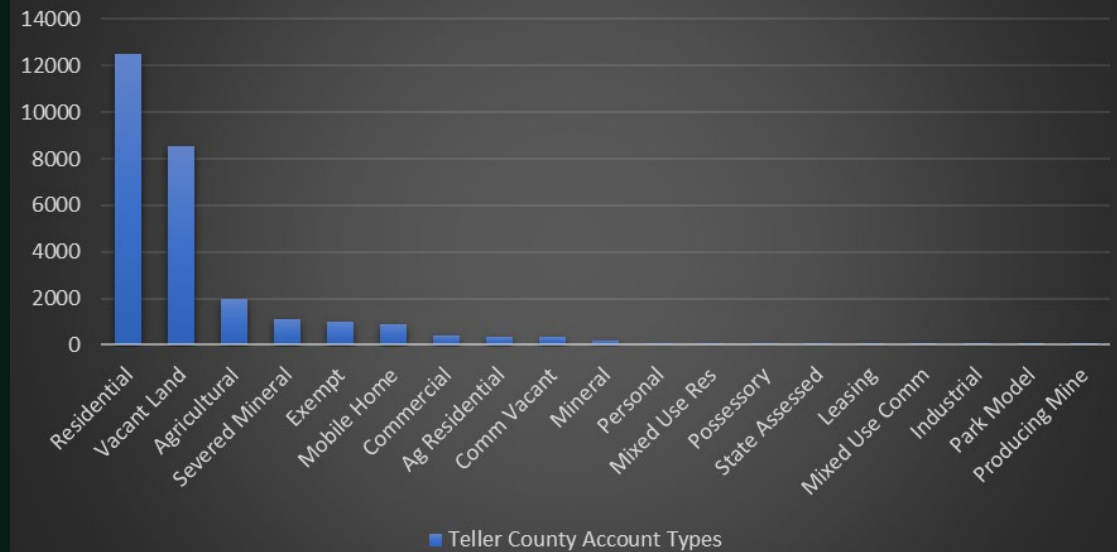
Teller County

Number of total accounts = 27,556

Teller County Account Type



Teller County Account Types

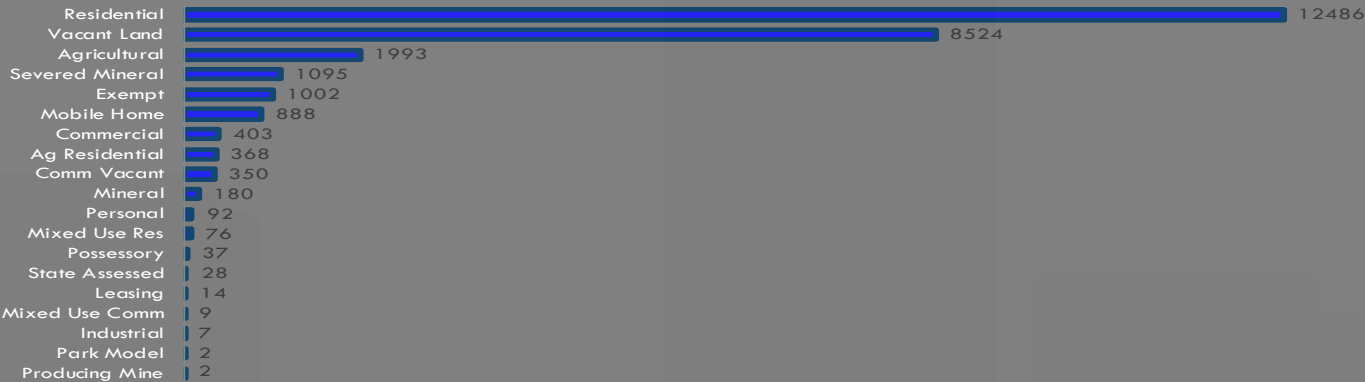


Teller County



ACCOUNT TYPE BREAKDOWN

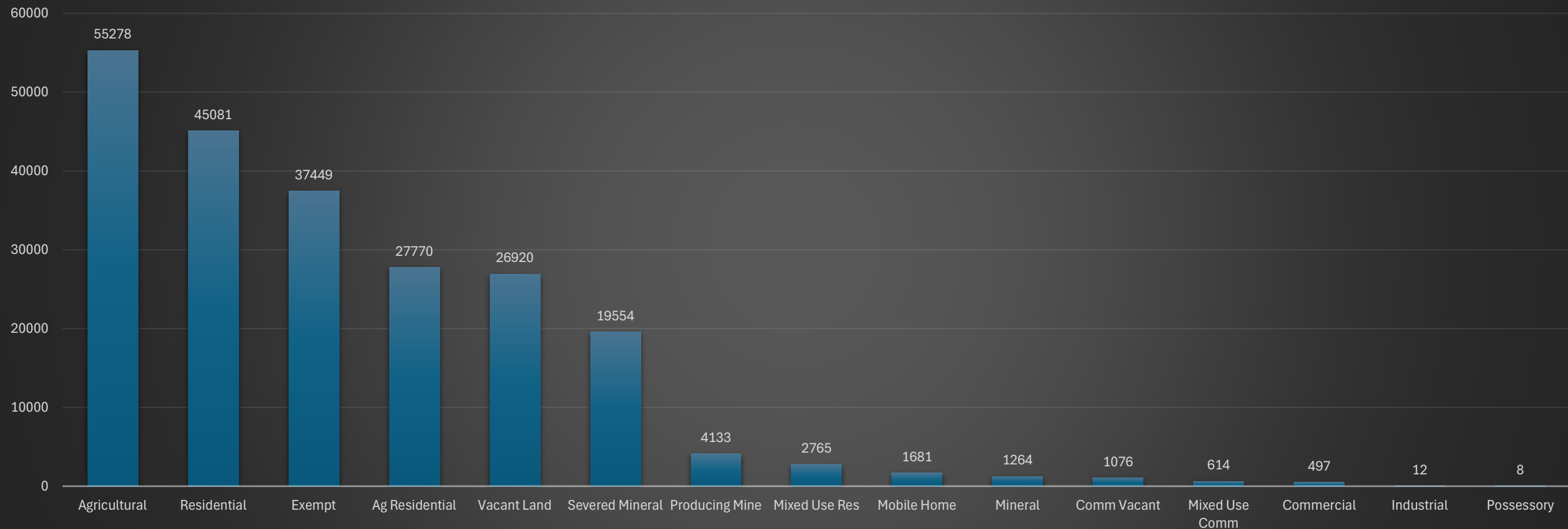
Teller CountyProperty Type Breakdown



CATEGORY

Residential	12486
Vacant Land	8524
Agricultural	1993
Severed Mineral	1095
Exempt	1002
Mobile Home	888
Commercial	403
Ag Residential	368
Comm Vacant	350
Mineral	180
Personal	92
Mixed Use Res	76
Possessory	37
State Assessed	28
Leasing	14
Mixed Use Comm	9
Industrial	7
Park Model	2
Producing Mine	2
Total	27,556

Property Type by Acres



Teller County by Acres

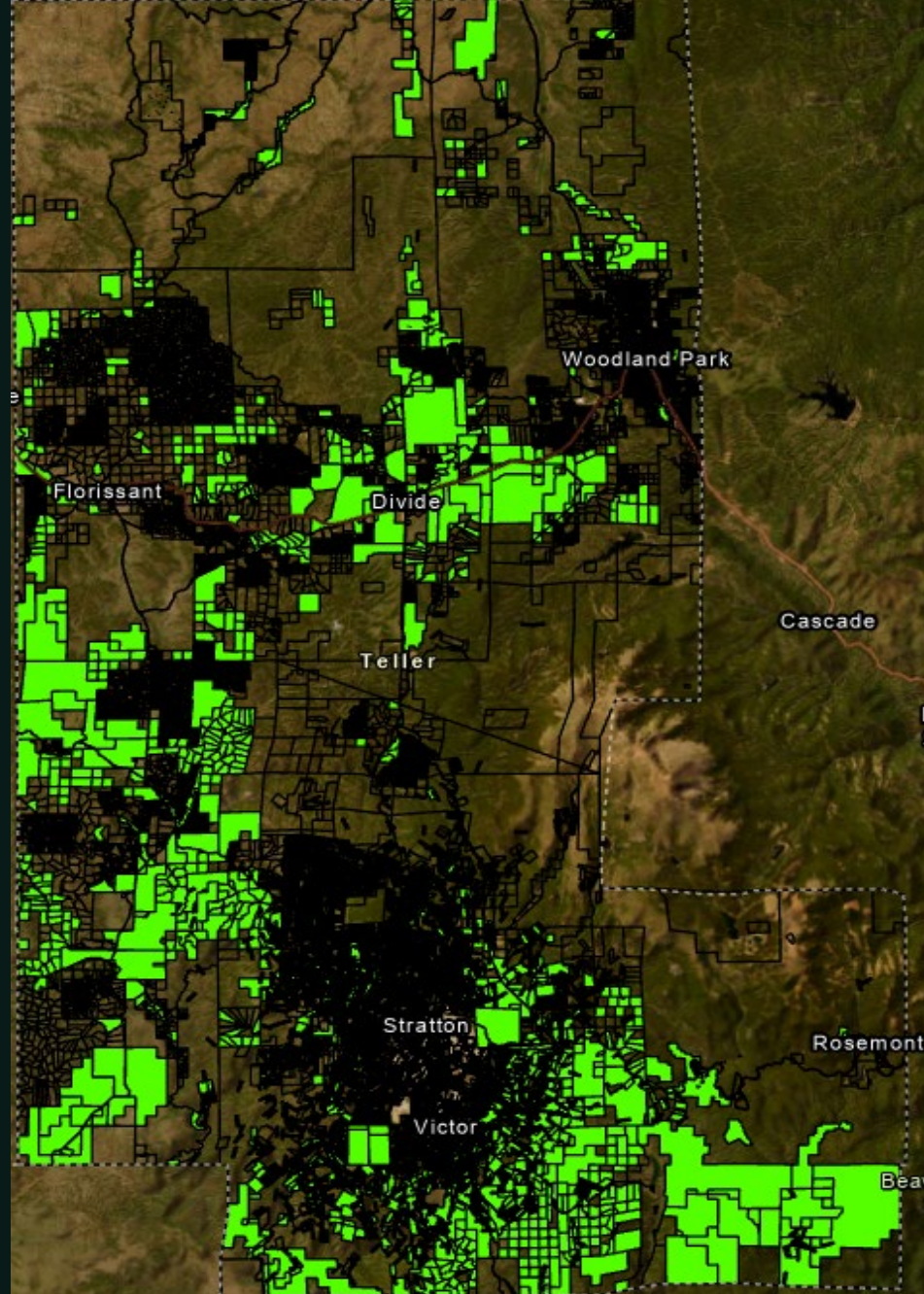
Total Acres= 224,102

(excluding public lands)

Teller County



GREEN INDICATES
AG PARCELS



Introduction

The Colorado agricultural property classification is designed to value qualifying farm and ranch land based on its earning or productive capacity rather than its market value. This mechanism provides significant property tax relief to legitimate farmers and ranchers, making it economically feasible to continue agricultural operations and preventing the forced conversion of land to residential, vacant or commercial uses due to high market-based taxes.





What is Agricultural Classification?

Teller County Assessor's
Office

Agricultural Classification

- **Valuation Based on Use, Not Zoning or Market:** The classification is determined solely by the *actual surface use* of the land for agricultural activities, regardless of its zoning or potential for future development.
- **Income-Based Formula:** Unlike most properties valued by market comparisons, agricultural land is valued using a formula that capitalizes the average net income the land is capable of producing (typically using a 10-year average of commodity prices and expenses). This results in a much lower assessed value and thus lower property taxes.
- **Primary Purpose of Monetary Profit:** To qualify, the land must be used primarily to obtain a monetary profit from the production of agricultural products (farming) or the grazing of qualifying livestock (ranching). Incidental uses, such as a large personal garden or owning pleasure horses, do not qualify.

Why is it so important to correctly Classify Agricultural properties?

- Correctly classifying agricultural properties is important because it significantly impacts the property's **tax assessment**, with agricultural land often being taxed at a lower value than other property types. This ensures fair taxation based on its use, helps in proper land management and valuation, and may be required for property owners to access specific tax benefits and programs.
- Incorrectly classifying agricultural land can shift the tax burden onto non-agricultural parcels by reducing the overall tax base and necessitating higher tax rates for residential, vacant and commercial property owners to maintain public services.



Shift in Tax Burden

- **Reduced Overall Tax Revenue:** Agricultural land is typically assessed based on its productive value (income generated from farming/ranching), which is often significantly lower than its market value for development. When land that should be classified otherwise is incorrectly given an "agricultural" status, it generates less property tax revenue than it would under a residential, vacant or commercial classification. This creates a shortfall in the taxing authorities total potential tax receipts.
- **Higher Tax Rates for Non-Agricultural Properties:** To compensate for the revenue lost due to the under-taxation of misclassified "agricultural" properties, local taxing authorities must often increase the tax rates levied on all other taxable properties, primarily residential, vacant and commercial parcels. This means homeowners and business owners end up paying a disproportionately larger share of the total tax burden to fund local services like schools, infrastructure, and emergency services.
- **Perceived Inequity and Public Tension:** The shift in the tax burden can lead to a growing divide and tension between different groups of property owners in a county. Non-agricultural property owners may feel they are unfairly subsidizing those with misclassified properties, especially if the "agricultural use" is minimal or a loophole is being exploited (e.g., planting a few fruit trees to get a significant tax break on a multi-million dollar property).

Financial Effects of Agricultural Classification



- Vacant 210.473 acres

\$2,168,000 Actual Value

$\$2,168,000 \times 27\%$ (Assessment Rate) = \$585,360 (Assessed Value)

$\$585,360 \times .065442$ (mill levy/1000) = **\$38,307.00 (Taxes Owed)**

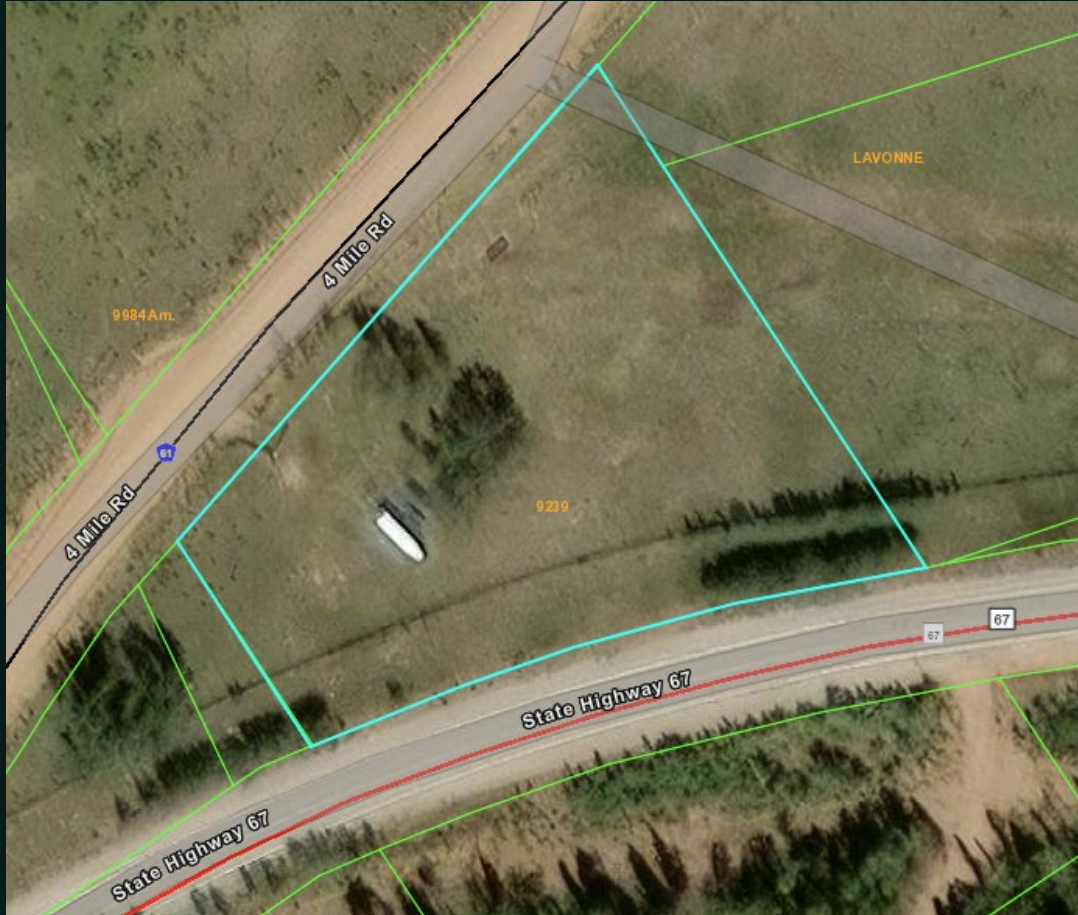
- Agricultural Classified 210.473 acres

\$4,220 Actual Value

$\$4,220 \times 27\%$ (Assessment Rate) = \$1,139 (Assessed Value)

$\$1,139 \times .065442$ (mill levy/1000) = **\$74.56 (Taxes Owed)**

Financial Effects of Agricultural Classification



- Vacant 2.155 acres

\$62,908 (Actual Value)

$\$62,908 \times 27\%$ (Assessment Rate) = \$16,985 (Assessed Value)

$\$16,985 \times .018955$ (mill levy/1000) = **\$321.95 (Taxes Owed)**

- Agricultural Classified 2.155 acres

\$43 (Actual Value)

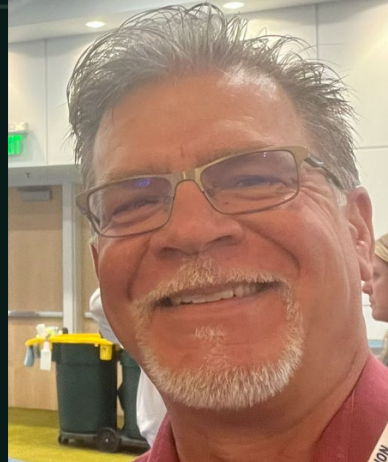
$\$43 \times 27\%$ (Assessment Rate) = \$11.61 (Assessed Value)

$\$11.61 \times .018955$ (mill levy/1000) = **\$0.22 (Taxes Owed)**

Assessor Team



Kurt Schoenberger
Teller County
Assessor



Mike Akana
Chief Deputy
Assessor

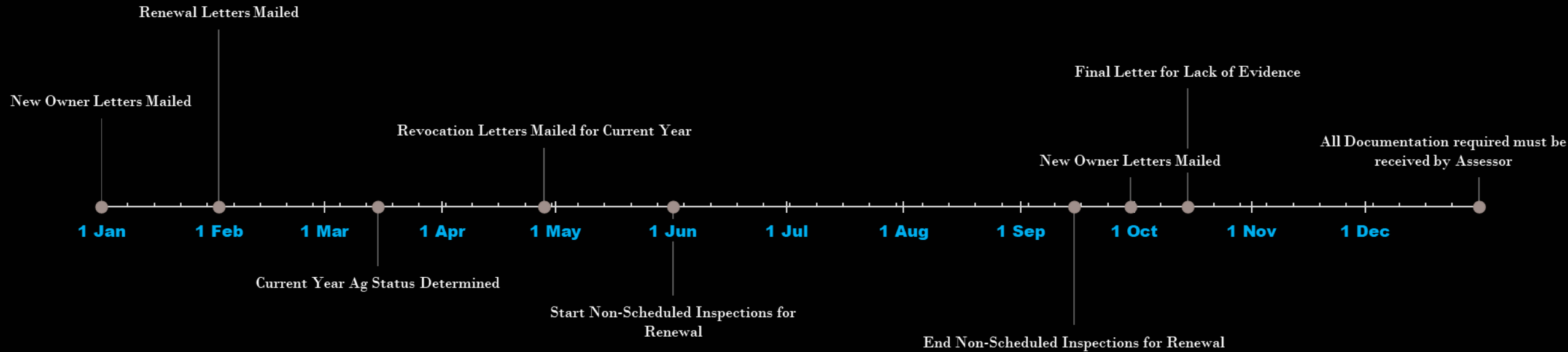


Taylor Smith
Chief Assessment
Manager



Ciarra Anderson
Agriculture Appraisal
Specialist

Communication Timeline



How to obtain Agricultural Classification?

FORMS & DOCUMENTATION

- Request to Qualify form submitted to Assessor's office
- Financial documentation for owner operator (purchase orders, sales receipts, 1040f, etc....)
- Documentation for Lessor (grazing lease)

MANDATORY INSPECTION

- Must have legal access to parcel requesting Ag classification
- Must observe actual AG use
- Must have exterior access to all improvements on parcel
- Current Plus 2 year waiting period

How do I keep Ag classification on my parcel?

ASSESSOR'S COMMUNICATION

- Renewal Letter mailed (February 1st)
 1. Explaining all requirements to renew
 2. Explaining property owner's responsibilities
 3. Explaining non-scheduled inspection timeline (if property wishes to schedule their inspection for a specific date, they must schedule with Assessor's office by June 1st)
- Upon inspection if insufficient evidence of AG use was determined a letter will be mailed at that time informing the property owner.

PROPERTY OWNER'S RESPONSIBILITIES

- Submit all applicable documentation supporting the attempt to make a monetary profit
- Ensure Assessor's office has full and legal access to parcel
- If a specific date is needed for an accurate inspection of the AG use the property owner is responsible for scheduling this with the Assessor's office prior to June 1st
- If insufficient Ag use letter is received and owner believes this is incorrect. They will need to contact the Assessor's office ASAP so it can be reevaluated

CONCLUSIONS

- Assessor's office will determine if all documentation and inspection evidence meet the requirements for Agricultural Classification
- If requirements have not been met a final letter informing the property owner that Agricultural Classification requirements have not been met will be mailed
- If all requirements have been met then Ag classification will be renewed for 5 years or the length of the lease if less than 5 years
- If requirements are not met by December 31st. Agricultural Classification will be **revoked** for the next tax year



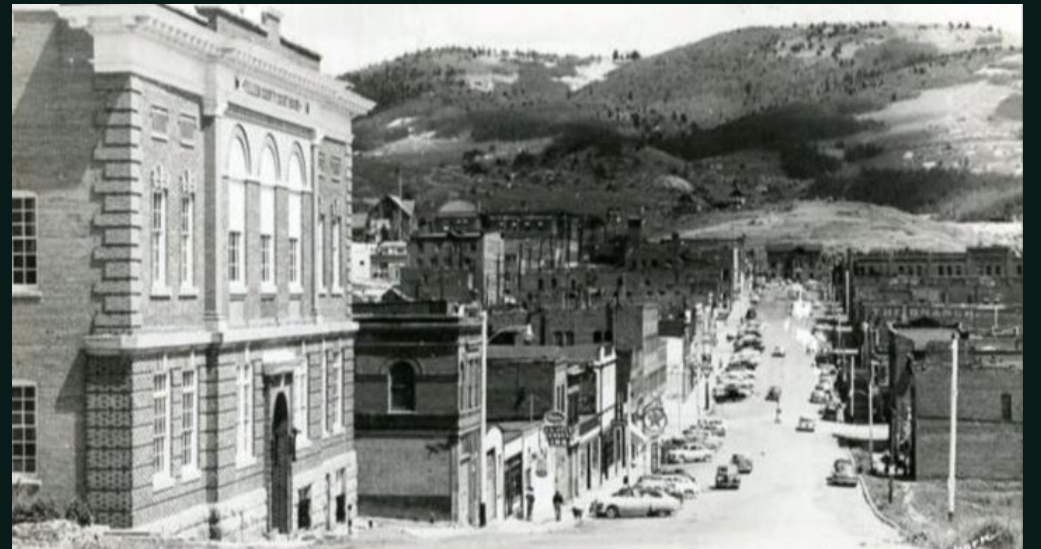
Clear evidence of Ag use

True Ag use is easy to
see



What you can expect from your Assessor's Office

At the Teller County Assessor's Office, we're dedicated to providing fair, accurate, and transparent property valuations across Teller County. We value our strong partnerships with local farmers and ranchers, and we're equally committed to protecting the interests of our non-agricultural property owners.



Thank you
from your
Assessor's Office

Kurt Schoenberger
Teller County Assessor

assessor@tellercounty.gov

719-689-2941

www.tellercounty.gov/Assessors-Office