Bakers Peak\Thunderbird Wilderness – Ag vs. no Ag

With a few exceptions, nearly all parcels in the Bakers Peak\Thunderbird Wilderness currently subdivision receive "Agricultural" classification due to the grazing lease that has been in place since 2006. It is my understanding this lease will expire at the end of 2019. If a new grazing lease in not in place as of January 1, 2020 this will trigger a re-classification and the agricultural classification will be removed and the lands will be re-classified as "vacant land or residential land with improvements". As you know, because of this Agricultural classification, these lands receive a significantly lower value than other vacant or improved lands that do not carry an Ag classification. Currently the Ag lands in Bakers Peak are valued based on Grazing #1 and carries a value of $23.96\ac. Whereas, non Ag lands in this area carry a value of $920\ac.

Example of a "vacant lot" valued with Ag and without Ag:

35.03 acre lot with no improvements (lots with different acreages, their values will change proportionately).

35.03 Acres	Valued with Ag	Valued w\o Ag
Land Value	$839	$32,228
Assessment Rate	x 29%	x 29%
Assessed Value	$240	$9350 (rounded)
Mill Levy	x .058864	x .058864
Estimated Taxes	$ 14.12	$550.38

For those land owners whose parcels are currently classified as vacant they will see a significant increase in their future tax liability. Those with residential improvements (cabins) will see an increase in value but not near to the extent of those vacant land owners because those parcels are valued using the residential assessment rate of 7.15% rather than the 29% assigned for vacant land.

Example of a parcel with a cabin and 35.03 acres:

	Valued with Ag	Valued without Ag
Land Value	$839 x 29% = $240	$32,228 x 7.15% = $2,304
Imprv. Value	50,000 x 7.15%=$3,575	$50,000 x 7.15% = $3,375
Taxable Value	$3,815	$5,679
Mill Levy	x .058824	x .058824
Estimated Taxes	$224.41	$334.06

Additionally, as per statute, if this grazing lease would go away for 2020, please know to re-establish this classification in the future you would have to demonstrate three years consecutive years of agricultural use to be able to again receive the ag classification (39-1-102)(1.6)(a)(I),C.R.S.