

# The Real Property Transfer Declaration



Summit County Assessor

## What is the purpose of a Real Property Transfer Declaration?

The Real Property Transfer Declaration provides the Assessor's Office with accurate information for all sales of Real Property in the County. **This is a confidential document, seen only by the buyer/seller and/or his agents, the title company, and the Assessor's Office.**

## Why does the Assessor need this information?

Every two years, the Assessor's Office is required to value each Real Property parcel in the County. This must be accomplished by compiling sales that have occurred during a timeframe specified by state statute and then using that data to determine the market value of all properties. The method used is similar to the approach used by independent appraisers when a single property is being appraised.

## Why is it important to the buyer?

Future valuation of the property will be based on this and other sales of similar properties. Accurate reporting of these items leads to accurate valuation of the properties for tax purposes.

State statute requires that everyone who purchases real property in Colorado fill out this form in good faith, and then attest to the information it contains by his signature. **It is important that the buyer understand that his answers to these questions must be complete and accurate and that the completion of the form at closing is required by law.** If the information is incomplete, an appraiser from the Assessor's Office will contact the buyer to obtain the omitted information.

## Why are buyers required to report Personal Property bought with the Real Property?

If the purchase price on the warranty deed is not reduced by the amount paid for the Personal Property, the sale appears to have been for Real Property only. It follows, then, that when these sales are used to value similar properties the values will be inflated due to the inclusion of the amounts that should have been, but were not, attributed to Personal Property and subtracted from the purchase price.

If, on the other hand, the value estimated for Personal Property is too high, the resulting sale will understate the purchase price of the Real Property. In cases where the amount reported for Personal Property is higher than could typically be expected, the appraiser who reviews the form will undoubtedly question this amount. In these cases, an attempt is made to contact the buyer for clarification. If a satisfactory explanation cannot be obtained, the sale may not be considered in the future valuation of this and similar properties.

## What other information on this form affects valuation?

Certain types of trades, sales for less than 100% interest in the property, sales between related parties, atypical financing, and franchise fees can all adversely affect the ability of these sales to reflect the true market for Real Property sales. The information provided in answer to these questions is used to determine whether a sale was truly arm's length and an accurate representation of the market at the time of the sale. If the determination is made that one or more of these factors had an effect on the purchase price, or if the question is not answered and the Assessor's Office is not able to obtain clarification, the sale will not be used by the Assessor during the valuation process.

**We will be happy to clarify these points and answer your questions.**

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