



**Colorado
Legislative
Council
Staff**

HB17-1019

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0539
Prime Sponsor(s): Rep. Valdez

Date: January 18, 2017
Bill Status: House Finance
Fiscal Analyst: Larson Silbaugh (303-866-4720)

BILL TOPIC: PROPERTY TAX REDEMPTION THIRD PARTY COSTS

Summary of Legislation

This bill allows county treasurers to any amount paid to third parties associated with processing a deed when private property is sold to capture delinquent property taxes.

Background

Under current law, a county can issue a tax lien on property to recover delinquent property taxes. In some cases the county is unable to recover the delinquent property taxes or special assessments from the owner. In these cases, another individual can satisfy the lien by paying the delinquent property taxes or fees with the intention of receiving a deed to the property if certain procedures are met. Before a new deed can be issued, the owners of the property and any occupants must be notified of the intention to issue a new deed to the property. If an owner cannot be identified, the county treasurer must be publish notices in a local newspaper. It is only after these conditions are met that a new deed is issued.

Currently, when the deed is sold the purchaser is required to pay the delinquent property taxes or fees and other associated costs. Specifically, they are required to pay the treasurer for the costs of searching for and notifying the owners of the property and the cost of publishing notices in a newspaper. House Bill 17-1019 also requires the purchaser to reimburse the county treasurer for amounts paid to third parties not currently specified in law.

If the original property owner is able to satisfy the delinquent property taxes, interest, and other associated costs before a new deed is issued they retain the title to the property.

Local Government Impact

County governments will receive additional revenue equal to the third party costs of selling property for delinquent property taxes. This amount cannot be quantified, however the additional revenue is expected to be minimal, as there are only occasional sales of property through tax deeds.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Local Affairs
Information Technology

County Assessors
Property Tax
County Treasurers

County Clerks
Public Trustees