



Legislative Council Staff
Research Note

Version:

Date: 6/14/2017

Bill Number

House Bill 17-1354

Sponsors

***Representative K. Becker
Senators Priola & Kefalas***

Short Title

***Collection of Delinquent Taxes
on Mobile Homes***

Research Analyst

Juliann Jenson (x3264)

Status

This research notes reflects the final version of this bill, which becomes effective August 9, 2017, assuming no referendum petition is filed.

Background

A tax lien is a government claim upon property for an unpaid amount of tax that is owed. State law allows for county treasurers to place liens on every county property owing taxes, and the lien remains until the property taxes are paid. Property that has a lien attached to it cannot be sold or refinanced until the taxes are paid and the lien is removed.

In order for taxing authorities to received their budgeted revenue without having to wait for delinquent taxes to be collected, state law allows for property tax liens to be purchased by third-party investors at public auctions. These investors pay the outstanding tax debt of property owners, plus interest to the date of the auction and applicable fees. The third-party investors may take ownership of the property if the taxes are not paid by the property owners within a certain period of time. Owners of personal property have a year before the investor can start paperwork to take ownership. For real property, such as fixed buildings and land, owners have three years to repay the debt.

State law considers mobile homes as personal property, rather than real property. Therefore, mobile home owners have a shorter time period in which to rectify a tax debt. In some cases, mobile home owners have been evicted from their homes or have had to repurchase them at an increased rate if the tax lien cannot be repaid within a year and the lien is sold to a private investor. County treasurers across the state have reported an increase in the purchase of mobile home tax liens to acquire properties.

This research note was prepared by Legislative Council Staff, the nonpartisan research staff for the Colorado General Assembly. The research note is provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly. Legislative Council Staff are not attorneys, and the research note is not a legal opinion. If you have legal questions about the bill, including questions about the meaning of the bill language or amendments, please contact the drafter.

House Action

House Local Government Committee (April 26, 2017). At the hearing, committee members heard supporting testimony from a private citizen and representatives from the Colorado Center on Law and Policy, the Colorado Senior Lobby, the Colorado Treasurers' Association, and Weld County. The committee referred the bill unamended to the House Committee of the Whole.

House second reading (April 27, 2016). The House adopted the House Local Government committee report. The House passed the bill on second reading with no amendments.

House third reading (April 28, 2017). The House passed the bill on third reading with no amendments.

Senate Action

Senate Finance Committee (May 4, 2017). At the hearing, committee members heard supporting testimony from a private citizen and representatives from the Colorado Center on Law and Policy, the Colorado Senior Lobby, and the Colorado Treasurers' Association. A private citizen spoke in opposition to the bill. The committee referred the bill unamended to the Senate Committee of the Whole with a recommendation that it be placed on the consent calendar.

Senate second reading (May 8, 2017). The Senate passed the bill with no amendments.

Senate third reading (May 9, 2017). The Senate passed the bill on third reading with no amendments.