

# Colorado Property Tax Payments

## Presented to: Colorado Property Tax Commission

Presented by:



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## Treasurers Annual Calendar after June 15<sup>th</sup> (abbreviated for this presentation)

- June 15<sup>th</sup> - Deadline for second half tax payments 39-10-104.5
- As soon as practical after June 15<sup>th</sup> - Mail delinquent tax statements 39-10-109
- After June 15<sup>th</sup>, but no later than September 1<sup>st</sup> - Mail delinquent statements for real estate and severed mineral rights taxes, special assessments, etc. 39-11-101
- June 24<sup>th</sup> - Disburse property tax collections (School Districts only) 39-10-107 (3)
- During the month of September - Publication of delinquent taxes for Personal Property and Manufactured Homes 39-10-110
- 30 days prior to close of redemption period - Notify the owners of MH and any lien holders that a certificate of ownership may be issued
- At least 10 days prior to Tax Lien Sale - Notify owners of real estate conterminous with delinquent severed mineral rights of imminent tax lien sale 39-11-150
- October 2<sup>nd</sup> – Delinquent personal property and MH are now subject to distraint, seizure, and sale 39-10-111
- At least 10 days before publication - Deliver delinquent tax list of real estate, mineral rights, and special assessments to publisher 39-11-106 (2)
- At least four weeks before your tax lien sale – Advertise delinquent real estate taxes & post printed notice in office 39-11-102
- On or before the second Monday in December – Real property tax lien sale 39-11-109
- Furnish Board of County Commissioners a listing of County held liens eligible for Treasurer's Deed 39-11-142
- November - Report to the State a list of MH sold at tax lien sale 39-11-114(3)
- December - Report real estate tax sale certificates 30 years or older that are held by County for a resolution for BOCC to void and treasurer to cancel
- December - Cancellation of real estate tax lien sale certificates not held by the county and 15 years old.

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### Larimer: By the Numbers

Various types of properties and payments:

Property Type	January Original Tax Statements	July Delinquent Tax Statements	Advertised Properties
Real Property	158,074	6,584	1,750 (approx.)
Manufactured/Mobile Homes	2,477	396	220 (orange tag)
Personal Property	3,127	330	144

Number of Property Payments Made	Prior to March 7	Between March 7 and June 20	After June 20
Individuals	42,905	90,530	7,145
Mass Payment	70,737	70,208	--

Individuals pay in person, by mail, or electronically (web/phone). All of these payments are handled by office staff. Mass Payments by mortgage companies are made in bulk by wire.

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### Disbursement to Taxing Authorities (Poudre School Dist. Example)

- Monthly payments throughout the year mean taxing authorities would be waiting much longer for disbursements. This may not be viable for schools or other taxing authorities with fiscal year closing in June.
- We must consider loan installments on Assessment Liens – either improvement district or delinquent utility loan certified by a municipality.

Months (2022 payable in 2023)	Poudre School District General Fund	Poudre School District Bond Fund
January (Dec. prior year)	\$926,554.33	\$242,277.64
February	\$5,532,536.11	\$1,622,691.66
March (1 <sup>st</sup> half deadline)	\$67,096,410.80	\$19,681,355.39
April	\$3,630,278.86	\$1,064,126.35
May (full deadline)	\$45,222,076.09	\$13,264,866.04
June (2 <sup>nd</sup> half deadline schools only for second disbursement before fiscal year-end)	\$45,260,292.51	\$13,278,261.47
July	\$3,822,189.39	\$1,120,351.40
August	\$2,823,462.46	\$827,390.28
September	\$2,425,317.11	\$710,416.78
October	\$1,433,061.03	\$420,676.61
November	\$1,426,641.20	\$417,692.45
December (Tax Lien Sale from Nov.)	\$1,615,440.40	\$473,091.02

## Questions/Challenges with Tax Statements and Monthly Payments

- **Tax Statements** - How to address different installments with different types of property.

Would every property and every type be on the same installment plan?

Will there be different statements for different properties?

Are we to create payment/coupon books or redesign tax statements? (see tax statement sample)

How would property owners opt in and when would the payment plan extinguish?

If property owners have properties in other counties, do they opt in for each county or will they assume it's a state-wide opt-in?

Payment coupons, additional mailing materials (envelopes)

Opt-in questions: Deadline? Statewide or county-by-county?

Two parallel sets of installments (halves vs. multiple)

Burden of additional bookkeeping for taxpayers as well as office staff with an increase in the number of payments

If there are two installment schedules, would mass payments be locked to one, or have an option?

Cannot accept installments past June 15 due to school fiscal year concerns

## Payments/Interest

- Payment coupons: format and reconfiguration of payment scanning equipment
- Complete rebuild of treasury software for multiple installments/deadlines
- Minimum liability to qualify for installments (ie. currently \$25 or less must be paid in full)
- Determining delinquency: presuming knowledge of installments, postmarks vs. received date
- Omitted interest: reject payment vs. accept partial payment with interest (increase in materials cost/postage for both reject or rebill)
- Bill for delinquent interest at time of payment vs. send delinquent statement for anything missing as of final deadline
- Massive increase in labor to process additional payments → increased staff, costs

## Abatements – Tax Roll Corrections

- Paid property tax abatements with refund: Depending on the amount, could cross multiple installments—multiple interest calculations based on multiple payment dates
- Unpaid property tax abatements with liabilities remaining after abatement: Mid-payment cycle, what are taxpayer options, ie. installments starting from time of abatement, grace period on full payment amount if after the final deadline? Other?

## Tax Lien Sale

- Per statute tax lien sales between the end of October and the beginning of December, with dates built in re: advertising ahead of sale
- Can any amount become a tax lien (ie., 4 payments were made, can the fifth go to tax lien sale? Currently this is the case)



## Alternatives/Potential Solutions

The Colorado County Treasurer & Public Trustee Association (64 counties and their staff members) ask that the commission establish a study group to collaborate with all taxing authorities and county treasurers for a solution. This change will require great thought and thorough vetting of all challenges for all sizes of Treasurer's Offices in the state. Some counties use the same software but use it differently with different modules and different versions, to meet their community needs.

Some possible solutions:

- Third-party management (similar to mass payment for mortgage escrow payment)
- Five equal installments ending June 15th with deadlines/delinquency clearly defined
- Open payment options (pay any amount, no interest accrues) until final deadline