

CHAPTER 185

TAXATION

HOUSE BILL 02-1241

BY REPRESENTATIVE(S) Weddig, Garcia, Spradley, Tapia, and Williams S.;
also SENATOR(S) Teck, Chlouber, Entz, and Taylor.

AN ACT

**CONCERNING LOANS BY THE DEPARTMENT OF THE TREASURY TO TAXPAYERS AS PART OF THE
HOMESTEAD PROPERTY TAX DEFERRAL PROGRAM, AND MAKING AN APPROPRIATION IN
CONNECTION THEREWITH.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Article 3.5 of title 39, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to read:

39-3.5-105.5. Loan of state moneys to taxpayers. (1) UPON APPROVAL BY THE STATE TREASURER OF A TAXPAYER'S APPLICATION TO PARTICIPATE IN THE PROPERTY TAX DEFERRAL PROGRAM, THE STATE TREASURER SHALL MAKE A LOAN TO THE TAXPAYER IN THE AMOUNT CERTIFIED AS DEFERRED IN THE TAXPAYER'S CERTIFICATE OF DEFERRAL. THE LOAN SHALL BE DISBURSED TO A COUNTY TREASURER ON BEHALF OF THE TAXPAYER PURSUANT TO SECTION 39-3.5-106 AND SHALL BE MADE FROM THE MONEYS ON DEPOSIT IN THE STATE TREASURY THAT ARE NOT IMMEDIATELY REQUIRED TO BE DISBURSED.

(2) INTEREST ON A LOAN FOR PROPERTY TAX DEFERRAL SHALL ACCRUE AT THE RATE SPECIFIED IN SECTION 39-3.5-105 (5). THE INTEREST SHALL ACCRUE BEGINNING APRIL 30 OF THE CALENDAR YEAR IN WHICH THE DEFERRAL IS CLAIMED UNTIL THE DATE ON WHICH SUCH LOAN IS REPAYED.

39-3.5-105.7. Prior deferrals to be treated as loans. ALL DEFERRED REAL PROPERTY TAX PAID BY THE STATE TREASURER TO A COUNTY TREASURER PRIOR TO JULY 1, 2002, SHALL BE RECLASSIFIED AS AN INVESTMENT IN A LOAN TO A TAXPAYER THAT WAS DISBURSED TO A COUNTY TREASURER ON BEHALF OF THE TAXPAYER, AND ALL PROVISIONS OF THIS ARTICLE SHALL APPLY TO THE LOAN.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 2. 39-3.5-106 (1), Colorado Revised Statutes, is amended to read:

39-3.5-106. State treasurer to pay county treasurer an amount equivalent to deferred taxes. (1) ~~By July 15, 1992, and by each July 15 thereafter~~ PURSUANT TO SECTION 39-3.5-105.5, the state treasurer shall ~~pay to the county treasurer~~ LOAN the amount certified as deferred in the certificate of deferral ~~together with interest accrued thereon, at the rate specified in section 39-3.5-105 (5), from May 1 to date of payment~~ TO A TAXPAYER DEFERRING PROPERTY TAXES UNDER THIS ARTICLE. BY APRIL 30, 2003, AND BY EACH APRIL 30 THEREAFTER, THE STATE TREASURER SHALL PAY THE AMOUNT OF EACH TAXPAYER'S LOAN TO THE COUNTY TREASURER IN WHICH THE TAXPAYER'S HOMESTEAD PROPERTY IS LOCATED. The total amount paid BY THE STATE TREASURER shall be distributed by the county treasurer in the same manner the tax would have been if regularly paid.

SECTION 3. 39-3.5-107, Colorado Revised Statutes, is amended to read:

39-3.5-107. Repayment of loans - release of liens - disposition of payments.

(1) On and after the date of payment by the state treasurer to the county treasurer as provided in section 39-3.5-106, the right to receive ~~payment~~ REPAYMENT of ~~the~~ A LOAN FOR deferred taxes and to enforce the lien created by deferral shall be vested in the state treasurer.

(2) If ~~payment~~ REPAYMENT of ~~the~~ A LOAN FOR deferred taxes is tendered to the county treasurer, he OR SHE shall accept payment, give a receipt therefor, and forthwith transmit the money collected to the state treasurer.

(3) Promptly upon receiving ~~payment~~ REPAYMENT of A LOAN FOR deferred taxes, the state treasurer shall issue a release of the deferred tax lien, which release shall be given or sent to the person making payment. Copies of the release shall be sent to the treasurer and the assessor.

(4) All ~~moneys~~ INTEREST received in payment ~~of~~ FOR A LOAN FOR deferred taxes ~~and accrued interest~~ shall be credited to the general fund by the state treasurer.

SECTION 4. The introductory portion to 39-3.5-110 (1), Colorado Revised Statutes, is amended to read:

39-3.5-110. Events requiring repayment of loans - notice to state treasurer.

(1) All LOANS FOR deferred real property taxes, including accrued interest, SHALL become payable subject to sections 39-3.5-111 and 39-3.5-112 when:

SECTION 5. 39-3.5-111 (1), (2), (3), and (5), Colorado Revised Statutes, are amended to read:

39-3.5-111. Time for payment - delinquencies. (1) Whenever any of the circumstances listed in section 39-3.5-110 occurs:

(a) No further tax deferrals may be claimed (a) on the property until all LOANS FOR unpaid taxes, ~~thereon~~, including previously deferred taxes and interest, have been paid.

(b) All LOANS FOR deferred taxes and accrued interest shall be due and payable ninety days after the circumstance occurs, except as provided in subsection (2) of this section and in section 39-3.5-112.

(2) Any provision of this section to the contrary notwithstanding, when the taxpayer dies ~~the~~ A LOAN FOR deferred taxes and accrued interest shall be due and payable one year after the taxpayer's death.

(3) If ~~the~~ A LOAN FOR deferred taxes and accrued interest ~~are~~ IS not paid on the due date, such amounts are delinquent as of that date, and the state treasurer shall foreclose the deferred tax lien.

(5) If the owner of the tax-deferred property elects to do so, he OR SHE may convey the property to the state of Colorado in lieu of paying A LOAN FOR deferred taxes and accrued interest. Upon completion of such conveyance, all deferred tax liens upon the property shall be extinguished, and all liability for payment of A LOAN FOR deferred taxes and accrued interest shall be released.

SECTION 6. 39-3.5-113, Colorado Revised Statutes, is amended to read:

39-3.5-113. Voluntary repayment of loans for deferred tax. (1) Subject to subsection (2) of this section, all or part of ~~the~~ A LOAN FOR deferred taxes and accrued interest may, at any time, be paid by the taxpayer, his OR HER spouse, guardian, conservator, attorney-in-fact, personal representative, next of kin, heir-at-law, or child, or any person having or claiming a legal or equitable interest in the property. If the deferred tax lien is paid, in whole or in part, by a mortgagee or the beneficiary of a deed of trust or seller under contract, the amount paid may be added to the unpaid balance of the mortgage or deed of trust but shall be added to the last payment due under said mortgage or deed of trust or contract, without amortization.

(2) Any payment made under this section shall be applied first to accrued interest and then to A LOAN FOR deferred taxes. Such payment does not affect the deferred tax status of the property. Voluntary payment does not give the person paying the taxes any interest in the property.

SECTION 7. Repeal. 39-3.5-114, Colorado Revised Statutes, is repealed as follows:

39-3.5-114. Deferred tax certificates not to be included in reserve or surplus. ~~Deferred tax certificates and the accrued interest thereon held by the state treasurer shall not be taken into account in the computation of the reserve or surplus available to the state until such time as the amounts owing thereon have been collected and credited to the general fund.~~

SECTION 8. Appropriation - adjustment to 2002 long bill. In addition to any other appropriation, the appropriation to the department of treasury, special purpose, county costs pursuant to section 39-3.5-106(1), Colorado Revised Statutes, for the fiscal year beginning July 1, 2002, is hereby reduced by three hundred eighty-two thousand eight hundred seventy-eight dollars (\$382,878), or so much thereof as may be necessary, for the implementation of this act.

SECTION 9. Effective date. This act shall take effect July 1, 2002.

SECTION 10. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 24, 2002