

## **SUPPORT SB 21-279**

### **Senators Story & Simpson, Representative Roberts**

#### **Background:**

In 2020, HB20-1421 was passed, giving cities and counties the power to defer, suspend or reduce accrued interest on delinquent property tax payments for any time period between June 15 and October 1, 2020.

This benefited the taxpayers and businesses that were struggling financially in the midst of the COVID-19 economic downturn to receive some options for payment and avoid a tax lien sale. It also benefited the counties who chose to adopt this policy by allowing them to increase their rate of collection and be better able to disburse funds to the districts (school, fire, and special) as budgeted.

Currently, while the significant majority have seen more in property tax collections (appropriate to property value increases), several counties have received substantially less than the average year with many individuals and businesses still struggling to recover from the effects of COVID-19.

#### **What Does SB21-279 Do:**

SB21-279 mirrors the intent of HB20-1421, with no substantive changes. The bill allows a county, through a conferral by the board of county commissioners and requiring consent of the county treasurer, to temporarily reduce, waive, or suspend delinquent interest payments for property tax payments for any period of time between June 16, 2021, and September 30, 2021.

As with HB20-1421, this bill is permissive. If a county decides this is not the best strategy for them, they don't have to enact it. Counties who want to offer relief in this way will be able to utilize this policy option.

#### **Why You Should Support Senate Bill 279:**

Currently there is still a declared emergency in Colorado and not everyone is recovering at the same speed from COVID-19. This one-year only measure will help taxpayers get caught up in 2021 to avoid a tax lien sale.

This bill supports local control. Every county is different and is dependent on different economic drivers across the state. In 2020, the counties that chose to utilize the tools given to them by HB20-1421 reported that the policy worked very well for them and their taxpayers. During this period of recovery, the counties that wish to extend this form of relief to their taxpayers should be able to. The ones that don't will not be impacted in any way.

#### **Will this Cause Taxpayers to Withhold their Payments?**

No, since this policy does not telegraph whether a county will implement the program nor how they would choose to implement it, taxpayers will not be able to withhold funds without risk.

Additionally, taxpayers are not getting off the hook with this policy, they are just potentially getting a reduction in interest owed. If a taxpayer made no payment, they are still on the hook for the full interest for May and June (2%). If they made their first half payment and not their second half, they will be able to get relief through September. Taxing authorities rely on property tax revenue to cover their budget expenditures, not on late interest payments. By allowing some leniency on just the interest for late payments, more property tax revenue will potentially be collected earlier.

**Supported by:**

Colorado Association of School Boards

Counties and Commissioners Acting Together

Jefferson County

A Growing Coalition of County Treasurers (Summit, Jeffco, Boulder, Adams & Alamosa)

May 10, 2021

To: Board of County Commissioners  
Other Jeffco Leaders

From: Treasurer Jerry DiTullio

RE: April/2021 Property Tax/SOT Collections and Distributions

**April/2020 Property Tax Collections & Distributions**

This data uses the Jeffco School District General Fund as the basis for all property tax collections since the Jeffco School District General Fund Mill Levy touches every property in Jeffco. The distribution reports are posted on the Jeffco Treasurer website.

The property tax collection rate for the Jeffco School District General Fund through April/2021 compared to last year:

**2020 - 98.38% (total % collected, for reference)**

**April/2021 - 53% (% collected)      April/2020 – 63% (% collected)**

**Distribution on 5/10/2021 regarding NonCounty Funds:**

**ALL NONCOUNTY FUNDS:                      \$ 147,371,138.88**

**SCHOOL GENERAL FUND:                      \$ 82,951,729.86**

**NONCOUNTY LESS SCHOOL GENERAL:    \$ 64,419,409.02**

**April/2021 Vehicle Specific Ownership Tax (SOT)**

April/2021 SOT is            **\$ 6,400,185.90**

April/2020 SOT was        **\$ 4,464,222.83**

a **positive** difference of **\$ 1,935,964.07 Good News!**

Thank you.

*Jerry DiTullio*

On behalf of the Special District Association Colorado, I submit this written testimony with our concerns about SB21-279 (delinquent interest payments, property tax).

We understand the purpose of the bill is to provide similar relief to property tax owners as was in the Governor's Executive Order D, issued during the beginning of the COVID-19 pandemic. Like many public entities, we know that property tax obligations can be a challenge to meet during times of hardship, and we understood that the beginning of what became a global pandemic was a reasonable time to provide property tax payment relief by suspension of penalties/interest on delinquent tax payments. Further, we understand that the economic impacts of the pandemic are continuing.

All the same, we are concerned that delegating the power to Boards of County Commissioners/City Councils of consolidated City-County governments, albeit limited in this bill, undermines the property tax system upon which the public services and infrastructure of special districts depends. Will we see this statute revive during every economic challenge ahead? And, will the public interest of special districts' services be subordinated to a County or City-County government's interests?

Here are our specific concerns with SB21-279:

- This bill allows a Board of County Commissioners (BoCC) or City Council of Denver or Broomfield (Council) reduce, waive or suspend interest payments for property tax payments from 6/16/2021 to 9/30/2021 by resolution and to notify taxing districts of the intent to waive. While the draft requires notice, it does not specify:
  - How far in advance of the hearing on the resolution that notice be provided by the BoCC/Council to the local taxing district
  - The type of notice a BoCC or Council must provide (no requirement of written notice that the special district confirms it has received)
  - When and how the local taxing jurisdiction must notify the BoCC or Council that actions to reduce/waive/suspend interest payments will impair the local taxing jurisdictions bonds
- SB-279 does not allow notification by the local taxing jurisdiction that the action reduce/waive/suspend interest payments will impair its operations or cash management in Section 1, amendment CRS § 39-10-104.5 by adding (14), including (14)(c), which provides the local taxing jurisdiction's basis for which it may provide notice to the BoCC or Council.
- SB-279 does not provide any information or guidance on how a local taxing jurisdiction would determine if its debt payments would be impaired if unknown property owners decided not to make payments for this period. A determination of bonds being impaired would be impossible to determine.
- Further, SB-279 does not require any showing of hardship or any eligibility criteria as a minimum threshold for such relief that a BoCC or Council must include. Therefore, many property owners could, depending on the local resolution, decide to delay payment for any reason.

If the purpose of the bill is to provide relief to property owners experiencing hardship, we encourage the General Assembly to consider a waiver provision similar to Washington State's – see RCW § 84.56.025(2), below – which allows a penalty-interest waiver for delinquent property tax payments to be requested for hardship, and to consider what other bases of hardship may be appropriate.

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Revised Code of Washington (RCW) § 84.56.025. Waiver of interest and penalties--  
Circumstances--Provision of death certificate and affidavit for certain waivers

Effective: June 12, 2014

(1) The interest and penalties for delinquencies on property taxes must be waived by the county treasurer if the notice for these taxes due, as provided in RCW 84.56.050, was not sent to a taxpayer due to error by the county. Where waiver of interest and penalties has occurred, the full amount of interest and penalties must be reinstated if the taxpayer fails to pay the delinquent taxes within thirty days of receiving notice that the taxes are due. Each county treasurer must, subject to guidelines prepared by the department of revenue, establish administrative procedures to determine if taxpayers are eligible for this waiver.

(2) In addition to the waiver under subsection (1) of this section, the interest and penalties for delinquencies on property taxes must be waived by the county treasurer under the following circumstances:

(a) The taxpayer fails to make one payment under RCW 84.56.020 by the due date on the taxpayer's personal residence because of hardship caused by the death of the taxpayer's spouse if the taxpayer notifies the county treasurer of the hardship within sixty days of the tax due date; or

(b) The taxpayer fails to make one payment under RCW 84.56.020 by the due date on the taxpayer's parent's or stepparent's personal residence because of hardship caused by the death of the taxpayer's parent or stepparent if the taxpayer notifies the county treasurer of the hardship within sixty days of the tax due date.

(3) In addition to the waivers under subsections (1) and (2) of this section, the county treasurer, at his or her discretion, may waive interest and penalties for delinquencies on property taxes where the taxpayer paid an erroneous amount due to apparent taxpayer error and the taxpayer pays the delinquent taxes within thirty days of receiving notice that the taxes are due.

(4) Before allowing a hardship waiver under subsection (2) of this section, the county treasurer may require a copy of the death certificate along with an affidavit signed by the taxpayer.

----- Forwarded message -----

From: **Linda Isenhart** <[lisenhart@gilpincounty.org](mailto:lisenhart@gilpincounty.org)>

Date: Sun, May 23, 2021 at 3:57 PM

Subject: Support for SB21-279

To: Tammy Story <[senator.tammy.story@gmail.com](mailto:senator.tammy.story@gmail.com)>

Cc: Sandy Hollingsworth <[shollingsworth@gilpincounty.org](mailto:shollingsworth@gilpincounty.org)>

Dear Senator Story,

Please accept this email as support for SB-279 from Gilpin County Commissioner Sandy Hollingsworth and myself. We understand the intent of this bill to temporarily reduce, waive or suspend delinquent interest payments for property tax payments for any period of time between June 16, 2021, and September 30, 2021. It is very evident that larger counties such as Jefferson County will be able to implement this program with a broad outreach to many people.

The 2020 pandemic has left all of us reeling financially and personally with quarantines and businesses closed. Now that we are finding our bearings again, this is a time that local governments can assist residents in need with a program such as this as it gives people some much needed breathing room. We understand that this is a permissive program and that not all counties will opt in; but it is another tool for our Colorado residents to use as they work to pay their property taxes this year.

Best wishes in the passage of SB-279!

Sincerely yours,

Linda Isenhart, Chair, Gilpin County Commissioner District 2

Sandy Hollingsworth, Gilpin County Commissioner District 3



**Linda Isenhart, Chair**

**Gilpin County Commissioner, District 2**

303-582-5214 (County Administration)

303-582-5417 (Home office)

720-233-1734 (County cell phone)

720-883-3334 (Personal cell phone)

**Thanks for doing your part to prevent the spread of COVID-19 in our community!**



May 24, 2021

Colorado Senate Finance Committee  
Att: Senator Brittany Peterson, Committee Chair  
State Capitol Building  
Denver, Colorado 80203

RE: Support of SB21-279

Senate Finance Committee,

On behalf of the taxpayers and special districts in Jefferson County, I am respectfully asking for your support of SB21-2021.

In 2020, HB20-1421 was passed, giving cities and counties the option to defer, suspend or reduce accrued interest on delinquent property tax payments for any period between June 15 and October 1, 2020. HB10-1421 benefited Jefferson County taxpayers and businesses who were struggling financially in the midst of the COVID-19 economic downturn to receive some options for payment and avoid a tax lien sale. It also benefited the counties who chose to adopt this policy by allowing them to increase their rate of collection and be better able to disburse funds to the districts (school, fire, cities, urban drainage, etc...) as budgeted.

Currently, as of May 10, 2021, Jefferson County is approx. 10% lower in property tax collections than in 2020. As you know, many counties, including Jefferson County, have just adopted the "All Clear" pandemic status on May 16<sup>th</sup>, 2021. Many taxpayers are still struggling to pay their property taxes. While the significant majority have seen more in property tax collections (appropriate to property value increases), several counties have received substantially less than the average year with many individuals and businesses still struggling to recover from the effects of COVID-19.

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Currently there is still a declared emergency in Colorado and not everyone county is recovering at the same speed from COVID-19. This one-year only measure will help taxpayers get caught-up in 2021 to avoid a tax lien sale.

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Please feel free to contact me with questions on my cell phone at 720-253-6785.

Sincerely,



Jerry DiTullio  
Jefferson County Treasurer



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Sincerely,



Jerry DiTullio  
Jefferson County Treasurer

