

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0967.02 Jason Gelender x4330

SENATE BILL 25-261

SENATE SPONSORSHIP

Amabile and Kirkmeyer, Bridges

HOUSE SPONSORSHIP

Bird and Sirota, Taggart

Senate Committees

Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE ADMINISTRATION OF THE PROPERTY TAX DEFERRAL**
102 **PROGRAM, AND, IN CONNECTION THEREWITH, REVERSING THE**
103 **2022 SHIFT OF ADMINISTRATIVE RESPONSIBILITIES FOR THE**
104 **PROGRAM FROM COUNTY TREASURERS TO THE STATE**
105 **TREASURER AND LIMITING THE APPLICABILITY OF THE 2022**
106 **EXPANSION OF PROGRAM ELIGIBILITY TO TAXPAYERS WHOSE**
107 **HOMESTEADS ARE IN COUNTIES THAT OPT IN TO THAT**
108 **EXPANSION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

[http://leg.colorado.gov/.](http://leg.colorado.gov/))

Joint Budget Committee. The state has a property tax deferral program (program) under which the state makes a secured loan to a qualified taxpayer to pay property taxes owed for the taxpayer's homestead. The program was available only to seniors and persons called into active military service until 2021, when the general assembly expanded the program to also allow an otherwise nonqualifying taxpayer whose property tax had increased by at least a specified percentage (new qualified taxpayer) to participate. In 2022, the general assembly shifted much of the responsibility for the administration of the program from the county treasurers to the state treasurer.

The bill reverses the 2022 shift of administrative responsibilities for the program so that county treasurers will generally have the same responsibilities for administering the program as they did prior to 2022. The bill also specifies that a new qualified taxpayer may only claim deferral of property taxes levied for a property tax year commencing on or after January 1, 2025, if the board of county commissioners of the county in which the taxpayer's homestead is located has, after receiving input from the county treasurer of that county, adopted a resolution requiring the county treasurer to accept applications for such deferral claims.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-3.5-101, **repeal**
3 (2.5) as follows:

4 **39-3.5-101. Definitions.** As used in this article 3.5, unless the
5 context otherwise requires:

6 (2.5) ~~"State treasurer" includes a third-party administrator that~~
7 ~~enters into a contract with the state treasurer to administer the property~~
8 ~~tax deferral program created in this article 3.5 in accordance with section~~
9 ~~39-3.5-103.5 (2).~~

10 **SECTION 2.** In Colorado Revised Statutes, 39-3.5-102, **amend**
11 (1)(a), (1)(c)(I), and (1)(c)(III); and **add** (1)(c)(V) as follows:

12 **39-3.5-102. Deferral of tax on homestead - qualifications -**
13 **filing of claim.** (1) (a) Subject to the provisions of this article 3.5, a

1 person who is sixty-five years of age or older or who is a person called
2 into military service on January 1 of the year in which the person files a
3 claim under this section may elect to defer the payment of real property
4 taxes. To exercise this option, the taxpayer must file a claim for deferral
5 with the ~~state~~ treasurer OF THE COUNTY IN WHICH THE TAXPAYER'S
6 HOMESTEAD IS LOCATED. The claim must be filed after January 1 and on
7 or before April 1 of each year in which the taxpayer claims the deferral.

8 (c) (I) Subject to the provisions of this article 3.5, including the
9 limitations set forth in ~~subsection (1)(c)(H)~~ SUBSECTIONS (1)(c)(II) AND
10 (1)(c)(V) of this section, beginning January 1, 2023, a person who is not
11 otherwise eligible for deferral under this section may elect to defer the
12 payment of the portion of real property taxes that exceed the person's
13 tax-growth cap. To exercise this option, the taxpayer must file a claim for
14 deferral with the ~~state~~ COUNTY treasurer. The taxpayer must file the claim
15 after January 1 and on or before April 1 of each year in which the
16 taxpayer claims the deferral.

17 (III) SUBJECT TO THE LIMITATION SET FORTH IN SUBSECTION
18 (1)(c)(V) OF THIS SECTION, a person who previously deferred real property
19 taxes as a person called into military service but is no longer eligible for
20 a new deferral on that basis may defer additional real property taxes under
21 this subsection (1)(c).

22 (V) A TAXPAYER MAY ONLY CLAIM DEFERRAL OF PROPERTY TAXES
23 LEVIED FOR A PROPERTY TAX YEAR COMMENCING ON OR AFTER JANUARY
24 1, 2025, UNDER SUBSECTION (1)(c)(I) OR (1)(c)(III) OF THIS SECTION IF
25 THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY IN WHICH THE
26 TAXPAYER'S HOMESTEAD IS LOCATED HAS, AFTER RECEIVING INPUT FROM
27 THE COUNTY TREASURER OF THAT COUNTY, ADOPTED A RESOLUTION

1 REQUIRING THE COUNTY TREASURER TO ACCEPT APPLICATIONS FOR SUCH
2 DEFERRAL CLAIMS.

3 **SECTION 3.** In Colorado Revised Statutes, 39-3.5-103, **amend**
4 (1)(d.5)(II) as follows:

5 **39-3.5-103. Property entitled to deferral.** (1) In order to qualify
6 for real property tax deferral under this article 3.5, the property shall meet
7 all of the following requirements at the time the claim is filed and so long
8 thereafter as payment is deferred:

9 (d.5) (II) For purposes of this subsection (1)(d.5), the actual value
10 of the property shall be the most recent appraisal by the county assessor
11 as of the time the claim for deferral is submitted TO THE COUNTY
12 TREASURER.

13 **SECTION 4.** In Colorado Revised Statutes, **repeal** 39-3.5-103.5
14 as follows:

15 **39-3.5-103.5. State treasurer - program administration - rules.**

16 ~~(1) The state treasurer may conduct a public education campaign about~~
17 ~~the property tax deferral program created in this article 3.5.~~

18 ~~(2) The state treasurer may contract with a third party to~~
19 ~~administer the property tax deferral program on behalf of the state~~
20 ~~treasurer.~~

21 ~~(3) The state treasurer may promulgate rules, in accordance with~~
22 ~~article 4 of title 24, related to the administration of the property tax~~
23 ~~deferral program.~~

24 **SECTION 5.** In Colorado Revised Statutes, 39-3.5-104, **amend**
25 (1) introductory portion as follows:

26 **39-3.5-104. Claim form - contents.** (1) A taxpayer's claim for
27 deferral must be in writing on a form prescribed ~~and supplied~~ by the state

1 treasurer and SUPPLIED BY THE COUNTY TREASURER AND must:

2 **SECTION 6.** In Colorado Revised Statutes, 39-3.5-105, **amend**
3 (1); and **repeal** (1.5) as follows:

4 **39-3.5-105. Listing of tax-deferred property - tax as lien -**
5 **interest accrual.** (1) If eligibility for deferral of homestead property is
6 established as provided in this article 3.5, ~~the state treasurer shall issue a~~
7 ~~certificate of deferral, which includes the name of the taxpayer, the~~
8 ~~description of the property, the amount of tax deferred, and the year for~~
9 ~~which the deferral was granted, and record the certificate of deferral with~~
10 ~~the county clerk and recorder in the county where the property is located.~~
11 ~~The state treasurer shall notify the county treasurer of a property's~~
12 ~~eligibility and provide the county treasurer with the certificate of deferral,~~
13 ~~and the county treasurer shall:~~

14 (a) Enter in the county treasurer's records a notation that the
15 property is tax-deferred;

16 (b) (I) ~~Retain one copy~~ PROMPTLY, UPON DESIGNATION OF THE
17 PROPERTY AS TAX-DEFERRED, ISSUE A CERTIFICATE OF DEFERRAL, WHICH
18 SHALL INCLUDE THE NAME OF THE TAXPAYER, THE DESCRIPTION OF THE
19 PROPERTY, THE AMOUNT OF TAX DEFERRED, AND THE YEAR FOR WHICH
20 THE DEFERRAL WAS GRANTED. THE COUNTY CLERK AND RECORDER SHALL
21 RECORD THE CERTIFICATE IN THE COUNTY RECORDS AND THEREAFTER
22 SEND A COPY OF THE CERTIFICATE TO THE STATE TREASURER. THE COUNTY
23 TREASURER SHALL GIVE ONE COPY OF THE CERTIFICATE TO THE ASSESSOR
24 AND SHALL RETAIN ONE COPY in the county treasurer's office.

25 (II) Promptly, upon designation of a mobile home as tax-deferred,
26 the owner of the mobile home shall surrender title to the property to the
27 ~~state treasurer~~ COUNTY CLERK AND RECORDER. The county clerk and

1 recorder shall, pursuant to the provisions of article 29 of title 38, make
2 application with the department of revenue for issuance of a new
3 certificate of title with a record of the lien of the state treasurer. This
4 procedure shall be followed for each subsequent year that the property is
5 deferred. THE COUNTY TREASURER SHALL ISSUE A CERTIFICATE OF
6 DEFERRAL, WHICH SHALL INCLUDE THE NAME OF THE TAXPAYER, THE
7 DESCRIPTION OF THE PROPERTY, THE AMOUNT DEFERRED, AND THE TAX
8 YEAR FOR WHICH THE DEFERRAL WAS GRANTED, AND SHALL SEND SUCH
9 CERTIFICATE TO THE STATE TREASURER. THE COUNTY TREASURER SHALL
10 GIVE ONE COPY OF THE CERTIFICATE TO THE COUNTY ASSESSOR AND SHALL
11 RETAIN ONE COPY IN THE COUNTY TREASURER'S OFFICE. Upon satisfaction
12 of the lien, the state treasurer shall release the lien from the title.

13 ~~(1.5) Notwithstanding any provision of law to the contrary, a~~
14 ~~county clerk and recorder shall not charge a fee for recording the~~
15 ~~certificate of deferral in accordance with subsection (1) of this section.~~

16 **SECTION 7.** In Colorado Revised Statutes, 39-3.5-106, **repeal**
17 **(3)** as follows:

18 **39-3.5-106. State treasurer to pay county treasurer an amount**
19 **equivalent to deferred taxes.** ~~(3) If a taxpayer defers all or part of the~~
20 ~~property taxes due for a property tax year and the county treasurer~~
21 ~~receives a payment from, or on behalf of, the taxpayer so that the total~~
22 ~~received from the state treasurer and the payer is greater than the~~
23 ~~taxpayer's property taxes due, then the county treasurer shall refund the~~
24 ~~excess to the payer of the taxes.~~

25 **SECTION 8.** In Colorado Revised Statutes, 39-3.5-107, **amend**
26 **(2)** as follows:

27 **39-3.5-107. Repayment of loans - release of liens - disposition**

1 **of payments.** (2) ~~A taxpayer must tender repayments of a loan for~~
2 ~~deferred taxes to the state treasurer, and the state treasurer shall give the~~
3 ~~taxpayer a receipt therefor. A county treasurer shall not accept a~~
4 ~~repayment.~~ IF REPAYMENT OF A LOAN FOR DEFERRED TAXES IS TENDERED
5 TO THE COUNTY TREASURER, THE COUNTY TREASURER SHALL ACCEPT
6 PAYMENT, GIVE THE PAYER A RECEIPT FOR THE PAYMENT, AND PROMPTLY
7 TRANSMIT THE MONEY COLLECTED TO THE STATE TREASURER.

8 **SECTION 9.** In Colorado Revised Statutes, **amend** 39-3.5-108
9 as follows:

10 **39-3.5-108. Notice to taxpayer regarding duty to claim**
11 **deferral annually.** ~~As soon as practicable after January 1, the state~~
12 ~~treasurer shall send a deferral~~ AT THE TIME THE TREASURER SENDS THE
13 ANNUAL PROPERTY TAX notice to any taxpayer who has claimed a deferral
14 of property taxes in the previous calendar year, THE TREASURER SHALL
15 ENCLOSE A DEFERRAL NOTICE. The deferral notice must be substantially
16 in the following form:

17 To: (name of taxpayer)

18 If you want to defer the collection of ad valorem property taxes on
19 your homestead for the assessment year ending on December 31, __, you
20 must file a claim for deferral not later than April 1, __, with ~~(state~~
21 ~~treasurer or the name of third-party administrator, if applicable)~~ THE
22 OFFICE OF THE COUNTY TREASURER. Forms for filing the claims are
23 available at ~~(website and mailing address for state treasurer or third-party~~
24 ~~administrator, if applicable)~~ THE COUNTY TREASURER'S OFFICE.

25 If you fail to file your claim for deferral on or before April 1, __,
26 your real property taxes will be due and payable in accordance with the
27 schedule set out in the ENCLOSED tax notice. ~~you separately received from~~

1 ~~your county treasurer.~~

2 If you change your permanent address at any time during the
3 assessment year ending on December 31, __, you must notify the ~~state~~
4 ~~treasurer promptly~~ COUNTY ASSESSOR.

5 **SECTION 10.** In Colorado Revised Statutes, **amend** 39-3.5-109
6 as follows:

7 **39-3.5-109. Failure to receive notices.** Failure to receive the
8 notice provided for in this article 3.5 is not a defense in any proceeding
9 for the collection of taxes or for the foreclosure of a tax lien. ~~Neither the~~
10 ~~state treasurer nor~~ A county treasurer is NOT personally liable for failure
11 to give such notices.

12 **SECTION 11. Effective date.** This act takes effect July 1, 2025.

13 **SECTION 12. Safety clause.** The general assembly finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, or safety or for appropriations for
16 the support and maintenance of the departments of the state and state
17 institutions.