

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

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 RESCINDING ELIGIBILITY FOR DEFERRAL FOR
106 PERSONS WHO ARE NOT SENIORS OR PERSONS CALLED INTO
107 ACTIVE MILITARY SERVICE.

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 <http://leg.colorado.gov/>.)

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.

SENATE
Amended 2nd Reading
April 2, 2025

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) and (3.5)** 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 (3.5) "Tax-growth cap" means:

11 (a) For property tax years commencing before January 1, 2025, an
12 amount equal to the average of a person's real property taxes paid on the
13 same homestead for the two property tax years preceding the year a

1 deferral is claimed, increased by four percent; and

2 (b) For property tax years commencing on or after January 1,
3 2025, an amount equal to the average of a person's real property taxes
4 paid on the same homestead for the two property tax years preceding the
5 year a deferral is claimed.

6 SECTION 2. In Colorado Revised Statutes, 39-3.5-102, **amend**
7 (1)(a), (2) introductory portion, (2)(a), and (2.5)(a); and repeal (1)(c) and
8 (2.5)(b) as follows:

9 **39-3.5-102. Deferral of tax on homestead - qualifications -**
10 **filing of claim.** (1) (a) Subject to the provisions of this article 3.5, a
11 person who is sixty-five years of age or older or who is a person called
12 into military service on January 1 of the year in which the person files a
13 claim under this section may elect to defer the payment of real property
14 taxes. To exercise this option, the taxpayer must file a claim for deferral
15 with the ~~state~~ treasurer OF THE COUNTY IN WHICH THE TAXPAYER'S
16 HOMESTEAD IS LOCATED. The claim must be filed after January 1 and on
17 or before April 1 of each year in which the taxpayer claims the deferral.

18 ==
19 (c) (I) Subject to the provisions of this article 3.5, including the
20 limitations set forth in subsection (1)(c)(II) of this section, beginning
21 January 1, 2023, a person who is not otherwise eligible for deferral under
22 this section may elect to defer the payment of the portion of real property
23 taxes that exceed the person's tax-growth cap. To exercise this option, the
24 taxpayer must file a claim for deferral with the state treasurer. The
25 taxpayer must file the claim after January 1 and on or before April 1 of
26 each year in which the taxpayer claims the deferral.

27 (II) In addition to any other limitations set forth in this article 3.5,

1 the minimum amount of real property taxes that may be deferred under
2 this subsection (1)(c) at one time is one hundred dollars, and the total
3 amount of real property taxes that a person may defer under this
4 subsection (1)(c) for all years shall not exceed ten thousand dollars. If a
5 taxpayer's surviving spouse elects to continue deferral under section
6 39-3.5-112 (1.5)(a), the same total limit applies to the taxpayer and the
7 surviving spouse.

8 (H) A person who previously deferred real property taxes as a
9 person called into military service but is no longer eligible for a new
10 deferral on that basis may defer additional real property taxes under this
11 subsection (1)(c).

12 (2) When a taxpayer who is sixty-five years of age or older OR
13 who is a person called into military service or who is otherwise eligible
14 under subsection (1)(c) of this section files a valid claim for deferral
15 under subsection (1) of this section, it has the effect of:

16 (a) Deferring the payment of the taxpayer's real property taxes or
17 in the case of a person who is otherwise eligible, a portion of the
18 taxpayer's real property taxes, for the calendar year previous to the year
19 in which the claim is filed;

20 (2.5) (a) A person called into military service may defer only the
21 real property taxes payable in a year in which the person is a person called
22 into military service. A person who is no longer a person called into
23 military service may file a valid claim in a subsequent year to continue the
24 prior allowable deferral of taxes PAYABLE IN A YEAR IN WHICH THE
25 PERSON WAS A PERSON CALLED INTO MILITARY SERVICE.

26 (b) A person who defers a portion of real property taxes under
27 subsection (1)(c) of this section may file a valid claim in a subsequent

1 year to continue the prior allowable deferral of taxes.

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

4 **39-3.5-103. Property entitled to deferral.** (1) In order to qualify
5 for real property tax deferral under this article 3.5, the property shall meet
6 all of the following requirements at the time the claim is filed and so long
7 thereafter as payment is deferred:

8 (d.5) (I) Either of the following applies to the property:

9 (B) The owner of the property is a person called into military
10 service or a person eligible for deferral under section 39-3.5-102 (1)(c);
11 and the total value of all liens of mortgages and deeds of trust on the
12 property, excluding any mortgage or deed of trust that the holder has
13 agreed, on a form designated by the state treasurer, to subordinate to the
14 lien of the state for deferred taxes, is less than or equal to ninety percent
15 of the actual value of the property, as determined by the county assessor;
16 except that, for property tax years commencing on or after January 1,
17 2023, the limitation on the total value of all liens of mortgages and deeds
18 of trust on the property set forth in this subsection (1)(d.5)(I)(B) does not
19 apply if the owner of the property is a person called into military service
20 and who has a home loan guaranteed by the veterans administration of the
21 United States.

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

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

1 **39-3.5-103.5. State treasurer - program administration - rules.**

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

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

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

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

12 **39-3.5-104. Claim form - contents.** (1) A taxpayer's claim for
13 deferral must be in writing on a form prescribed ~~and supplied~~ by the state
14 treasurer and SUPPLIED BY THE COUNTY TREASURER AND must:

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

17 **39-3.5-105. Listing of tax-deferred property - tax as lien -**
18 **interest accrual.** (1) If eligibility for deferral of homestead property is
19 established as provided in this article 3.5, ~~the state treasurer shall issue a~~
20 ~~certificate of deferral, which includes the name of the taxpayer, the~~
21 ~~description of the property, the amount of tax deferred, and the year for~~
22 ~~which the deferral was granted, and record the certificate of deferral with~~
23 ~~the county clerk and recorder in the county where the property is located.~~
24 ~~The state treasurer shall notify the county treasurer of a property's~~
25 ~~eligibility and provide the county treasurer with the certificate of deferral,~~
26 ~~and the county treasurer shall:~~

27 (a) Enter in the county treasurer's records a notation that the

1 property is tax-deferred;

2 (b) (I) ~~Retain one copy~~ PROMPTLY, UPON DESIGNATION OF THE
3 PROPERTY AS TAX-DEFERRED, ISSUE A CERTIFICATE OF DEFERRAL, ON A
4 FORM PRESCRIBED BY THE STATE TREASURER, THAT INCLUDES THE NAME
5 OF THE TAXPAYER, THE DESCRIPTION OF THE PROPERTY, THE AMOUNT OF
6 TAX DEFERRED, AND THE YEAR FOR WHICH THE DEFERRAL WAS GRANTED.
7 THE COUNTY CLERK AND RECORDER SHALL RECORD THE CERTIFICATE IN
8 THE COUNTY RECORDS AND THEREAFTER SEND A COPY OF THE
9 CERTIFICATE TO THE STATE TREASURER. THE COUNTY TREASURER SHALL
10 GIVE ONE COPY OF THE CERTIFICATE TO THE ASSESSOR AND SHALL RETAIN
11 ONE COPY in the county treasurer's office.

12 (II) Promptly, upon designation of a mobile home as tax-deferred,
13 the owner of the mobile home shall surrender title to the property to the
14 ~~state treasurer~~ COUNTY CLERK AND RECORDER. The county clerk and
15 recorder shall, pursuant to the provisions of article 29 of title 38, make
16 application with the department of revenue for issuance of a new
17 certificate of title with a record of the lien of the state treasurer. This
18 procedure shall be followed for each subsequent year that the property is
19 deferred. THE COUNTY TREASURER SHALL ISSUE A CERTIFICATE OF
20 DEFERRAL, ON A FORM PRESCRIBED BY THE STATE TREASURER, THAT
21 INCLUDES THE NAME OF THE TAXPAYER, THE DESCRIPTION OF THE
22 PROPERTY, THE AMOUNT DEFERRED, AND THE TAX YEAR FOR WHICH THE
23 DEFERRAL WAS GRANTED, AND SHALL SEND SUCH CERTIFICATE TO THE
24 STATE TREASURER. THE COUNTY TREASURER SHALL GIVE ONE COPY OF
25 THE CERTIFICATE TO THE COUNTY ASSESSOR AND SHALL RETAIN ONE COPY
26 IN THE COUNTY TREASURER'S OFFICE. Upon satisfaction of the lien, the
27 state treasurer shall release the lien from the title.

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

4 (6) NO LATER THAN JANUARY 1 OF EACH YEAR, THE STATE
5 TREASURER SHALL PROVIDE TO EACH COUNTY TREASURER A LIST BY
6 OWNER AND ADDRESS OF EACH PROPERTY IN THE TREASURER'S COUNTY
7 THAT IS SUBJECT TO ONE OR MORE PROPERTY TAX DEFERRAL LIENS
8 PURSUANT TO THIS ARTICLE 3.5 AND THE TOTAL AMOUNT OF THE LIEN OR
9 LIENS ON THE PROPERTY AS OF APRIL 30 OF THE PRIOR YEAR.

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

12 **39-3.5-106. State treasurer to pay county treasurer an amount**
13 **equivalent to deferred taxes.** (3) ~~If a taxpayer defers all or part of the~~
14 ~~property taxes due for a property tax year and the county treasurer~~
15 ~~receives a payment from, or on behalf of, the taxpayer so that the total~~
16 ~~received from the state treasurer and the payer is greater than the~~
17 ~~taxpayer's property taxes due, then the county treasurer shall refund the~~
18 ~~excess to the payer of the taxes.~~

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

21 **39-3.5-107. Repayment of loans - release of liens - disposition**
22 **of payments.** (2) ~~A taxpayer must tender repayments of a loan for~~
23 ~~deferred taxes to the state treasurer, and the state treasurer shall give the~~
24 ~~taxpayer a receipt therefor. A county treasurer shall not accept a~~
25 ~~repayment.~~ IF REPAYMENT OF A LOAN FOR DEFERRED TAXES IS TENDERED
26 TO THE COUNTY TREASURER, THE COUNTY TREASURER SHALL ACCEPT
27 PAYMENT, GIVE THE PAYER A RECEIPT FOR THE PAYMENT, AND PROMPTLY

1 TRANSMIT THE MONEY COLLECTED TO THE STATE TREASURER.

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

4 **39-3.5-108. Notice to taxpayer regarding duty to claim**
5 **deferral annually.** ~~As soon as practicable after January 1, the state~~
6 ~~treasurer shall send a deferral~~ AT THE TIME THE TREASURER SENDS THE
7 ANNUAL PROPERTY TAX notice to any taxpayer who has claimed a deferral
8 of property taxes in the previous calendar year, THE TREASURER SHALL
9 ENCLOSE A DEFERRAL NOTICE. The deferral notice must be substantially
10 in the following form:

11 To: (name of taxpayer)

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

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

23 If you change your permanent address at any time during the
24 assessment year ending on December 31, __, you must notify the ~~state~~
25 ~~treasurer promptly~~ COUNTY TREASURER.

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

1 **39-3.5-109. Failure to receive notices.** Failure to receive the
2 notice provided for in this article 3.5 is not a defense in any proceeding
3 for the collection of taxes or for the foreclosure of a tax lien. ~~Neither the~~
4 ~~state treasurer nor~~ A county treasurer is NOT personally liable for failure
5 to give such notices.

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

7 **SECTION 12. Safety clause.** The general assembly finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, or safety or for appropriations for
10 the support and maintenance of the departments of the state and state
11 institutions.