

## CHAPTER 388

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**TAXATION**

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## SENATE BILL 22-220

BY SENATOR(S) Hansen and Rankin, Bridges, Buckner, Coram, Donovan, Jaquez Lewis, Lee, Pettersen, Priola, Smallwood, Story, Winter, Fenberg;  
also REPRESENTATIVE(S) McCluskie and Esgar, Bennett, Bird, Bockenfeld, Cutter, Herod, Hooton, Lindsay, Michaelson Jenet, Titone.

**AN ACT**

**CONCERNING THE PROPERTY TAX DEFERRAL PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

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

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

(2.5) "STATE TREASURER" INCLUDES A THIRD-PARTY ADMINISTRATOR THAT ENTERS INTO A CONTRACT WITH THE STATE TREASURER TO ADMINISTER THE PROPERTY TAX DEFERRAL PROGRAM CREATED IN THIS ARTICLE 3.5 IN ACCORDANCE WITH SECTION 39-3.5-103.5 (2).

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

**39-3.5-102. Deferral of tax on homestead - qualifications - filing of claim.**

(1) (a) Subject to the provisions of this ~~article~~ ARTICLE 3.5, a person who is sixty-five years of age or older or who is a person called into military service on January 1 of the year in which the person files a claim under this section may elect to defer the payment of real property taxes. To exercise this option, the taxpayer ~~shall~~ MUST file a claim for deferral with the ~~treasurer of the county in which the taxpayer's homestead is located~~ STATE TREASURER. The claim ~~shall~~ MUST be filed after January 1 and on or before April 1 of each year in which the taxpayer claims the deferral.

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

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

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

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

(d.5) (II) For purposes of this ~~paragraph (d.5)~~ SUBSECTION (1)(d.5), the actual value of the property shall be the most recent appraisal by the county assessor as of the time the claim for deferral is submitted. ~~to the county treasurer.~~

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

**39-3.5-103.5. State treasurer - program administration - rules.** (1) THE STATE TREASURER MAY CONDUCT A PUBLIC EDUCATION CAMPAIGN ABOUT THE PROPERTY TAX DEFERRAL PROGRAM CREATED IN THIS ARTICLE 3.5.

(2) THE STATE TREASURER MAY CONTRACT WITH A THIRD PARTY TO ADMINISTER THE PROPERTY TAX DEFERRAL PROGRAM ON BEHALF OF THE STATE TREASURER.

(3) THE STATE TREASURER MAY PROMULGATE RULES, IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, RELATED TO THE ADMINISTRATION OF THE PROPERTY TAX DEFERRAL PROGRAM.

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

**39-3.5-104. Claim form - contents.** (1) A taxpayer's claim for deferral ~~shall~~ MUST be in writing on a form prescribed AND SUPPLIED by the state treasurer and ~~supplied by the county treasurer and shall~~ MUST:

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

**39-3.5-105. Listing of tax-deferred property - tax as lien - interest accrual.** (1) If eligibility for deferral of homestead property is established as provided in this ~~article~~ ARTICLE 3.5, THE STATE TREASURER SHALL ISSUE A CERTIFICATE OF DEFERRAL, WHICH INCLUDES THE NAME OF THE TAXPAYER, THE DESCRIPTION OF THE PROPERTY, THE AMOUNT OF TAX DEFERRED, AND THE YEAR FOR WHICH THE DEFERRAL WAS GRANTED, AND RECORD THE CERTIFICATE OF DEFERRAL WITH THE

COUNTY CLERK AND RECORDER IN THE COUNTY WHERE THE PROPERTY IS LOCATED. THE STATE TREASURER SHALL NOTIFY THE COUNTY TREASURER OF A PROPERTY'S ELIGIBILITY AND PROVIDE THE COUNTY TREASURER WITH THE CERTIFICATE OF DEFERRAL, AND the county treasurer shall:

(a) Enter in ~~his~~ THE COUNTY TREASURER'S records a notation that the property is tax-deferred;

(b) (I) ~~Promptly, upon designation of the property as tax-deferred, issue a certificate of deferral, which shall include the name of the taxpayer, the description of the property, the amount of tax deferred, and the year for which the deferral was granted. The certificate shall be recorded in the county records and thereafter sent to the state treasurer. One copy shall be given to the assessor, and RETAIN one copy shall be retained in the county treasurer's office.~~

(II) Promptly, upon designation of a mobile home as tax-deferred, the owner of the mobile home shall surrender title to the property to the ~~county clerk and recorder~~ STATE TREASURER. The county clerk and recorder shall, pursuant to the provisions of article 29 of title 38, ~~C.R.S.~~, make application with the department of revenue for issuance of a new certificate of title with a record of the lien of the state treasurer. This procedure shall be followed for each subsequent year that the property is deferred. ~~The county treasurer shall issue a certificate of deferral, which shall include the name of the taxpayer, the description of the property, the amount deferred, and the tax year for which the deferral was granted, and shall send such certificate to the state treasurer. One copy shall be given to the county assessor, and one copy shall be retained in the county treasurer's office.~~ Upon satisfaction of ~~said~~ THE lien, the state treasurer shall release the lien from ~~said~~ THE title.

(1.5) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, A COUNTY CLERK AND RECORDER SHALL NOT CHARGE A FEE FOR RECORDING THE CERTIFICATE OF DEFERRAL IN ACCORDANCE WITH SUBSECTION (1) OF THIS SECTION.

**SECTION 7.** In Colorado Revised Statutes, 39-3.5-105.5, **amend** (2) as follows:

**39-3.5-105.5. Loan of state money to taxpayers.** (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~~ MAY 1 of the calendar year in which the deferral is claimed until the date on which ~~such~~ THE loan is repaid.

**SECTION 8.** In Colorado Revised Statutes, 39-3.5-106, **add** (3) as follows:

**39-3.5-106. State treasurer to pay county treasurer an amount equivalent to deferred taxes.** (3) IF A TAXPAYER DEFERS ALL OR PART OF THE PROPERTY TAXES DUE FOR A PROPERTY TAX YEAR AND THE COUNTY TREASURER RECEIVES A PAYMENT FROM, OR ON BEHALF OF, THE TAXPAYER SO THAT THE TOTAL RECEIVED FROM THE STATE TREASURER AND THE PAYER IS GREATER THAN THE TAXPAYER'S PROPERTY TAXES DUE, THEN THE COUNTY TREASURER SHALL REFUND THE EXCESS TO THE PAYER OF THE TAXES.

**SECTION 9.** In Colorado Revised Statutes, 39-3.5-107, **amend** (2) as follows:

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

(2) ~~If repayment of a loan for deferred taxes is tendered to the~~ A TAXPAYER MUST TENDER REPAYMENTS OF A LOAN FOR DEFERRED TAXES TO THE STATE TREASURER, AND THE STATE TREASURER SHALL GIVE THE TAXPAYER A RECEIPT THEREFOR. ~~A county treasurer he or she shall NOT accept payment, give a receipt therefor, and forthwith transmit the money collected to the state treasurer~~ A REPAYMENT.

**SECTION 10.** In Colorado Revised Statutes, **amend** 39-3.5-108 as follows:

**39-3.5-108. Notice to taxpayer regarding duty to claim deferral annually.**

~~At the time the treasurer sends the annual real property tax~~ AS SOON AS PRACTICABLE AFTER JANUARY 1, THE STATE TREASURER SHALL SEND A DEFERRAL notice to any taxpayer who has claimed a deferral of property taxes in the previous calendar year. ~~he shall enclose a deferral notice.~~ The deferral notice shall MUST be substantially in the following form:

To: (name of taxpayer)

If you want to defer the collection of ad valorem property taxes on your homestead for the assessment year ending on December 31, \_\_, you must file a claim for deferral not later than April 1, \_\_, ~~in the office of the county treasurer~~ WITH (STATE TREASURER OR THE NAME OF THIRD-PARTY ADMINISTRATOR, IF APPLICABLE). Forms for filing such THE claims are available at ~~the county treasurer's office~~ (WEBSITE AND MAILING ADDRESS FOR STATE TREASURER OR THIRD-PARTY ADMINISTRATOR, IF APPLICABLE).

If you fail to file your claim for deferral on or before April 1, \_\_, your real property taxes will be due and payable in accordance with the schedule set out in the ~~enclosed~~ tax notice YOU SEPARATELY RECEIVED FROM YOUR COUNTY TREASURER.

If you change your permanent address at any time during the assessment year ending on December 31, \_\_, you must notify the ~~county assessor~~ STATE TREASURER promptly.

**SECTION 11.** In Colorado Revised Statutes, **amend** 39-3.5-109 as follows:

**39-3.5-109. Failure to receive notices.** Failure to receive the notice provided for in this ~~article~~ ARTICLE 3.5 is not a defense in any proceeding for the collection of taxes or for the foreclosure of a tax lien. NEITHER the STATE treasurer NOR A COUNTY TREASURER is **not** personally liable for failure to give such notices.

**SECTION 12.** In Colorado Revised Statutes, 39-3.5-110, **amend** (1)(c) and (1)(d); and **add** (1)(d.5) and (1.5) as follows:

**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:

(c) The property is no longer the homestead of the taxpayer who claimed the deferral, except in the case of a taxpayer required to be absent from such

tax-deferred property by reason of ill health OR BECAUSE THE PROPERTY IS UNINHABITABLE AS A RESULT OF NATURAL CAUSES;

(d) The tax-deferred property no longer meets the ~~requirements~~ REQUIREMENT of section 39-3.5-103 (1)(c); ~~or (1)(f)~~;

(d.5) THE TAX-DEFERRED PROPERTY NO LONGER MEETS THE REQUIREMENT OF SECTION 39-3.5-103 (1)(f), EXCEPT IN THE CASE OF A PROPERTY WHOSE VALUE HAS DECREASED AS A RESULT OF NATURAL CAUSES;

(1.5) THE EXCEPTIONS RELATED TO NATURAL CAUSES SET FORTH IN SUBSECTIONS (1)(c) AND (1)(d.5) OF THIS SECTION APPLY FOR THREE YEARS FROM THE DATE OF THE NATURAL CAUSE OR UNTIL THE DATE THAT THE PROPERTY IS NO LONGER VALUED AS VACANT RESIDENTIAL LAND, WHICHEVER DATE IS SOONER.

**SECTION 13.** In Colorado Revised Statutes, 39-3.5-111, **amend** (3) as follows:

**39-3.5-111. Time for payment - delinquencies.** (3) If a loan for deferred taxes and accrued interest is not paid on the due date, such amounts are delinquent as of that date, and the state treasurer ~~shall~~ MAY foreclose the deferred tax lien.

**SECTION 14. Appropriation.** (1) For the 2022-23 state fiscal year, \$1,725,883 is appropriated to the department of the treasury for use by the administration division. This appropriation is from the general fund. To implement this act, the division may use this appropriation as follows:

(a) \$788,184 for personal services, which amount is based on an assumption that the division will require an additional 16.0 FTE; and

(b) \$937,699 for operating expenses.

**SECTION 15. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: June 7, 2022