

GENERAL INFORMATION

COLORADO PROPERTY TAX LIEN PROCESS

SALE OF TAX LIEN

Property taxes which are delinquent at the end of October of each collection year are required to be offered for sale in satisfaction of the tax lien in November or December of the collection year. There are advertising requirements prior to the sale, and it is offered in a public auction to the highest bidder. Upon the sale of the tax lien, the County jurisdiction considers the taxes paid. The purchaser of the tax lien now owns a tax lien against the property, but does not own the property, and has no rights of access or other rights attendant with ownership of the property. The purchaser is given a Tax Lien Sale Certificate of Purchase ("TL Cert") as the document certifying ownership of the tax lien.

SUBSEQUENT TAXES — ENDORSEMENT

Colorado law requires that the owner of the property remains the assessed party, and continues to receive property tax notices for each of the succeeding three years. If the current taxes in any of those years become delinquent, a special delinquency billing is sent to the owner of the TL Cert around the first of July, offering them the opportunity to pay the current year tax, along with a \$5 endorsement fee. When the TL Cert owner pays the current tax on the schedule, it's called an "endorsement" of taxes to the Certificate. The TL Cert accrues interest on the original amount paid for the Certificate, as do any amounts subsequently endorsed to it.

REDEMPTION

At any time after the sale of the tax lien, the owner of the property, his authorized agent, or other party with legal standing may redeem the tax lien. To redeem it, the owner or agent pays an amount equal to that originally paid to the County for the tax lien, plus any subsequent taxes endorsed to the TL Cert, plus accrued interest to the end of the month in which the redemption is paid. The owner pays this calculated amount to the County Treasurer, and the Treasurer passes this amount through to the owner of the TL Cert, and the tax lien is thus extinguished. The property tax lien can be redeemed at any point up to the time of the actual recording of a Treasurer's Deed (see below).

TREASURER'S DEED OR TAX DEED

Unless the tax lien is redeemed within the terms stated above, the owner of the TL Cert who has paid and endorsed subsequent taxes for the succeeding three years may apply for a Treasurer's Deed, sometimes called a Tax Deed. The owner of the TL Cert completes and submits to the Treasurer a "Request to County Treasurer to Take Steps for Issuance of Tax Deed" form, otherwise known as the application for a Treasurer's Deed. This form is submitted with a deposit of \$200 payable to the County Treasurer, said funds to be used to pay Treasurer's fees, mailing costs, and other potential costs of the Tax Deed process. Any funds remaining from this deposit after termination of the Deed process are returned to the TL Cert holder.

On receipt of the application form and deposit, the Treasurer begins a statutorily required process of providing notice of this application to all parties in "actual possession or occupancy..." or "...having an interest...in" the property. This means providing a description of the proposed transaction, along with how it came about, to the assessed owner, to the TL Cert owner, and to any other party with a legally established interest in the property. In the case of mineral rights schedules, notice is also given to the surface owner, and to the other holders of mineral rights in the same legally described entity; the surface owner has already been offered the right of first refusal to purchase the tax lien. The surface owner who purchases such a tax lien must follow the same 3-year process, then has the right to apply for a Treasurer's Deed to the mineral rights parcel, thereby "reattaching" a mineral right severed from the land in a prior transaction.

A Treasurer's Deed cannot be issued before the expiration of at least 3 years from the date of the sale of the tax lien. But unless it is redeemed as defined above, a Treasurer's Deed can then be issued to the owner of the TL Cert, and title thereby passes to that party.