PARK COUNTY TREASURER

COLORADO'S TREASURER'S DEED PROCESS

TYLER V. HENNEPIN COUNTY

On May 23, 2023, the United States Supreme Court, in a unanimous decision, determined that Treasurer's Deeds issued, after a property owners' failure to pay property taxes in Minnesota and other states that operated in a similar manner, were a violation of the "Takings" Clause of the constitution since the value of the property was more than the debt owed.

During the Legislative session that followed, the Colorado Legislature passed House Bill 24-1056 to update and make Colorado's Treasurer's Deed process Constitutional.

The new process is outlined in this brochure.

For questions, please reach out to our office.

PARK COUNTY TREASURER'S OFFICE

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THE TAX LIEN PROCESS

EVERY YEAR IN THE FALL, THE TREASURER'S OFFICE WILL RELEASE A LIST OF PARCELS THAT HAVE DELINQUENT PROPERTY TAXES. IF THOSE ACCOUNTS REMAIN DELINQUENT, A TAX LIEN SALE WILL BE HELD.

A public auction "Tax Lien Sale" will be held to sell the delinquent taxes. The starting bid is the taxes, interest and fees owed. Investors at the Tax Lien Sale may bid a premium to purchase the delinquent taxes. A premium is an amount paid over and above the amount of delinquent taxes, interest and fees owed. At the conclusion of the sale, the total advertised amount plus the premium bid will be due as the tax lien purchase.

Simple interest accrues on the tax lien at a rate of 9 percent above the Federal Discount rate as of September 1 each year rounded to the nearest full percent. That interest rate is constant through the life of the tax lien certificate. The tax lien certificate holder retains the right to endorse future delinquent taxes onto the certificate for up to 15 years.

The premium bid is not part of the investment and interest is not paid on premiums. Premiums will not be refunded or returned.

At any time after the tax lien sale and prior to a property being sold at public auction, a property owner has the right to redeem (pay off) that lien.

A tax lien sale is not a guaranteed way to make money or gain property. It is important that you do your due diligence and understand the risk.

TREASURER'S DEED PUBLIC AUCTION PROCESS (effective 07/01/2024)

ref. C.R.S. §39-11-153

Anytime 3-15 years after the purchase of a tax lien certificate, an investor "Lawful Holder", may file an application for a public auction of a certificate of option for Treasurer's Deed for the property subject to the tax lien described in the Certificate of Purchase held by the Lawful Holder.

A $1,000 deposit will be required from the Lawful Holder applying for the public auction to cover the costs associated with advertising, posting, notifying interested parties, and other expenses of the Treasurer's Office associated with the public auction. The application will be on a form furnished by the Treasurer's Office.

The Treasurer's Office will actively work to notify the property owner and other known interested parties of the potential sale.

The Treasurer's Deed Public Auction process takes approximately five (5) to six (6) months, given no unforeseen problems. The auction takes place four (4) months (120 days), after the first date of advertising. Advertising is initiated as soon as the title search and certified mailing to legally interested parties are completed

The public auction provides an opportunity for the property to be sold at fair market value with overbid funds going to the property owner, bringing Colorado into compliance with the Tyler v. Hennepin County United States Supreme Court decision.

At any time prior to the property being sold at public auction, the property owner retains the right to redeem the tax lien certificate, paying back taxes, interest, fees, and costs.

The initial bid for the public auction will be set by the Treasurer at the redemption amount for the tax lien plus actual fees and costs associated with the public auction.

If there are no bids at the public auction, the Treasurer's Deed will be issued to the Lawful Holder who requested the public auction.

In that case, the fair market value of the property will have been determined to be the redemption amount of the tax lien plus the Treasurer's fees and costs associated with the public auction.

If there is a winning bidder other than the Lawful Holder at the public auction, the Lawful Holder may either:

- **Redeem the property from the successful bidder and receive the Treasurer's Deed, or**
- **Be reimbursed from the successful bidder, the redemption amount of the tax lien plus the fees and expenses of the Treasurer's Office which were paid by the Lawful Holder prior to sale.**

ANY OVERBID AMOUNT FROM THE AUCTION WILL GO TO THE PROPERTY OWNER.