

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 Cindy in our office at (970) 498-7029.



IRENE E. JOSEY, LARIMER COUNTY
TREASURER & PUBLIC TRUSTEE

COLORADO'S TREASURER'S DEED PROCESS



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THE TAX LIEN PROCESS

In the fall of every year, the Treasurer's Office will release a list of properties with delinquent property taxes. If those accounts remain delinquent, a tax lien sale will be held.

At the tax lien sale, the starting bid is the taxes, interest, and fees owed. Investors at the auction may bid a premium for purchasing those liens. A premium is an amount paid over and above the amount of delinquent taxes, interest, and fees owed. The premium bid is not part of the investment and interest is not paid on premiums. Premiums will not be refunded or returned. At the conclusion of the sale the total advertised amount plus the premium bid will be due.

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

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

The 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. Tax lien sales are buyer beware.



PROPERTY AUCTION PROCESS

Anytime 3-15 years after the purchase of a tax lien certificate, an investor can request that the property be sold at auction. A deposit by the certificate holder will be required to cover the costs associated with advertising, posting, and notifying interested parties, and other expenses of the Treasurer's Office associated with the sale. The required form is furnished by the Treasurer's Office upon request or on our website at: www.larimer.gov/treasurer.

This auction will provide 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 Supreme Court decision in 2023.

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

Any time prior to the property being sold at 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 auction will be set by the Treasurer at the redemption amount for the tax lien plus actual fees and costs associated with the sale by the Treasurer's Office.

If there are no bids at the property auction, the Treasurer's Deed will be issued to the tax lien holder who requested the sale. In that case, the fair market value of the property will have been determined to be the amount of the lien plus the Treasurer's fees.

If there is a bid at the auction the lien holder can either:

- Redeem the property from the successful auction bidder and receive the Treasurer's Deed, or
- Be paid the amount to redeem the lien plus the fees and expenses of the Treasurer's Office which were paid by the tax lien certificate holder prior to the sale.

Any overbid amount from the auction will go to the property owner or junior lienholder who has provided the proper documentation.

RESOURCES



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