

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.

NEW TREASURER'S FEES EFFECTIVE AS OF JULY 1, 2024

FOR ADVERTISED TAX LIENS (OVER \$500 ASSESSED VALUE) - \$800 WHICH INCLUDES \$300 TREASURER'S FEE PLUS ACTUAL COSTS FOR ADVERTISING, POSTAGE, POSTING AND RECORDING

FOR NONADVERTISED TAX LIENS (ASSESSED VALUE UNDER \$500) - \$500 WHICH INCLUDES \$300 TREASURER'S FEE PLUS ACTUAL COSTS FOR POSTAGE, POSTING AND RECORDING

FYI: THE DEPOSIT AMOUNTS WILL AGAIN INCREASE IN 2025 BECAUSE RECORDING FEES WILL INCREASE ON JULY 1, 2025 TO \$43 EACH DOCUMENT FROM \$13 FIRST PAGE AND \$5 FOR EACH ADDITIONAL PAGE



COLORADO'S TREASURER'S DEED PROCESS



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THE TAX LIEN PROCESS

Every year in the Fall, the Treasurer's Office will release a list of properties that are delinquent on their property taxes. If those accounts remain delinquent, a tax lien sale will be held. A tax lien sale will be held to sell those liens to investors willing to pay the amount due. The starting bid is the taxes, interest, and fees owed. Investors at the public auction may bid a premium for purchasing those liens and the tax lien will be issued to the highest bidder. 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, interest is not paid on premiums and 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 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.

At any time after the tax lien sale and prior to a property being sold at a Treasurer's Deed public auction, a property owner or someone with a legal interest has the right to redeem (pay off) that lien.

The tax lien sale and public auction 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

Anytime 3-15 years after the purchase of a tax lien certificate, an investor, "lawful holder," can request that the property be sold at a Treasurer's Deed public auction. A deposit will be required to cover the costs associated with advertising, posting, and notification of interested parties, and other expenses of the Treasurer's Office associated with the Treasurer Deed's public auction. The application will be on a form furnished by the Treasurer's Office.

This Treasurer's Deed public 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 decision.

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

At any time prior to the property being sold at Treasurer Deed's public auction, the property owner and those parties with a legal interest retain the right to redeem the tax lien certificate, paying back taxes, interest, fees, and costs.

The initial bid for the Treasurer's Deed public auction will be set by the Treasurer and lawful holder at the redemption amount for the lien plus actual fees and costs associated with the public auction by the Treasurer's Office.

If there are no bids at the Treasurer's Deed 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 amount of the lien plus the Treasurer's fees and expenses.

If there is a bid at the public auction, the lawful holder can either:

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

Any overbid amount from the auction will go to the junior lienors who filed a notice to redeem and/or to the property owner.