

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 25-0967.02 Jason Gelender x4330

**SENATE BILL 25-261**

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**SENATE SPONSORSHIP**

**Amabile and Kirkmeyer**, Bridges

**HOUSE SPONSORSHIP**

**Bird and Sirota**, Taggart

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**Senate Committees**

Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING THE ADMINISTRATION OF THE PROPERTY TAX DEFERRAL**  
102              **PROGRAM, AND, IN CONNECTION THEREWITH, REVERSING THE**  
103              **2022 SHIFT OF ADMINISTRATIVE RESPONSIBILITIES FOR THE**  
104              **PROGRAM FROM COUNTY TREASURERS TO THE STATE**  
105              **TREASURER AND RESCINDING ELIGIBILITY FOR DEFERRAL FOR**  
106              **PERSONS WHO ARE NOT SENIORS OR PERSONS CALLED INTO**  
107              **ACTIVE MILITARY SERVICE.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

SENATE  
Amended 2nd Reading  
April 2, 2025

**Joint Budget Committee.** The state has a property tax deferral program (program) under which the state makes a secured loan to a qualified taxpayer to pay property taxes owed for the taxpayer's homestead. The program was available only to seniors and persons called into active military service until 2021, when the general assembly expanded the program to also allow an otherwise nonqualifying taxpayer whose property tax had increased by at least a specified percentage (new qualified taxpayer) to participate. In 2022, the general assembly shifted much of the responsibility for the administration of the program from the county treasurers to the state treasurer.

The bill reverses the 2022 shift of administrative responsibilities for the program so that county treasurers will generally have the same responsibilities for administering the program as they did prior to 2022. The bill also specifies that a new qualified taxpayer may only claim deferral of property taxes levied for a property tax year commencing on or after January 1, 2025, if the board of county commissioners of the county in which the taxpayer's homestead is located has, after receiving input from the county treasurer of that county, adopted a resolution requiring the county treasurer to accept applications for such deferral claims.

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

2             **SECTION 1.** In Colorado Revised Statutes, 39-3.5-101, **repeal**  
3     (2.5) and (3.5) as follows:

4             **39-3.5-101. Definitions.** As used in this article 3.5, unless the  
5     context otherwise requires:

6             (2.5) ~~"State treasurer" includes a third-party administrator that~~  
7     ~~enters into a contract with the state treasurer to administer the property~~  
8     ~~tax deferral program created in this article 3.5 in accordance with section~~  
9     ~~39-3.5-103.5 (2).~~

10            (3.5) "Tax-growth cap" means:

11            (a) For property tax years commencing before January 1, 2025, an  
12     amount equal to the average of a person's real property taxes paid on the  
13     same homestead for the two property tax years preceding the year a

1 deferral is claimed, increased by four percent; and

2 (b) For property tax years commencing on or after January 1,  
3 2025, an amount equal to the average of a person's real property taxes  
4 paid on the same homestead for the two property tax years preceding the  
5 year a deferral is claimed.

6 SECTION 2. In Colorado Revised Statutes, 39-3.5-102, **amend**  
7 (1)(a), (2) introductory portion, (2)(a), and (2.5)(a); and repeal (1)(c) and  
8 (2.5)(b) as follows:

9 **39-3.5-102. Deferral of tax on homestead - qualifications -**  
10 **filing of claim.** (1) (a) Subject to the provisions of this article 3.5, a  
11 person who is sixty-five years of age or older or who is a person called  
12 into military service on January 1 of the year in which the person files a  
13 claim under this section may elect to defer the payment of real property  
14 taxes. To exercise this option, the taxpayer must file a claim for deferral  
15 with the ~~state~~ treasurer OF THE COUNTY IN WHICH THE TAXPAYER'S  
16 HOMESTEAD IS LOCATED. The claim must be filed after January 1 and on  
17 or before April 1 of each year in which the taxpayer claims the deferral.

18 ==  
19 (c) (I) Subject to the provisions of this article 3.5, including the  
20 limitations set forth in subsection (1)(c)(II) of this section, beginning  
21 January 1, 2023, a person who is not otherwise eligible for deferral under  
22 this section may elect to defer the payment of the portion of real property  
23 taxes that exceed the person's tax-growth cap. To exercise this option, the  
24 taxpayer must file a claim for deferral with the state treasurer. The  
25 taxpayer must file the claim after January 1 and on or before April 1 of  
26 each year in which the taxpayer claims the deferral.

27 (II) In addition to any other limitations set forth in this article 3.5,

1 the minimum amount of real property taxes that may be deferred under  
2 this subsection (1)(c) at one time is one hundred dollars, and the total  
3 amount of real property taxes that a person may defer under this  
4 subsection (1)(c) for all years shall not exceed ten thousand dollars. If a  
5 taxpayer's surviving spouse elects to continue deferral under section  
6 39-3.5-112 (1.5)(a), the same total limit applies to the taxpayer and the  
7 surviving spouse.

8 (III) A person who previously deferred real property taxes as a  
9 person called into military service but is no longer eligible for a new  
10 deferral on that basis may defer additional real property taxes under this  
11 subsection (1)(c).

12 (2) When a taxpayer who is sixty-five years of age or older OR  
13 who is a person called into military service or who is otherwise eligible  
14 under subsection (1)(c) of this section files a valid claim for deferral  
15 under subsection (1) of this section, it has the effect of:

16 (a) Deferring the payment of the taxpayer's real property taxes or  
17 in the case of a person who is otherwise eligible, a portion of the  
18 taxpayer's real property taxes, for the calendar year previous to the year  
19 in which the claim is filed;

20 (2.5) (a) A person called into military service may defer only the  
21 real property taxes payable in a year in which the person is a person called  
22 into military service. A person who is no longer a person called into  
23 military service may file a valid claim in a subsequent year to continue the  
24 prior allowable deferral of taxes PAYABLE IN A YEAR IN WHICH THE  
25 PERSON WAS A PERSON CALLED INTO MILITARY SERVICE.

26 (b) A person who defers a portion of real property taxes under  
27 subsection (1)(c) of this section may file a valid claim in a subsequent

1 year to continue the prior allowable deferral of taxes.

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

4 **39-3.5-103. Property entitled to deferral.** (1) In order to qualify  
5 for real property tax deferral under this article 3.5, the property shall meet  
6 all of the following requirements at the time the claim is filed and so long  
7 thereafter as payment is deferred:

8 (d.5) (I) Either of the following applies to the property:

9 (B) The owner of the property is a person called into military  
10 service or a person eligible for deferral under section 39-3.5-102 (1)(c);  
11 and the total value of all liens of mortgages and deeds of trust on the  
12 property, excluding any mortgage or deed of trust that the holder has  
13 agreed, on a form designated by the state treasurer, to subordinate to the  
14 lien of the state for deferred taxes, is less than or equal to ninety percent  
15 of the actual value of the property, as determined by the county assessor;  
16 except that, for property tax years commencing on or after January 1,  
17 2023, the limitation on the total value of all liens of mortgages and deeds  
18 of trust on the property set forth in this subsection (1)(d.5)(I)(B) does not  
19 apply if the owner of the property is a person called into military service  
20 and who has a home loan guaranteed by the veterans administration of the  
21 United States.

22 (II) For purposes of this subsection (1)(d.5), the actual value of  
23 the property shall be the most recent appraisal by the county assessor as  
24 of the time the claim for deferral is submitted TO THE COUNTY  
25 TREASURER.

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

1           **39-3.5-103.5. State treasurer - program administration - rules.**

2       ~~(1) The state treasurer may conduct a public education campaign about~~  
3       ~~the property tax deferral program created in this article 3.5.~~

4           ~~(2) The state treasurer may contract with a third party to~~  
5       ~~administer the property tax deferral program on behalf of the state~~  
6       ~~treasurer.~~

7           ~~(3) The state treasurer may promulgate rules, in accordance with~~  
8       ~~article 4 of title 24, related to the administration of the property tax~~  
9       ~~deferral program.~~

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

12           **39-3.5-104. Claim form - contents.** (1) A taxpayer's claim for  
13       deferral must be in writing on a form prescribed ~~and supplied~~ by the state  
14       treasurer and SUPPLIED BY THE COUNTY TREASURER AND must:

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

17           **39-3.5-105. Listing of tax-deferred property - tax as lien -**  
18       **interest accrual.** (1) If eligibility for deferral of homestead property is  
19       established as provided in this article 3.5, ~~the state treasurer shall issue a~~  
20       ~~certificate of deferral, which includes the name of the taxpayer, the~~  
21       ~~description of the property, the amount of tax deferred, and the year for~~  
22       ~~which the deferral was granted, and record the certificate of deferral with~~  
23       ~~the county clerk and recorder in the county where the property is located.~~  
24       ~~The state treasurer shall notify the county treasurer of a property's~~  
25       ~~eligibility and provide the county treasurer with the certificate of deferral,~~  
26       ~~and the county treasurer shall:~~

27           (a) Enter in the county treasurer's records a notation that the

1 property is tax-deferred;

2 (b) (I) ~~Retain one copy~~ PROMPTLY, UPON DESIGNATION OF THE  
3 PROPERTY AS TAX-DEFERRED, ISSUE A CERTIFICATE OF DEFERRAL, ON A  
4 FORM PRESCRIBED BY THE STATE TREASURER, THAT INCLUDES THE NAME  
5 OF THE TAXPAYER, THE DESCRIPTION OF THE PROPERTY, THE AMOUNT OF  
6 TAX DEFERRED, AND THE YEAR FOR WHICH THE DEFERRAL WAS GRANTED.  
7 THE COUNTY CLERK AND RECORDER SHALL RECORD THE CERTIFICATE IN  
8 THE COUNTY RECORDS AND THEREAFTER SEND A COPY OF THE  
9 CERTIFICATE TO THE STATE TREASURER. THE COUNTY TREASURER SHALL  
10 GIVE ONE COPY OF THE CERTIFICATE TO THE ASSESSOR AND SHALL RETAIN  
11 ONE COPY in the county treasurer's office.

12 (II) Promptly, upon designation of a mobile home as tax-deferred,  
13 the owner of the mobile home shall surrender title to the property to the  
14 ~~state treasurer~~ COUNTY CLERK AND RECORDER. The county clerk and  
15 recorder shall, pursuant to the provisions of article 29 of title 38, make  
16 application with the department of revenue for issuance of a new  
17 certificate of title with a record of the lien of the state treasurer. This  
18 procedure shall be followed for each subsequent year that the property is  
19 deferred. THE COUNTY TREASURER SHALL ISSUE A CERTIFICATE OF  
20 DEFERRAL, ON A FORM PRESCRIBED BY THE STATE TREASURER, THAT  
21 INCLUDES THE NAME OF THE TAXPAYER, THE DESCRIPTION OF THE  
22 PROPERTY, THE AMOUNT DEFERRED, AND THE TAX YEAR FOR WHICH THE  
23 DEFERRAL WAS GRANTED, AND SHALL SEND SUCH CERTIFICATE TO THE  
24 STATE TREASURER. THE COUNTY TREASURER SHALL GIVE ONE COPY OF  
25 THE CERTIFICATE TO THE COUNTY ASSESSOR AND SHALL RETAIN ONE COPY  
26 IN THE COUNTY TREASURER'S OFFICE. Upon satisfaction of the lien, the  
27 state treasurer shall release the lien from the title.

1           ~~(1.5) Notwithstanding any provision of law to the contrary, a~~  
2           ~~county clerk and recorder shall not charge a fee for recording the~~  
3           ~~certificate of deferral in accordance with subsection (1) of this section.~~

4           (6) NO LATER THAN JANUARY 1 OF EACH YEAR, THE STATE  
5           TREASURER SHALL PROVIDE TO EACH COUNTY TREASURER A LIST BY  
6           OWNER AND ADDRESS OF EACH PROPERTY IN THE TREASURER'S COUNTY  
7           THAT IS SUBJECT TO ONE OR MORE PROPERTY TAX DEFERRAL LIENS  
8           PURSUANT TO THIS ARTICLE 3.5 AND THE TOTAL AMOUNT OF THE LIEN OR  
9           LIENS ON THE PROPERTY AS OF APRIL 30 OF THE PRIOR YEAR.

10           **SECTION 7.** In Colorado Revised Statutes, 39-3.5-106, **repeal**  
11           (3) as follows:

12           **39-3.5-106. State treasurer to pay county treasurer an amount**  
13           **equivalent to deferred taxes.** ~~(3) If a taxpayer defers all or part of the~~  
14           ~~property taxes due for a property tax year and the county treasurer~~  
15           ~~receives a payment from, or on behalf of, the taxpayer so that the total~~  
16           ~~received from the state treasurer and the payer is greater than the~~  
17           ~~taxpayer's property taxes due, then the county treasurer shall refund the~~  
18           ~~excess to the payer of the taxes.~~

19           **SECTION 8.** In Colorado Revised Statutes, 39-3.5-107, **amend**  
20           (2) as follows:

21           **39-3.5-107. Repayment of loans - release of liens - disposition**  
22           **of payments.** ~~(2) A taxpayer must tender repayments of a loan for~~  
23           ~~deferred taxes to the state treasurer, and the state treasurer shall give the~~  
24           ~~taxpayer a receipt therefor. A county treasurer shall not accept a~~  
25           ~~repayment.~~ IF REPAYMENT OF A LOAN FOR DEFERRED TAXES IS TENDERED  
26           TO THE COUNTY TREASURER, THE COUNTY TREASURER SHALL ACCEPT  
27           PAYMENT, GIVE THE PAYER A RECEIPT FOR THE PAYMENT, AND PROMPTLY



1 TRANSMIT THE MONEY COLLECTED TO THE STATE TREASURER.

2 **SECTION 9.** In Colorado Revised Statutes, **amend** 39-3.5-108  
3 as follows:

4 **39-3.5-108. Notice to taxpayer regarding duty to claim**  
5 **deferral annually.** ~~As soon as practicable after January 1, the state~~  
6 ~~treasurer shall send a deferral~~ AT THE TIME THE TREASURER SENDS THE  
7 ANNUAL PROPERTY TAX notice to any taxpayer who has claimed a deferral  
8 of property taxes in the previous calendar year, THE TREASURER SHALL  
9 ENCLOSE A DEFERRAL NOTICE. The deferral notice must be substantially  
10 in the following form:

11 To: (name of taxpayer)

12 If you want to defer the collection of ad valorem property taxes on  
13 your homestead for the assessment year ending on December 31, \_\_, you  
14 must file a claim for deferral not later than April 1, \_\_\_\_, with ~~(state~~  
15 ~~treasurer or the name of third-party administrator, if applicable)~~ THE  
16 OFFICE OF THE COUNTY TREASURER. Forms for filing the claims are  
17 available at ~~(website and mailing address for state treasurer or third-party~~  
18 ~~administrator, if applicable)~~ THE COUNTY TREASURER'S OFFICE.

19 If you fail to file your claim for deferral on or before April 1, \_\_,  
20 your real property taxes will be due and payable in accordance with the  
21 schedule set out in the ENCLOSED tax notice. ~~you separately received from~~  
22 ~~your county treasurer.~~

23 If you change your permanent address at any time during the  
24 assessment year ending on December 31, \_\_, you must notify the ~~state~~  
25 ~~treasurer promptly~~ COUNTY TREASURER.

26 **SECTION 10.** In Colorado Revised Statutes, **amend** 39-3.5-109  
27 as follows:

1           **39-3.5-109. Failure to receive notices.** Failure to receive the  
2 notice provided for in this article 3.5 is not a defense in any proceeding  
3 for the collection of taxes or for the foreclosure of a tax lien. ~~Neither the~~  
4 ~~state treasurer nor~~ A county treasurer is NOT personally liable for failure  
5 to give such notices.

6           **SECTION 11. Effective date.** This act takes effect July 1, 2025.

7           **SECTION 12. Safety clause.** The general assembly finds,  
8 determines, and declares that this act is necessary for the immediate  
9 preservation of the public peace, health, or safety or for appropriations for  
10 the support and maintenance of the departments of the state and state  
11 institutions.