Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

SB 26-144: MODIFY PROP TAX LIEN SALES TREASURER DEEDS & FEES

Prime Sponsors:
Sen. Frizell; Lindstedt

Fiscal Analyst:
Emily Dohrman, 303-866-3687
emily.dohrman@coleg.gov

Published for: Senate Finance
Drafting number: LLS 26-0603

Version: Initial Fiscal Note
Date: March 27, 2026

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill changes requirements and processes for issuing treasurer's deeds, and sets standard fees to be collected by county treasurers related to these processes.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	$0	$0
State Expenditures	$0	$0
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill makes changes to the requirements and processes for holding public auctions and issuing treasurers deeds that were established in House Bill 24-1056. The new processes are modeled after the public trustee foreclosure process. The bill modifies the timing, deadlines, and processes for reviewing applications of treasurer's deeds and for notifying relevant parties about applications of treasurer's deeds and public auctions. The bill clarifies certain statutory definitions, including specifying that the processes for public auctions and issuing treasurer's deeds also applies to mobile homes, manufactured homes, and modular homes. The bill repeals the existing process for requesting a tax deed and specifies that those requesting a tax deed should go through the process for requesting a treasurer's deed. The bill requires that counties wishing to obtain a treasurer's deed must go through the same process as other investors.

The bill also increases or establishes new fee amounts that county treasurers must charge related to certificates of purchase, certificates of redemption, distraint warrants, treasurer's deeds, public auctions, certificates of lawful holder repurchase, and other administrative duties. County treasurers may charge less than the fee amounts in the bill for property whose assessed value is less than $500, mobile homes, manufactured homes, and modular homes. The fee amounts established in the bill are to be adjusted for inflation every two years based on the Denver-Aurora-Lakewood Consumer Price Index, as determined by Legislative Council Staff, and posted on the General Assembly's website.

Background

In May 2023, the Supreme Court ruled that property owners are entitled to any remaining equity from the seizure of their property if the value of the property exceeds the amount of taxes owed.

Prior to HB 24-1056, a county treasurer was required to issue a treasurer's deed to the owner of a tax lien if the owner applied for the deed and the lien had been held for at least three years and had not been redeemed. HB 24-1056 removed this requirement beginning July 1, 2024, and established a process whereby a person who has held an unredeemed tax lien for at least three years may apply for a public auction of a certificate of option for treasurer's deed for the property, rather than being issued a treasurer's deed immediately. If an auction is held and there are no valid bids, then the holder of the tax lien is issued the certificate of option for treasurer's deed.

If the certificate of option for treasurer's deed is sold at the auction, the holder of the tax lien may still redeem the property if certain criteria are met. If the holder of the tax lien does not redeem the property, the purchaser may present the certification of option for treasurer's deed

in order to receive a treasurer's deed for the property. If the amount bid for the certification of option for treasurer's deed exceeds the amount of the tax lien, then the excess is used to pay off any other liens on the property, plus any fees and costs. Any additional funds from the bid are paid to the previous owner of the property.

State Expenditures

The bill is expected to increase workload in Legislative Council Staff beginning in FY 2026-27 to adjust fees established in the bill for inflation and post them on the General Assembly's website. This work can be accomplished within existing appropriations.

Local Government

The bill will increase responsibilities of county treasurers by requiring them to adjust current processes for issuing treasurer's deeds. However, by consolidating multiple existing processes into a single process for issuing treasurer's deeds, the bill may reduce workload for county treasurer's deeds after these changes have been made. The bill standardizes and increases fees assessed by county treasurers, thereby increasing revenue to county treasurer's offices and offsetting costs incurred from these duties.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Counties
County Clerks
County Treasurers
Law
Legislative Council Staff
Local Affairs
Revenue