

## **Douglas County, Colorado**

### **Tax Certificate Process**

While the following information is deemed to be accurate, it is not meant to be a comprehensive explanation of the laws governing tax lien sales and redemptions in Colorado. It is strongly recommended that the bidder review Colorado Revised Statutes, Title 39, Article 11 (Sale of Tax Liens) and Title 39, Article 12 (Redemptions) prior to participating in a tax lien sale auction.

Public tax lien sales in Colorado are held October through December each year.

The annual rate of redemption interest shall be nine percentage points above the Federal Reserve Bank discount rate as of September 1st and shall be rounded to the nearest full percent. In computing the amount of interest due, portions of months shall be counted as whole months.

In the event of an erroneous sale, the annual rate of interest shall be two percentage points above the discount rate, rounded to the nearest full percent but shall be no lower than eight (8%) percent per annum.

Successful bidders at the auction pay the total advertised price (face amount) plus any premium bid. The face amount consists of the delinquent tax, interest, advertising, fees and the internet auction fee.

After the sale, a list of their purchases will be provided to successful bidders. This list will include the certificate numbers, parcel numbers and total amount paid for each item. It is the buyer's responsibility to keep records of their certificates purchased. Interest is earned at the rate stated on the certificate with portions of calendar months considered as whole months. Premiums do not earn interest.

The redemption amount paid to the certificate buyer (investor) will be the certificate face amount (tax, interest, advertising, and all fees), plus interest earned through the date of redemption. The investor does not recover the premium paid over the face amount.

Certificate holders may, after August 1<sup>st</sup>, pay the subsequent year's unpaid taxes. This amount will be endorsed onto the existing certificate and will earn the same rate of interest. The Endorsement Eligibility Report will be available on the Douglas County Treasurer website as soon as possible after August 1<sup>st</sup> each year. If there are multiply investors on a parcel, the current year tax payment is applied on a first received basis. The property owner may also pay the current year prior to subsequent taxes being received from the investor.

Upon redemption, funds will be deposited by ACH into the investor's checking or savings account. Redemption funds are processed around the 15<sup>th</sup> and 30<sup>th</sup> of each month. It is the investor's responsibility to notify the Treasurer's office of mailing address or banking information changes to ensure redemption funds are received.

If the certificate has not been redeemed after three years from the date of the public auction, the investor can apply for a Treasurer's Deed to the property. A completed deed application form and deed fee, currently \$500, needs to be submitted to the Treasurer's office. The deed application is on the Treasurer's website. After a title search, advertising, and notifications to all interested parties, a Treasurer's Deed is issued if no redemption has been received. A lien is valid for 15 years and then cancelled if not redeemed or if a Treasurer's Deed has not been requested prior to the 15 year anniversary date of the lien.

Public tax lien auctions and redemptions are governed by Colorado Revised Statutes, Title 39, Articles 11, and 12 and are administered by the Treasurer's office in each county. Any questions should be referred to the Treasurer's office at 303.660.7455.