



Welcome to...

Mesa County, Colorado

Investing In Delinquent Property Taxes

# Websites to Remember

- Mesa County Treasurer website:
  - <http://treasurer.mesacounty.us>
- Mesa County Treasurer auction website:
  - <https://mesa.coloradotaxsale.com>
- Please visit the above websites for Bidding Rules, Frequently Asked Questions, and up-to-date information.
- Mesa County's website:
  - [www.mesacounty.us](http://www.mesacounty.us)
- Real Auction *practice* website:
  - <https://demo.coloradotaxsale.com>

# Topics Covered

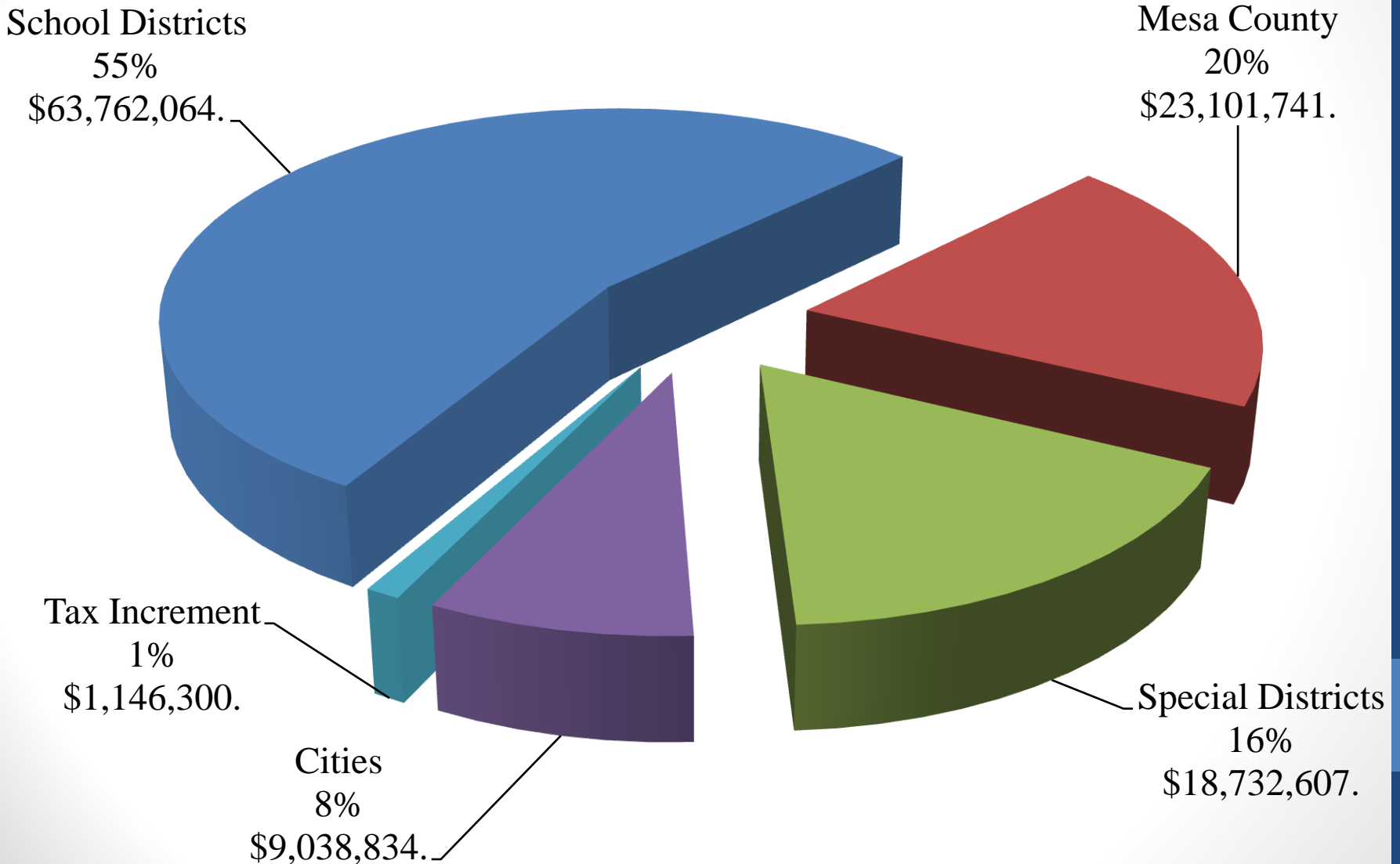
- Treasurer's Duties
- Tax Lien
- Auction
- Registration
- Rate and return
- Premiums
- Endorsement
- Redemption
- Treasurer's Deed

# Treasurer's Duties

**This represents a few of the Treasurer's Duties.**

- Collect all real and personal property taxes
- Disburse funds to taxing districts located inside Mesa County
- Invest Mesa County funds
- Collect use tax for building materials purchased outside of Mesa County for use in the county

# Tax Distribution



# Tax Liens

- What is a Tax Lien?
  - A Tax Lien represents a lien of unpaid real estate taxes, assessments, penalties, advertising costs and fees. If the property owner fails to pay the delinquent taxes during a specified period of time, the county government can sell what is called a tax certificate to investors to collect the delinquent taxes.
- Where can I find more information about Tax Liens and certificate auctions?
  - Delinquent taxes, Tax Liens and the sale of tax certificates at public auction for unpaid taxes are administered by the County Treasurer and provided for in Title 39, Article 11 of the Colorado Revised Statutes.
- It is the bidder's responsibility to know the law governing these sales prior to participating in a Tax Lien Auction.
- Is this a way to acquire property?
  - NO. Less than 1% actually receive a Treasurer's Deed.
- You do not have ownership rights to the property, simply a Property Tax Lien.

# A Little History on Tax Sales

<b>Tax Sale Year</b>	<b>Certificates Sold</b>	<b>Tax Amount Sold</b>	<b>Interest Rate</b>	<b>Auction Type</b>
<b>2015</b>	652	\$932,026.86	10%	Online Auction
<b>2014</b>	682	\$839,421.57	10%	Online Auction
<b>2013</b>	785	\$1,167,031.09	10%	Online Auction
<b>2012</b>	937	\$1,393,981.35	10%	Online Auction
<b>2011</b>	1037	\$2,287,948.83	10%	Online Auction
<b>2010</b>	1258	\$2,445,430.64	10%	Live Auction
<b>2009</b>	1204	\$1,802,097.68	10%	Live Auction
<b>2008</b>	717	\$1,179,160.41	11%	Live Auction
<b>2007</b>	494	\$617,010.34	15%	Live Auction
<b>2006</b>	509	\$502,017.21	15%	Live Auction
<b>2005</b>	605	\$575,365.05	14%	Live Auction
<b>2004</b>	612	\$567,926.00	12%	Live Auction

# Auction

- Mesa County Treasurer's office holds an *Online* Tax Lien Sale
- The Online Tax Lien Sale is designed to promote fairness to all participants
- Prior to the close of the Tax Lien Sale, participants have the opportunity to research properties prior to placing a bid
- Remember if you are a successful bidder, all winning bids must be paid with in the time frame allowed (*see Bidding Rules*)



# Registering

- Who may register?
  - Anyone may register with the exception of Mesa County employees and their immediate family members (CRS 39-11-151)
- To register, visit <https://mesa.coloradotaxsale.com>.
- Each bidder must be registered prior to the deadline in order to participate in that year's Tax Lien Sale. See Bidding Rules for dates and times.
- All bidders must make a deposit equal to 10% of the total dollar amount of the tax lien including premium.
- Deposits must be:
  - ACH
  - Cash
  - Certified Funds

# Rate and Return

- How is the interest rate determined?
  - The interest rate is established by adding 9 percentage points to the federal discount rate
  - The interest rate is set in September by the Commissioner of Banking. (C.R.S. 39-12-103)
- This is simple interest, not compounded interest
- Is the interest for the life of the Certificate of Purchase?
  - Yes, the interest rate is through the life of the original Certificate of Purchase

# Important Facts

- The Tax Lien Sale is not a way to obtain real estate; it is a way of earning a return on your investment.
- Tax Liens are not a liquid asset. Your money may be tied up for a minimum of four years.
- Tax Liens that are not endorsed will go back through the Tax Lien Sale. The new investor does not pay the Senior Investor, it pays the taxes forward.
- You must bid the minimum (*minimum bid is the taxes and fees due*)
- There is no guarantee that your investment will be paid by the taxpayer.

# Understanding the Premium

- A premium is what a Tax Sale Investor pays over and above the tax lien amount.
- A premium is not returned to the Tax Sale Investor and it does not earn interest (CRS 39-11-115).
- A Tax Sale Investor must decide what premium amount, if any, they are willing to bid in order to secure a bid.

# How a Premium Equates

Tax Lien Amount	Interest/ 12 Months	Months Held	Check from County	Premium 5%	=	Gain or Loss
\$1,000.00	.0083	1	\$1,008.30	\$50.00	=	(\$41.70)
\$1,000.00	.0083	7	\$1,058.10	\$50.00	=	\$8.10
\$1,000.00	.0083	12	\$1,100.00	\$50.00	=	\$50.00

**Above is based on a 10% per year return**

# Endorsement of Tax Lien

- What is an Endorsement?
  - When the owner of the property does not redeem the taxes from the previous year, the Tax Sale Investor is given the opportunity to endorse the next year property taxes on to the tax lien.
- What does this mean for the Tax Sale Investor?
  - You do not have to bid or pay a premium to remain the Tax Sale Investor.
  - The endorsement earns interest from the endorsement date at the same interest rate as the original Certificate of Purchase.
- The Tax Sale Investor will have the first opportunity to endorse the taxes as of August 1<sup>st</sup>.
- The endorsement fee of \$5.00 will be paid by the property owner when taxes are redeemed.

# Redeeming Taxes

- What does it mean when the taxes are redeemed?
  - The property owner, agent for owner or lienholder pays the Tax Lien on the property to the Treasurer's office.
- The tax lien certificate may be redeemed at any time until a Treasurer's Deed is issued.
- When a tax lien certificate is redeemed, you will receive your original investment back plus interest.
- There are two ways to pay the investor: ACH or check.

# Treasurer's Deed Process

- When to apply for a Treasurer's Deed?
  - A Treasurer's Deed may be started as early as August 1<sup>st</sup>, three years from the original tax lien sale.
  - Tax sale investors may apply for a Treasurer's Deed when endorsing the third year of taxes.
  - The deed process takes a minimum of six months from the date applied.
  - The owner of the property will have the opportunity to redeem the taxes until the Treasurer's Deed is issued.
  - A Treasurer's Deed takes priority.



# Applying for the Treasurer's Deed

- Applying for the Treasurer's Deed
  - Complete application for deed
  - \$250.00 deposit for real estate required at time of application
  - \$100.00 deposit for mineral rights required at time of application
- Title search will be conducted
- Publication of issuance of Treasurer's Deed
- Notice to all parties involved
- Keep in mind, you are not the owner of the property until you have received the Treasurer's Deed. Please do not contact the property owner.

# Things to Remember

- A Tax Lien is an investment opportunity that is available to everyone who is willing to spend the time necessary to investigate and manage their investments.
- The interest rate is for the life of the Certificate of Purchase.
- If the property owner has not redeemed the property taxes, the Tax Sale Investor has the right to apply for a Treasurer's Deed to the property.
- A Tax Lien investment should be considered an investment, not a way to obtain real estate.
- Remember you are buying the tax lien, not the property.
- Know the property you are bidding on.

# Meet the Treasurer's Team

- Mesa County Treasurer: Janice Rich
- Chief Deputy Treasurer: Melinda Henderson
- Accounting Administrator: Amy Bosse
- Accounting Specialist: Christine Horner
- Accounting Specialist: Maria Parrott
- Accounting Assistant: Judy Vopel

E-mail: [mctreas@mesacounty.us](mailto:mctreas@mesacounty.us)

Telephone: (970) 244-1824 Fax: (970) 244-1804

Customer Service Hours: 8:30 a.m. to 4:30 p.m.

# Questions

The Mesa County Treasurer's office thanks you for your interest in the Tax Lien Sale.

A team member is here to help with any questions.

Thank you,

Mesa County Treasurer's Team