

Many Coloradans Can Defer Payment of Property Tax at an Interest Rate Under 5%

Colorado has long had a program allowing seniors over 65 and active military personnel to defer the payment of the property taxes on their primary residence at minimal expense. In 2022, the Colorado General Assembly extended the **Colorado Tax Deferral Program** to include the deferral of property taxes by any homeowner whose property taxes have increased over 4% from the average of the previous two years.

The latter group can only defer up to \$10,000 in property taxes, but for seniors and military personnel, there is no limit to how big the deferral can grow, so long as the amount of other liens against the property plus the deferred taxes and accrued interest don't exceed 75% of your county assessor's valuation of your home.

For military personnel, that limit is 90% of the assessor's valuation of your home, or 100% if your mortgage is underwritten by the Veterans Administration.

Any such deferral becomes a junior lien against your home and doesn't need to be paid off until you are no longer eligible — in other words, it's no longer your primary residence. That doesn't apply, however, if you go into a nursing home or somewhere else for medical reasons, but retain ownership of your home as your official residence.

I suspect there are many seniors for whom their annual property tax is a challenge but have no idea that such a deferral option is available to them. For them, this program could be a godsend.

The way it works is that the State Treasurer pays your county treasurer the property taxes you owe, and files a lien for that amount against your home. That loan accrues interest based on the 10-year U.S. Treasury note in effect on Feb. 1st of that year. For 2025, that rate is 4.541%. You apply for the program through the State treasurer, not with your county treasurer.

I have written many times about reverse mortgages, which allow seniors to have the principal and interest payments of their home's mortgage paid as a draw against

their equity, but those seniors still have to pay the property tax, insurance, HOA dues, and other expenses of their home.

While a reverse program offers a greater opportunity to draw money against your home equity, it cannot be combined with this tax deferral program. However, if you own your home free and clear and property taxes are a cash-flow challenge to you and cut into your ability to cover ordinary living expenses, being relieved indefinitely from the need to pay those taxes each April could be a big relief.

You must apply for this program between January 1st and April 1st of each year, and you must reapply annually to keep deferring the amount of the deferral plus the next year's taxes, even if you don't wish to defer the following year's taxes. If you fail to reapply, your loan plus interest is due by June 1st.

For that third group — non-seniors or military personnel — the program offers only temporary relief, but the amount of the deferral can't exceed \$10,000. Also, you cannot have any rental income on the property.

For a home with a tax bill of, say, \$3,300, that would limit the total deferral to only 3 years of property taxes.

Without this program, if you fail to pay your property taxes in the year they are due, your county treasurer sells the tax lien to investors who earn 12% interest on the outstanding amount, which is added to the amount of the lien when you redeem it, so deferring the unpaid taxes at under 5% interest is definitely to your advantage.

There are, of course, several requirements for participating in this program, and I have links to those details at <http://RealEstateToday.substack.com>. You can not, for starters, be delinquent on a prior year's tax obligation.

You have missed the deadline for 2025, but put it on your calendar for next January if you believe this program would serve your needs.

REAL ESTATE TODAY



By **JIM SMITH**
Realtor®

Choose From 3 Great Open Houses Today

A Professor's Home in Golden's Beverly Heights

Beverly Heights is that quiet residential community on the other side of Highway 6 from the Colorado School of Mines, which is why so many CSM staff and their families live there. Indeed, the husband of the couple selling this home at **1945 Sage Drive** is himself a retired professor of geochemistry. Tucked at the foot of Mt. Zion with its iconic "M" on the mountainside, this community is so loved that homes like this come on the market rarely and get snapped up quickly. A lovely pocket park is nearby, and this home is on a 1/4-acre fenced and landscaped lot with a garden and RV parking, and it has several features that home buyers like. It has hot water baseboard heat provided by a newer high-efficiency boiler. The seller-owned solar PV system keeps the monthly utility bill low, too. The sellers added a cozy sunroom with skylights and a flagstone floor. A classic wood cook stove is the centerpiece of their big kitchen, and the wrap-around tree-shaded deck is a peaceful retreat most of the year. View a narrated video tour of this home I posted on its website, which you can get to at www.GRElistings.com, then come to the open house **Saturday, June 26, 11 am to 1 pm**.



3-BR Westminster Ranch Listed by Kathy Jonke



Welcome to this charming 3-bedroom, 1-bath ranch-style home at **7185 Vrain Street**. Step inside to a light and bright interior with gleaming hardwood floors and a kitchen with lots of character that includes additional laundry hookups. This home offers a freshly painted exterior, an updated bathroom, and a newer water heater. The home has been fully wrapped with additional blown-in insulation, making it warmer in the winter and cooler during the summer months, along with lower utility bills year-round. Outside, the expansive fenced backyard with two sheds and a raised bed garden is ideal for entertaining, gardening or relaxing under a large apple tree. Both front and back yards feature a sprinkler system and garden drip lines. Enjoy peaceful walks along Dry Creek Trail, proximity to restaurants and shopping, and easy access via Hwy 36 to both Denver and Boulder. Find additional info and pix at www.GRElistings.com. Or call listing agent Kathy Jonke at 303-990-7428. She'll be holding it open **Saturday, July 26th, 11 am to 1 pm**.

Ranch-Style Denver Home Listed by Chuck Brown

This classic Denver ranch at **2642 S. Newport Street** is on a quiet street backing to green space on Goldsmith Gulch creek in close proximity to Bible Park and all it has to offer. It has a large 2-car garage and bus stops are a few blocks away. The Yale Ave. light rail station is one mile west. The side of the house includes a concrete pad for a camper, boat, or RV. The home has a new roof, updated bathrooms and kitchen, a new tankless water heater, updated lighting, a new electrical service panel, and beautiful refinished hardwood floors on the main level. The front yard and some of the back are xeriscaped with pollinator-friendly plants, a vegetable garden and a fenced yard for children and pets to play. See Chuck's narrated video tour at www.GRElistings.com. He'll hold it open **this Saturday, 11-1**, or call him at 303-885-7855.



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