

Governor's Executive Orders: Real Property Tax Collection

City and County of Denver
COVID-19 Emergency Response
April 2020

Property Tax Overview



State Powers Relating to Property Tax Collection:

- In Colorado, property taxes are governed by the state, outlined in the state constitution and state statutes.
- The State sets all deadlines and payment options available to property owners.
- State statutes impose interest on delinquent taxes at a rate of 1% per month



County Powers Relating to Property Tax Collection:

- Property taxes are administered by the counties.
- The City and County of Denver collects property taxes on behalf of other taxing entities, like Denver Public Schools, special districts, and Denver Urban Drainage.



Property Tax Deadlines and Late Payment Interest

Prior to COVID-19:

The State authorized two options for all Colorado property owners to pay their property taxes:

- Pay in full by April 30, 2020
- Pay in two installments, the first half by Feb. 29, 2020 and the second half by June 15, 2020

State statutes imposed interest on delinquent taxes at 1% per month:

- Those who opted for two installments and missed the Feb. 29, 2020 deadline would accrue late interest beginning Mar. 1, 2020.
- Those who missed the June 15, 2020 deadline would accrue late interest beginning June 16, 2020.
- Those who missed the April 30, 2020 deadline for the lump sum payment would accrue late interest beginning May 1, 2020.

Executive Orders Issued Governor Polis

- Governor Polis has the power to issue executive orders in times of emergency.
- Executive Order #D 2020 12 and XO #D 2020 31 provide counties some flexibility to alter their property taxation process, but only within the bounds of the orders.

Executive Orders:

XO: #D 2020 12

Issued: March 20, 2020

County Permissions:

- Allows County treasurers the ability to waive a portion of late interest on property tax installment payments that were already delinquent.
- Effective from Mar. 20 through April 20.

XO: #D 2020 31

Issued: April 6, 2020

County Permissions:

- Extends late interest payment waivers through April 30, 2020.
- Allows property owners to opt to pay first installment by April 30, interest free.
- Second installment is still due June 15.

Denver's Response to the Executive Orders

The Mayor instructed the Denver Department of Finance to take full advantage of the Governor's executive orders.

- Denver will waive **100%** of late payment interest through **April 30, 2020**.
 - Those who paid late interest after the EO went into effect on Mar. 20, 2020 will be reimbursed.
- Property owners who have not yet paid the first installment of real property taxes may now **pay their first installment on or before April 30, 2020** with interest waived.
 - The second installment is still due on **June 15, 2020**.
- Property owners who intended to pay in full on April 30, 2020 may still do so or may now **choose to pay in two installments** with the first half due **April 30** and the second half due **June 15**.

Will I be impacted by these changes?

Below are five scenarios illustrating various situations. The first three examples demonstrate impacts from the City's ability to waive all late interest through April 30:

Examples	Status of Property Tax Payments	Impacted by Executive Orders?
 Scenario One:	Property Owner A opted to pay in full. They paid their lump sum on Jan. 16.	No, they already paid and will not be impacted as they are not accruing late interest.
 Scenario Two:	Property Owner B opted to pay in two installments. They paid their first half on Feb. 29.	No, they paid their first half on time and will not be impacted as they are not accruing late interest.
 Scenario Three:	Property Owner C opted to pay in two installments. They missed the Feb. 29 deadline for their first payment and paid on Mar. 23.	Yes. Any late interest they accrued will be waived.

Will I be impacted by these changes?

The final two examples demonstrate scenarios for property owners who intended to pay a lump sum can now opt to pay two installments:

Examples	Status of Property Tax Payments	Flexibility from Executive Order	Late Payment Interest
 <p>Scenario Four:</p>	<p>Property Owner D initially opted to pay in one lump sum, due April 30.</p>	<p>Property Owner D can now choose to pay in two equal installments due April 30 and June 15.</p>	<p>Late interest will accrue at 1% per month starting May 1 for the first payment and June 16 for the second payment.</p>
 <p>Scenario Five:</p>	<p>Property Owner E initially opted to pay in two installments, with the first half due Feb. 29.</p>	<p>Property Owner E can now make their first half payment on April 30. They will not be charged late interest.</p>	<p>All late interest from Mar. 20 to April 30 will be waived. Late interest will accrue at 1% per month starting May 1 for the first payment and June 16 for the second payment.</p>

Frequently Asked Questions

Q: *Do these executive orders apply to both residential and commercial properties?*

A: Yes, it applies to both residential and commercial properties.

Q: *Can the City defer or abate all 2020 property taxes?*

A: No. The State has not authorized any kind of property tax deferral or abatement, and the City does not have those powers.

Q: *Can the City waive late interest after April 30?*

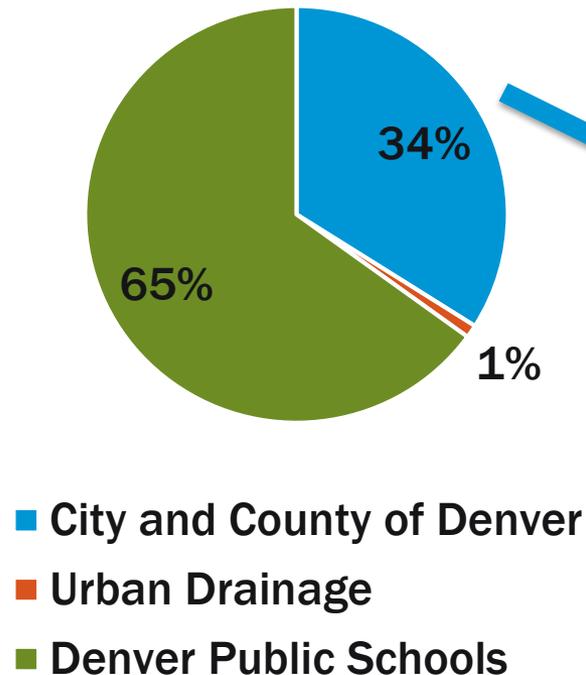
A: No. The State has not authorized counties to waive late interest after April 30. Interest will accrue starting May 1 for lump sum and first half payments and starting June 16 for second half payments.

Q: *My mortgage company holds my property tax in escrow. Will my mortgage company be able to use this waiver?*

A: No, the waiver will not apply to mortgage companies.

Where are Property Taxes Spent?

Denver Property Taxes



- While the majority of property tax revenues go toward DPS, the City receives 34% of those revenues.
- The City collects these revenues on behalf of various taxing entities, including special districts and the Denver Urban Renewal Authority.
- The City receives a portion of these revenues for the General Fund, the Capital Improvement Fund, the Affordable Housing fund, providers of supportive services for people with intellectual and developmental disabilities, and more.

Next Steps

- Denver continues to work with the State regarding any future actions relating to property taxation.
- The City will consult with the various taxing authorities within our borders, like Denver Public Schools, to understand impacts future changes could have on their operations and budgets.
- The Mayor understands the new and intense economic pressure residents face and has enacted a variety of relief programs, which can be found on the City's [website](#).

COVID-19 is impacting the public and private sectors, and the City is committed to utilizing all available tools to aid residents and businesses, property owners and renters.