

**Senate Bill 12-087  
CONCERNING THE PERIOD MARKING THE COMMENCEMENT OF THE  
ACCRUAL OF INTEREST ON THE REFUND OF PROPERTY TAXES  
ERRONEOUSLY COLLECTED.**

**By Senator Foster and Representative J. Kerr**

**The Problem S.B. 12-087 Proposes to Solve Is the Fact that Current Law Provides an  
Incentive for Taxpayers to Delay Filing an Abatement Petition**

Colorado Revised Statutes allow property owners to file petitions for abatement (refund) of property taxes with the county for up to two years after January 1 of the year following the year in which the taxes were levied.

Because interest on property tax refunds is accrued back to the date the taxes were paid at the rate of 1% per month this creates an incentive to delay filing in order to collect this high interest rate.

Under some circumstances, delay in filing can create a situation where counties and the other taxing authorities for which property taxes are collected pay in excess of 20 percent interest on property tax refunds.

Since the property tax refund plus interest is apportioned among the various districts for which the taxes were collected, in most counties it will be the schools that pay over 50 percent of the money refunded.

**How Does Senate Bill 12-087 Propose to Change the Current Situation?**

The bill proposes to change the abatement interest calculation by making interest on the refunded money begin to accrue either from the date a complete abatement petition is filed with the county or the date the taxes are paid, whichever is later.

**What Will Be the Impact of Senate Bill 12-087?**

Preliminary data obtained from Denver, Douglas, El Paso, Jefferson, Pueblo, Summit and Weld Counties show that delays in filing abatement petitions have resulted in annual losses of \$30,000 to \$80,000 at a minimum.

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