

## **Senate Committee Testimony for HB 17-1354 Manufactured Home Statutes**

### **Concerning CRS 39-10-111**

John Lefebvre, Weld County Treasurer, Colorado County Treasurer's Association Legislative Committee Co-Chair

#### **PROBLEM**

Two of the 64 counties recently had problems with delinquent MH taxes resulting in home owners losing possession of their property.

#### **REASON FOR THE PROBLEM**

The primary reason for this problem is that Manufactured Homes typically are sold between parties without involving a title company. The parties to the transaction then do not file the new ownership with the County Clerk as is anticipated by the entire statutory process. As a result we do not know who the proper owner of the property is and continue to send tax notices to the old owner at the old address. The new owners, even if they are getting the tax notices do not open them because they are not addressed to them and therefore do not pay the tax bill.

**Side Note:** Current law does not allow payment of taxes by anyone who is not the owner or in the chain of title.

Once a tax bill becomes delinquent current law calls for us to send out a delinquent notice, which has the same result as mentioned above. We also notice lenders if there are any, which is generally not the case in these problem delinquencies. If the property remains delinquent in its taxes; we advertise them in the newspaper of record twice and physically post the property before a tax lien sale.

Once the property goes to tax lien sale there is a one-year-redemption period. All of the same processes mentioned above are followed plus final notices given by certified mail and physically posting the property again.

#### **SOLUTION**

Allow county Treasurers to be able to withhold Manufactured Homes from a tax lien sale, declaring them as County Held certificates and also allow Treasurers to withhold them from subsequent resale. This is what this bill allows which will give Treasurers the ability to solve these issues without the complicating factor of a tax lien investor.

These County Held Tax Lien Certificates can then be used to legally transfer ownership to the current home owner so that future notices can be given properly.

## **Weld County Stats**

Weld has the third highest number of MHs at about 6,800

The average MH tax bill is \$128, which can already be divided into two equal payments of \$64 each. The actual size of the tax is not the issue. In 14 years as a Treasurer no one has ever asked me for a payment plan.

The Weld County 2016 MH Tax Lien Sale was for a total of \$17,131.55 out of just under \$900,000 in total MH taxes. The total amount of all property taxes collected in Weld County that year was \$712 million. This problem is relatively small from a revenue perspective.

Our average tax lien at sale was for \$141.58 of which \$56 were statutory fees for posting the property and printing the required notices in the newspaper. This represented 122 tax liens. Over one third of them were already identified before the sale by our office as needing to be stricken off to the current owner occupant so that we could deliver the certificate to the rightful owner, **which preserved their ownership – no one lost their homes using this method in Weld County.** If the taxpayers had paid their bills timely the total average tax for those going to tax lien sale was only \$85.58 which could be paid in two half payments of less than \$43 each.

### **The Top Four Counties With MHs are:**

- 1) Adams County with about 11,000
- 2) El Paso County
- 3) Weld County
- 4) Larimer County

**We are asking for a YES vote to make this best practice explicitly available to all of the County Treasurers.**