

Buyers Save a Little on Property Tax When Buying a Long-Held Home from Seniors

As homeowners 65 and over well know, they get a discount on their home's property taxes once they have lived in their home for at least 10 years. It's called the "senior property tax exemption." For those who qualify, 50% of the first \$200,000 in actual value of their primary residence is exempted from property taxation. At 100 mills, that's worth \$720. Rita and I have been in our current house for six years, so we can look forward to saving about that much on our property taxes if we stay put for another 4 years – and if the state legislature continues to fund it, as I'll explain below.

A veteran who has been deemed permanently disabled by the VA enjoys that same discount, but isn't subject to that 10-year rule. He/she only has to have owned and lived in the house on Jan. 1st of the tax year. There is also a little-known program by which qualified seniors and veterans can **defer** the payment of property taxes. Under that program, the state of Colorado pays your local property taxes, creat-

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ing a lien against your home for the deferred amount, which is paid off like any lien when the house is eventually sold. Conditions apply, of course, which you can read by Googling "Colorado senior property tax exemption," as I did.

What you may **not** know is that any buyer, irrespective of age, enjoys that same property tax exemption for their **first** calendar year in a home they purchase from a senior citizen who earned that discount.

My new listing (below) brought this topic to mind. The sellers, who are over 65, paid only \$1,221 in property tax last year, and the property tax bill will probably be

the same for this year's property taxes, which are payable in April 2019. Whoever buys the home in the next month or so will enjoy that senior property tax exemption next April and won't begin paying the full

property tax amount until 2020. The reason for this mini-windfall is that state law specifies that the exemption only requires that an eligible senior owned and lived in the house on Jan. 1st of the tax year.

Something else you may not know is that this property tax exemption does not cost the county or other local tax jurisdictions a penny. The state reimburses the jurisdictions for the discount given to qualified seniors. After making their annual revenue and expense estimates, the state legislature determines how much of a discount qualified seniors will earn. It wasn't funded in 2009, 2010 and 2011, but it was restored in 2012 and remains in effect. Because the state's balance sheet is expected to look good for the coming year, there's certainly reason for optimism.

My only complaint with the senior property tax exemption is that it requires 10 years' ownership of a home before seniors qualify. This poses a disincentive to downsizing, which often makes sense for seniors, especially after one of them has died.

Buyers Need to Understand the Scope of the Inspection Process

One of the first orders of business for any buyer upon going under contract is to hire a professional home inspector. For us to add an inspector to our list of preferred vendors, we have several criteria. We require their reports to be in narrative format, versus a simple checklist. Digital photos documenting each issue discovered during the inspection should be included next to that item. We expect inspectors to have appropriate carbon monoxide and moisture detection equipment, and we like to see them employ an infrared camera, which helps to determine the quality of insulation and weatherization.

We recommend to our buyers that they schedule the inspection well before the inspection objection deadline in the contract. We do this so that secondary inspections can be scheduled and the results obtained prior to the deadline. For example, the inspector may suspect the presence of mold and recommend a mold inspection. Inspections by electricians, plumbers, or structural engineers might also be recommended. Because these secondary inspections cannot always be completed quickly, an extension of the inspection objection deadline might be necessary, something most sellers consent to when well reasoned.

Buyers should also consider testing for radon and having the home's sewer line "scoped." Typical cost for each of these inspections is \$100-\$150. Radon, the presence of which can vary from neighborhood to neighborhood (and even house to house) is a naturally occurring gas that has been linked to lung cancer. Proper testing for radon requires 48 hours.

Sewer lines in older homes are often made of clay pipe and are prone to root intrusion and collapse. A sewer scope can usually be completed in an hour.

Just Listed: Immaculate Brick Ranch South of Belmar

This meticulously cared for home at **8324 W. Arkansas Ave.** has a number of well documented improvements, inside and out. The landscaping is eco-friendly and well maintained. The home is within walking distance of Belmar Park, and downtown Denver is easily accessible by car. Grocery stores and many big box stores are minutes away in Belmar. Blessed with friendly neighbors, the home is located in a quiet neighborhood, on a lightly-traveled side street. The sellers, who have lived in this home for 32 years, have continued making improvements throughout the years. You'll love the hardwood floors, the enclosed patio and the beautiful back yard. The extra deep garage has a great workshop area, too. Solatubes bring sunlight into the heart of the main floor, and the dramatic wall colors give the home a warm, comfortable feel. You can enjoy a virtual experience of this home by watching the narrated video tour I created at www.LakewoodHome.info. Call your agent or me for a private showing, or come to our **open house this Sunday, 11 a.m. to 2 p.m.**



Fixer-Upper in SW Denver Is Across From Greenbelt



This brick bungalow at **1696 S. Tennyson Street** has been neglected for a while, both inside and out, but has good bones and offers great potential appreciation to the right buyer. It has hardwood floors, a high-efficiency Rheem furnace and newer Rheem gas water heater, and a matching oversized 2-car detached garage with lots of electrical outlets and lighting, both natural and fluorescent. All appliances in the eat-in kitchen are included. The location is great, being across from the Sanderson Gulch greenbelt and trail. Visit www.DenverFixerUpper.info for a narrated video tour of this home inside and out, then call your agent or me at **303-525-1851** for a private showing! Or come to the **open house this Saturday, 11am to 2pm.**



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