


Colorado Legislative Council Staff Fiscal Note
STATE
REVISED FISCAL IMPACT
 (replaces fiscal note dated April 22, 2008)

Drafting Number: LLS 08-1069	Date: April 25, 2008
Prime Sponsor(s): Rep. Gagliardi; Ferrandino Sen. Bacon	Bill Status: House Appropriations
	Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING ADDITIONAL PROTECTIONS FOR HOMEOWNERS FACING FORECLOSURE.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue Cash Fund Foreclosure Prevention Grant Fund	Gifts, Grants, and Donations	
State Expenditures General Fund appropriation to the Foreclosure Prevention Grant Fund	\$100,000	At the discretion of the General Assembly
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor or the bill becoming law without his signature, and applies to foreclosure actions filed on or after that date.		
Appropriation Summary for FY 2008-2009: See the State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

As amended in the House Business Affairs and Labor Committee, at least 30 days prior to filing a notice of election and demand with a public trustee, HB08-1402 requires a lender to mail a notice to the debtor containing the telephone number of the Colorado Foreclosure Hotline and the direct telephone number of the Loss Mitigation Department.

In addition, the bill appropriates \$100,000 General Fund for FY 2008-09 to the Foreclosure Prevention Grant Fund. Moneys in the fund shall be used by the Division of Housing in the Department of Local Affairs to make a grants for the sole purpose of providing outreach and notice of foreclosure prevention assistance to persons in danger of foreclosure and to communities with high foreclosure rates. Grants will be awarded based on criteria established by the division.

Beginning January 1, 2009, the division will annually report receipts and expenditures from the fund to the House Business Affairs and Labor Committee and to the Senate Business, Labor, and Technology Committee. The report will also contain quantified results of outcomes of the grant awards.

State Revenue

The bill authorizes the Division of Housing in the Department of Local Affairs to solicit and accept gifts, grants, and donations for the Foreclosure Prevention Grant Fund. To date, no donations have been identified.

State Expenditures

Department of Local Affairs. The bill appropriates **\$100,000 General Fund in FY 2008-09** to the Division of Housing for grant awards for outreach and notice of foreclosure prevention assistance and to communities with high foreclosure rates. Expenditures for FY 2009-10 and beyond will depend on the level of funding provided by the General Assembly.

The Division of Housing is authorized to solicit and accept gifts, grants, and donations. The division is also responsible for disbursing grants to local housing authorities, public nonprofit corporations, and private nonprofit corporations. Given the dollar amount of grants to be awarded, the division can accommodate additional staff resource requirements of the program within existing appropriations.

Judicial Branch. The fiscal impact to the Judicial Branch identified in the original fiscal note has been eliminated. As amended, impact to the Judicial Branch is minimal and absorbable within currently allocated resources.

State Appropriations

The bill appropriates \$100,000 General Fund to the Foreclosure Prevention Grant Fund in FY 2008-09. In addition, the bill appropriates \$100,000 from the Foreclosure Prevention Grant Fund to the Department of Local Affairs, for allocation to the Division of Housing.

Departments Contacted

Judicial Local Affairs