


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0567
Prime Sponsor(s): Rep. Court
 Sen. Carroll

Date: February 21, 2011
Bill Status: House Judiciary
Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE ADMINISTRATION OF TRUSTS WITH COURT-APPOINTED FIDUCIARIES.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Judicial Stabilization Cash Fund*	\$92,500	\$92,500
State Expenditures		
General Fund	\$1,341,221	\$980,511
Cash Funds		
Judicial Stabilization Cash Fund*		\$80,630
FTE Position Change	15.3 FTE	15.3 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

* *The collection of fees under this bill is not directed to a specific cash fund. Within the Judicial Branch, the Judicial Stabilization Cash Fund may be used for general purposes related to operations in the trial courts. Lacking specification in the bill, the fiscal note assumes that the Judicial Stabilization Cash Fund is authorized to receive fees and fund the registry of fiduciaries in the State Court Administrator's Office, supporting the use of the registry in the trial courts. Fees collected in FY 2011-12 will not be available for appropriation until FY 2012-13.*

Summary of Legislation

The bill requires a registry of approved fiduciaries to be created and maintained by the Judicial Branch. The registry is available to fiduciaries that serve as conservators, guardians, and court-appointed trustees. Registration requires a fiduciary to pay an annual fee and be subject to removal from the registry and appointment as a fiduciary for failure to file timely and complete reports. A court may not appoint a fiduciary unless the fiduciary has registered. The bill also adjusts a reporting period for guardians, conservators, and trustees from a yearly report to the court under current law to a quarterly report.

State Revenue

An annual fee is required by the bill, not to exceed the direct and indirect costs for the implementation and administration of the registry. This fee will be collected from approximately 1,250 registrants each year. To offset direct and indirect costs, the fee is estimated at \$74, subject to final determination by October 1, 2011. Fee revenue will be deposited in a cash fund account available to the Judicial Branch for later appropriation.

Fee Impact on Individuals, Families or Business

Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. The table below identifies the fee impact of this bill.

Table 1. Fee Impact on Individuals, Families or Business					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Fiduciary Registration Fee	\$0	\$74	\$74	1,250	\$92,500
TOTAL					\$92,500

State Expenditures

The Judicial Branch will incur total costs of \$1,341,211 and 15.3 FTE in FY 2011-12 to implement the bill. Though the bill is effective sooner with the governor's signature, the fiscal note assumes it will take effect on or about July 1, 2011.

The bill has two cost components for the Judicial Branch: creation of the registry of approved fiduciaries, and additional costs to the courts to review quarterly reports from fiduciaries. The trial courts will incur costs of \$980,511 for 14.3 FTE, including 4.8 magistrates, to perform administrative and bench review of 3 additional guardian and conservator reports in each of approximately 9,850 cases annually. It should be noted that the addition of magistrates drives the need for additional judges in the Judicial Branch; this fiscal note assumes this impact will be accounted for in separate legislation or in the annual budget process. To maintain the list of approved fiduciaries, the State Court Administrator's Office will incur costs of \$80,630 for 1.0 FTE. For FY 2011-12, capital outlay for new personnel will also increase costs in the Judicial Branch.

Table 2 provides an overview of the state expenditures required to implement the bill.

Table 2. Expenditures Under HB 11-1232		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	\$1,024,091	\$1,024,091
FTE	15.3	15.3
Operating Expenses	37,050	37,050
Capital Outlay	280,080	0
TOTAL	\$1,341,221	\$1,061,141

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 3.

Table 3. Expenditures Not Included Under HB 11-1232*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$131,798	\$131,798
Supplemental Employee Retirement Payments	45,511	53,622
TOTAL	\$177,309	\$185,420

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

The Judicial Branch requires a General Fund appropriation of \$1,341,221 and 15.3 FTE for FY 2011-12.

Departments Contacted

Judicial Branch