

Colorado Legislative Council Staff Fiscal Note

STATE
FISCAL IMPACT

Drafting Number: LLS 11-0535
Prime Sponsor(s): Sen. Grantham

Date: January 18, 2011
Bill Status: Senate Judiciary
Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING INCREASES IN THE AMOUNTS ALLOCATED TO CERTAIN FAMILY MEMBERS DURING THE ADMINISTRATION OF A DECEDENT'S ESTATE.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: August 10, 2011, assuming the General Assembly adjourns May 11, 2011, as scheduled and no referendum petition is filed. Provisions of the bill apply to estates of decedents dying on or after January 1, 2012.		
Appropriation Summary for FY 2011-2012: None.		
Local Government Impact: None.		

Summary of Legislation

In current Colorado probate cases, a surviving spouse or, if there is no surviving spouse, dependent children are entitled to an exempt property allowance for cash or other assets valued up to \$26,000. For cases involving the estates of decedents dying on and after January 1, 2012, this bill increases the exempt property allowance to \$78,000. The bill also increases the maximum family allowance for maintenance during the administration of the estate from \$24,000 to \$72,000. If this bill is enacted into law, the next regularly scheduled annual cost of living adjustment for exempt property and family allowance is suspended for one year.

State Expenditures

Due to increased stakes for both family members and creditors of an estate, the bill involves the potential for a relatively minor increase in caseload in the Judicial Branch, from approximately 100 to 300 cases per year, statewide, that contest the exempt property and family allowances.

The Department of Revenue must appropriately modify forms related to small estates.

The Department of Health Care Policy and Financing uses the estate of Medicaid clients to recoup the costs of care; while most estates with surviving family are not subject to recovery by the department, this bill will have an impact on recovery in the rare case (estimated at less than one per year) where an at-home spouse dies before the institutionalized Medicaid client spouse.

This bill can be implemented within existing resources by all three departments. No new appropriation is required to implement this bill.

Departments Contacted

Health Care Policy and Financing

Revenue

Judicial