



*Colorado Legislative Council Staff Fiscal Note*  
**LOCAL  
 FISCAL IMPACT**

**Drafting Number:** LLS 12-0855

**Date:** March 30, 2012

**Prime Sponsor(s):** Rep. Scott

**Bill Status:** House Local Government

**Fiscal Analyst:** Harry Zeid (303-866-4753)

**TITLE:** CONCERNING THE COUNTY TREASURER BECOMING THE PUBLIC TRUSTEE IN CERTAIN COUNTIES WHERE THE PUBLIC TRUSTEE IS CURRENTLY APPOINTED BY THE GOVERNOR.

<b>Fiscal Impact Summary</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> January 1, 2013, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2012-2013:</b> None required.		
<b>Local Government Impact:</b> See the Local Government Impact section.		

**Summary of Legislation**

Currently, the public trustee for the 11 counties with first or second class county designation is appointed by the Governor. The county treasurer serves as the public trustee in the remaining 53 counties of the third class.

Under the bill, the term of the public trustee in the counties of El Paso, Mesa, and Weld that were appointed on February 1, 2011, will be set to expire on December 31, 2012. On January 1, 2013, the designation of these three counties will be changed from a county of the second class to a county of the third class. Thereafter, the position of the public trustee will be assumed by the county treasurer.

**Local Government Impact**

The level to which the county treasurers of the three counties affected by the bill choose to staff the office of the public trustee will determine whether any cost savings will be realized. Salaries and expenses are paid from the fees collected by the public trustee. The fee structure and duties of the public trustee are outlined in statute. For the public trustee in counties of the second class, the salary is fixed in statute at \$72,500 per year. For the public trustee in counties of the third class, the salary is set at \$12,500 in addition to the salary earned as the county treasurer.

It is assumed that the workload of the staff of the public trustee will remain the same in the counties of El Paso, Mesa, and Weld, regardless of public trustee class designation. However, if the county treasurer for these three counties is designated as the public trustee, this fiscal note assumes that another individual will be selected to supervise the public trustee functions within the county treasurer's office. These responsibilities include: conducting the weekly foreclosure sale; auditing the entry of new foreclosure files; ensuring the accurate publication of sale notices; executing all financial transactions; budgeting functions; daily workflow management, training, and supervision; auditing the sales list prior to sale; providing assistance to borrowers, title companies, and attorneys; and establishing and maintaining official policies in accordance with state statute. It is assumed that any salary savings associated with eliminating the formal position of the public trustee will be offset by the addition of an individual in a supervisory role for public trustee office functions within the office of the county treasurer.

Operating expenses and other expenses for items such as rent, office supplies, and computer related expenditures are assumed to be the same regardless of the class designation of the public trustee for the three counties identified in the bill. Furthermore, any potential savings realized by moving the public trustee functions to county office buildings could be achieved whether or not the bill becomes law.

**Departments Contacted**

Local Affairs                      Public Trustees                      Governor's Office

**Departmental Differences**

Information provided by Weld County and Mesa County suggests an annual savings from the change in public trustee designation of \$145,289 for Weld County and \$119,200 for Mesa County. Approximately one-half of the savings is for the elimination of the separate position of the public trustee. The majority of the additional savings is for a reduction in expenses for accounting and legal services, office space rental, utilities, and office supplies. Minimal savings are identified for IT support, repairs and maintenance, and capital outlay items.

Savings of personal services will depend on whether the supervisory functions for the office of the public trustee are necessary and whether that function is filled by internal resources from the office of the county treasurer, or whether additional staff is required . This fiscal note assumes that the additional identifiable savings for other operating expense items for the office of the public trustee could occur with or without passage of the bill.