

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0437  
**Prime Sponsor(s):** Sen. Lambert  
 Rep. Scott

**Date:** January 22, 2013  
**Bill Status:** Senate SVMA  
**Fiscal Analyst:** Alex Schatz (303-866-4375)

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

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	Minimal savings. See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

This bill eliminates, as of February 1, 2015, the governor's authority to appoint public trustees in certain Colorado counties. By February 1, 2015, the county treasurer will serve as the public trustee in all Colorado counties other than Broomfield and Denver. In Broomfield and Denver, an equivalent officer serves as public trustee, as identified by the city and county charter or code.

The bill also repeals current statutory salary provisions and provides for a uniform salary of \$12,500 per year for all public trustees in the state.

**Background**

In Colorado, the public trustee is a statutory office created to release, foreclose upon, and take other action related to deeds of trust, usually serving as security in real estate loans. Public trustees also perform other duties established by law, such as escrowing funds in certain real estate transactions and serving as trustee for certain private trusts or corporations where all trustees or directors, respectively, are deceased.

Under current law, in 52 of Colorado's 64 counties the county treasurer is also the public trustee. In 11 counties the public trustee is appointed by the Governor. Those 11 counties are: Denver, Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. In practice, and as directed by Denver's charter, the Denver clerk and recorder serves as the public trustee for Denver County. Current statute permits Broomfield to provide for an equivalent officer to serve as public trustee.

Salaries of public trustee are set by statute and vary according to the classification (generally based on population) of the county. Most governor-appointed trustees receive a salary of \$72,500, while most treasurers in other counties currently receive a statutory salary of \$12,500.

### **State Expenditures**

The governor's office will experience minimal savings under the bill. Existing costs are minimal for the governor to make appointments and administer those aspects of the public trustee system delegated to the governor by statute. With reduced oversight by the governor, the Division of Local Government (DLG) in the Department of Local Affairs will collect fewer filings from public trustees. The reduction in DLG workload is minimal. Any savings to the Executive Branch will be minimal and result in no change to existing appropriations.

### **Local Government Impact**

This bill affects current practices in ten counties: Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. In those counties the bill results in a reduction of some costs and an increase in others. The net effect will vary by county, potentially ranging from a per-county savings of \$50,000 annually to increases of up to \$50,000 annually.

The salary of the public trustee in affected counties is reduced from \$72,500 to \$12,500, a savings of \$60,000. In addition, consolidation of public trustee and treasurer offices could result in efficiencies for common functions, such as mailings, notices, and real estate database management.

New costs for public trustee-treasurers under the bill could include both one-time costs to implement the merger and permanent changes in staffing and operating costs. In one recent example, Weld County paid over \$6,000 to move its public trustee office. For counties with significant caseload, including many of the affected counties, a professional manager may be required to replace the current appointed public trustee, possibly at an equivalent or higher salary.

### **Departments Contacted**

Counties  
Public Trustees  
Property Taxation

Municipalities  
Governor

County Clerks  
Local Affairs