

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0081
Prime Sponsor(s): Sen. Hodge
 Rep. Moreno

Date: January 9, 2014
Bill Status: Senate Judiciary
Fiscal Analyst: Josh Abram (303-866-3561)

SHORT TITLE: DISCLOSE SEPARATE OWNERSHIP MINERAL ESTATE

Fiscal Impact Summary	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures		
FTE Position Change		
Appropriation Required: None		

Summary of Legislation

Current law requires that sellers of real estate disclose specified information prior to the final sale. For example, sellers must inform buyers when the property is located within a special taxing district, or is subject to assessments as part of a common interest community.

This bill adds a requirement for sellers to disclose that a separate mineral estate may subject the property to oil, gas, or mineral extraction. The disclosure does not create an additional duty on the part of the seller to investigate. No later than January 1, 2015, the Real Estate Commission in the Department of Regulatory Affairs (DORA) must promulgate rules to implement the requirement.

State Expenditures

Implementation of the bill results in a minimal increase in the workload of the DORA. The commission will incur a one-time increase in workload to update rules and associated technical documents related to the sale of real property. These activities can be accomplished within existing appropriations.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Law Regulatory Agencies