

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-0510
Prime Sponsor(s): Sen. Ulibarri

Date: May 26, 2015
Bill Status: Postponed Indefinitely
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: DOCUMENT RECORDING FEE TO FUND AFFORDABLE HOUSING

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures		
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

The bill requires county clerk and recorder offices to collect an additional \$1 surcharge for each document the county receives for recording or filing beginning on July 1, 2015. The new \$1 surcharge is deposited into the newly-created Statewide Affordable Housing Investment Fund to be administered by the Colorado Housing and Finance Authority (CHFA) for the purposes of developing and preserving affordable housing statewide. The bill requires the CHFA to submit a fund report annually to the Governor and the Senate and House finance committees. The surcharge is repealed on June 30, 2024.

Background

Under current law, county clerk and recorder offices are authorized to collect and use the revenue from a \$1 technology surcharge for each recording or filing the county receives for ongoing improvements to its document management system. Recordings and filings received are primarily related to real estate deeds or liens and marriage or civil union licenses. The technology surcharge became effective September 1, 2002, and was extended five years under House Bill 11-1313 until June 30, 2017.

Small population counties, such as Hinsdale County in the southwest or Cheyenne County on the eastern plains, typically file or record 1,000 documents per year. Medium-sized counties with more municipalities and residential development, such as Douglas County in the south Denver metropolitan area or Larimer County, surrounding Fort Collins, typically file or record between 85,000 and 95,000 documents per year. Large population counties such as Denver County or El Paso County file or record between 150,000 and 175,000 documents per year. A 2014 Colorado County Clerks Association (CCCA) survey indicates that approximately \$1.2 million was collected by county clerk and recorder offices in 2013 through the \$1 technology surcharge; however, in 2014, the clerk and recorder offices experienced a 20 percent reduction in recording activity, and a corresponding revenue reduction.

Statutory Public Entity Impact

The CHFA is estimated to receive new revenue of **at least \$1.0 million** annually from the \$1 surcharge, to be deposited into the Statewide Affordable Housing Investment Fund it administers. This estimate is based on a recent survey of the technology surcharge conducted by the CCCA and outlined in the Background section on the previous page. The CHFA is expected to use this money to finance affordable housing development and preservation throughout the state.

Local Government Impact

A minimal workload impact to county clerk and recorder offices is anticipated to collect and transfer the surcharge to the CHFA beginning in FY 2015-16.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on March 11, 2015.

State and Local Government Contacts

Counties	Clerk and Recorder	Judicial
Local Affairs	Personnel	State