

Colorado Legislative Council Staff Fiscal Note

LOCAL CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 15-0142
Prime Sponsor(s): Rep. McCann
 Sen. Guzman

Date: February 5, 2015
Bill Status: House Business, Affairs and Labor
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: PUBLIC TRUSTEE CONDUCT ELECTRONIC FORECLOSURE SALE

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

This bill allows public trustees the option to conduct a foreclosure sale by means of the Internet or other electronic medium. A public trustee who utilizes this option must include the website and provide information about publicly-available computers in required mailings, and must also post bidding rules online two weeks before the sale. Information about the electronic sale is also to be posted through traditional means, such as posting a written notice in the office of the public trustee. Public trustees are not liable for technical issues such as the failure of computers or the website. Public trustees are authorized to collect a fee for service of up to \$60 to conduct the sale, and to receive these funds through electronic transfer.

Background

Foreclosure of residential real estate is governed by statutory procedure, including various notices, remedial opportunities, and judicial review of a foreclosure case prior to sale. In Colorado, the public trustee is a statutory office created to release, foreclose and sell property in default, or take other action related to deeds of trust. Using current methods, public trustees expend approximately 2.5 hours per week on each active foreclosure case.

Local Government Impact

Because counties have the option of implementing the bill, the impact on counties is conditional. Counties that opt-in are expected to see substantial workload reductions in the conduct of public trustee sales. However, this workload is only a portion of the public trustee's duties in an active foreclosure case, and one-time computer programming costs would increase in the first opt-in year. To the extent that public trustees implement electronic sales, local revenue from the associated fee will increase in the affected counties.

Effective Date

The bill takes effect September 1, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed. It applies to foreclosure sales conducted on or after September 1, 2015.

State and Local Government Contacts

Public Trustees
Clerk and Records
Property Tax
Special Districts

Judicial
Law
State
Sheriffs

Cities and Counties
Local Affairs
Regulatory Agencies