

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0520
Prime Sponsor(s): Sen. Scott

Date: January 20, 2015
Bill Status: Senate Local Government
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: GOVERNOR APPOINTED PUBLIC TRUSTEES

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

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

Summary of Legislation

No later than January 1, 2017, this bill allows a board of county commissioners to decide by board election if the Governor-appointed position of public trustee in their county should instead be combined with the elected position of county treasurer. If the board elects to have the county treasurer serve as the public trustee, the county must notify the Governor and the county treasurer and provide information about the transition on its website.

After being notified of the county board's decision, the governor is required to terminate the appointment of the existing public trustee on the date of the transition, and maintain a record of which counties have elected to combine the positions. This information must be posted on the Governor's web site until state law is changed to reflect which counties have made such an election.

Background

In Colorado, the public trustee is a statutory office created to release, foreclose upon, and take other action related to deeds of trust. 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 are deceased.

In most counties the elected treasurer is also the public trustee. In the following 10 counties the public trustee is appointed by the Governor: Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. The city and county of Denver and the city and county of Bromfield assign the duties of the public trustee to the officer equivalent to a county treasurer in their home-rule charters.

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

State Expenditures

The bill will result in minimal workload savings for the executive branch. Existing costs are nominal for the governor to make appointments and administer those aspects of the public trustee system delegated to that office 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; however this workload reduction for DLG is also minimal. The bill does not require any change in appropriations.

Local Government Impact

In affected counties where a board of county commissioners elects to combine these two positions, the bill may reduce some costs and increase others. The net effect will vary by county, potentially ranging from a per-county savings of \$60,000 annually to increases of up to \$60,000 annually.

The salary of the public trustee in affected counties is reduced from around \$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 could include both one-time costs to implement the merger and permanent changes in staffing and operating costs. For counties with significant caseload, including many of the affected counties, a professional manager may be required to perform some of the current duties of the appointed public trustee at an equivalent or higher salary.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Public Trustees

Governor's Office
Secretary of State

Local Affairs