



**Colorado
Legislative
Council
Staff**

HB17-1358

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-1157
Prime Sponsor(s): Rep. Rosenthal

Date: April 26, 2017
Bill Status: House Business
Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: DISCLOSE AMOUNTS PAYABLE TO REAL ESTATE BROKERS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal workload increase.		

Summary of Legislation

Before the closing of a real estate transaction that includes a broker's services, the bill requires that the amount of any fee, commission, or other charge paid to a broker be set forth in writing and accounted for in a contract or contemporaneous document furnished to all parties. The required disclosures must include the identity of the parties paying compensation to a broker and the amounts payable by each party. The bill also requires that whenever a broker advertises his or her services in connection with a specific property, the broker must disclose his or her fees, or the basis for calculating the fees.

The Real Estate Commission in the Department of Regulatory Agencies (DORA) may adopt rules and forms to implement the bill.

State Expenditures

The bill increases the workload for DORA and the Judicial Department by a minimal amount, as discussed below.

DORA. In FY 2017-18 only, the bill increases the workload for the Division of Real Estate in DORA by a minimal amount to promulgate rules related to the disclosure of fees owed to a broker, as well as to provide forms and update materials. Legal services for rulemaking are provided by the Department of Law, and rulemaking is expected to be accomplished within DORA's existing allocation of legal services. No change in appropriations is required.

Judicial Department. Beginning in FY 2017-18, the bill may increase the workload in the trial courts in the Judicial Department to handle any civil actions that occur as a result of the bill. Any increase is expected to be minimal and can be accomplished within existing appropriations.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed. The bill applies to real estate transactions closed on or after that date.

State and Local Government Contacts

Judicial

Local Affairs

Regulatory Agencies