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FISCAL NOTE

Drafting Number: LLS 18-0387 Date: February 9, 2018
Prime Sponsors: Rep. Kraft-Tharp; Thurlow Sen. Gardner Bill Status: House Business
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Bill Topic: SUNSET COMMUNITY ASSOCIATION MANAGERS

- Summary of Fiscal Impact: State Revenue (continuation), State Expenditure (continuation, new), State Transfer, TABOR Refund, Local Government, Statutory Public Entity

Sunset bill. This bill continues the Community Association Management Practice Act for 5 years and implements certain recommendations from the sunset review. State fiscal impacts include both new workload for the Division of Real Estate to implement the changes under the bill, as well as the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2023.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1 State Fiscal Impacts Under HB 18-1175

Table with 3 columns: Category, FY 2018-19, FY 2019-20. Rows include New Impacts (Revenue, Expenditures) and Continuing Program Impacts (Revenue, Expenditures) with sub-categories like Cash Funds and FTE.

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

This bill continues the Community Association Management Practice Act in the Division of Real Estate in the Department of Regulatory Agencies (DORA) — which is scheduled to repeal July 1, 2018 — for 5 years through September 1, 2023.

The bill also implements certain recommendations from DORA's sunset review. These recommendations include:

- amend definitions so that administrative and support staff are not required to be licensed;
- modify the supervision requirements for the apprentice license;
- remove references to private, professional credentials and allow the director of the Division of Real Estate to approve credential, examination, and education requirements by rule; and
- enhance the due process protections of cease and desist orders issued by the director.

Continuing Program Impacts

Based on its FY 2016-17 budget, DORA is expected to have about \$530,000 in revenue and \$280,000 and 3.2 FTE in expenditures to license Community Association Managers. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2019-20. If this bill is not enacted, the program will end on July 1, 2019, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2019-20 by the amounts shown in Table 1. The changes to the program that drive additional workload are discussed in the State Expenditure section below.

State Expenditures

In FY 2018-19, the Division of Real Estate will have a minimal workload impact to promulgate rules to implement the changes under the bill. This work expected to occur during the division's regular rulemaking schedule. No change in appropriations is required.

To the extent the judicial review process for cease and desist orders is utilized, workload will also minimally increase for courts in the Judicial Department. This potential workload increase is expected to be minimal and no change in appropriations is required.

Effective Date

The bill takes effect July 1, 2018.

State and Local Government Contacts

Law Regulatory Agencies