



Legislative Council Staff

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FISCAL NOTE

Drafting Number:	LLS 18-0564	Date:	January 16, 2018
Prime Sponsors:	Sen. Zenzinger Rep. Winter	Bill Status:	Senate SVMA
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Bill Topic: RECORDING FEE TO FUND ATTAINABLE HOUSING

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity

The bill allows but does not require that county clerks collect a surcharge on document filing fees to fund an attainable housing program. The bill may increase workload for local governments and may increase revenue for a statutory public entity indefinitely.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Under current law, county clerk and recorders collect a \$3 surcharge for each recording or filing the county receives. Beginning January 1, 2019, this bill permits but does not require that county clerks collect an additional \$5 surcharge; clerks are permitted to retain \$1 of the surcharge, with the remaining \$4 to be deposited in the newly created Statewide Attainable Housing Investment Fund (fund), administered by the Colorado Housing and Finance Authority (CHFA).

Of the moneys deposited in the fund, up to 25 percent must support new or existing programs that assist low income households with financing, purchasing, or rehabilitating single family homes.

Money in the fund remains in the fund at year end and may not be transferred to the state General Fund, or any other fund in CHFA. Beginning no later than June 1, 2020, the CHFA is required to report to the Governor and the finance committees of the General Assembly annually concerning the specific uses of the fund in the prior calendar year.

Background

Recordings and filings received by county clerk and recorders are primarily related to real estate deeds or liens, and marriage or civil union licenses. Under current law, counties add a \$3 surcharge for ongoing improvements to county document management systems, and to fund

the Electronic Recording Technology Board in the Secretary of State Office. The technology board receives part of this surcharge and uses the funding to improve standards, equipment, training, and best practices, and to issue grants to counties related to electronic filing systems.

Local Government

The bill increases the workload and revenue of county clerk and recorder offices that chose to impose the surcharge. Revenue increases for each \$1 the county retains; workload increases to collect and transfer the \$4 balance of the surcharge to the state treasurer, who is then required to credit the surcharge to CHFA.

Statutory Public Entity Impact

Beginning in FY 2018-19, this bill may increase revenue and expenditures in CHFA. New revenue is deposited into the Statewide Attainable Housing Investment Fund. CHFA must use at least 25 percent of funds received to support programs that assist low income households with financing, purchasing, or rehabilitating single family homes. The bill permits county clerks to collect the \$5 surcharge, of which \$4 is then credited to CHFA. It is unknown which counties will choose to impose the surcharge. For this reason, new funding and expenditures for CHFA have not been estimated.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Colorado Housing and Finance Authority
County Clerks
Municipalities

Counties
Local Affairs
Treasury