



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 19-0340	Date:	February 4, 2019
Prime Sponsors:	Sen. Rodriguez Rep. Tipper	Bill Status:	Senate Finance
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Bill Topic: COLORADO UNIFORM DIRECTED TRUST ACT

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue (<i>minimal</i>)	<input type="checkbox"/> TABOR Refund (<i>minimal</i>)
	<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input checked="" type="checkbox"/> Local Government (<i>minimal</i>)
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill modifies provisions governing directed trustees and creates a new "Colorado Uniform Directed Trust Act." This bill potentially increases costs and workload in the Judicial Department on an ongoing basis.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** The fiscal note reflects the introduced bill. The bill is recommended by the Colorado Commission on Uniform State Laws.

Summary of Legislation

This bill repeals and reenacts with modifications the Colorado Uniform Directed Trust Act. Among the various changes, this bill specifies:

- the creation of the position of the trust director, who may oversee a trust in addition to the trustee and the trust advisor, and who may be granted a power of direction,
- the type of information sharing among trustees and trust directors, including that trust directors are not liable for breach of trust to the extent the breach resulted from reliance on information provided from trustees,
- additional duties and liabilities of trust directors and trustees, and
- judicial proceedings, including taking into account the standard of care applicable to each fiduciary in the proceeding when apportioning damages, fees, costs, or fault among the fiduciaries.

State Revenue

Beginning in the FY 2019-20, this bill increases state cash fund revenue from civil filing fees by a minimal amount. The exact revenue impact will depend on the number of civil cases resulting from the bill and the amount of damages sought and has not been estimated. For informational purposes, the civil filing fee for county court ranges from \$85 to \$135 depending on the amount of damages sought and the filing fee for district court is \$235. Civil cases seeking damages of less than \$25,000 may be filed in county or district court, while cases seeking damages over \$25,000 must be filed in district court. Civil filing fees are subject to TABOR.

State Expenditures

This bill potentially increases costs and workload in the Judicial Department beginning in FY 2019-20, to process additional civil case filings and litigation in trust matters. This increase in workload can be accomplished within existing appropriations. If an increase in court activity requires additional resources, the Judicial Department will seek new appropriations via the annual budget process.

Tabor refunds. The bill is expected to increase state General Fund obligations for TABOR refunds by a minimal amount in FY 2019-20. Under current law and the December 2018 Legislative Council Staff forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21.

Local Government

Similar to the state, beginning in the FY 2019-20, this bill increases revenue and workload for Denver County Court for any civil actions seeking damages under \$25,000 commenced within the City and County of Denver. This impact is expected to be minimal.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties	Human Services	Judicial
Regulatory Agencies	Secretary Of State	