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FISCAL NOTE

Drafting Number: LLS 20-1236	Date: May 26, 2020
Prime Sponsors: Rep. McCluskie; Ransom Sen. Zenzinger; Rankin	Bill Status: House Appropriations
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Bill Topic: **DELAY IMPLEMENTATION OF HOUSE BILL 19-1229**

Summary of Fiscal Impact:

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

Budget package bill. The bill delays the implementation of the Colorado Electronic Preservation of Abandoned Estate Planning Documents Act. The bill reduces state revenue and expenditures in FY 2020-21 and FY 2021-22 and increases state revenue and expenditures beginning in FY 2022-23.

Appropriation Summary: For FY 2020-21, this bill requires and includes a reduced appropriation of \$153,377 to the Judicial Department.

Fiscal Note Status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2020-21 budget balancing package.

**Table 1
State Fiscal Impacts Under HB 20-1368**

		FY 2020-21	FY 2021-22	FY 2022-23
Revenue		-	at least (\$68,750)	at least (\$68,750)
Expenditures	General Fund	(\$153,377)	-	\$155,537
	Cash Funds	-	(\$67,653)	-
	Centrally Appropriated	(\$12,618)	(\$15,949)	\$13,003
	Total	(\$165,995)	(\$83,602)	\$168,540
	Total FTE	(0.3 FTE)	(0.8 FTE)	0.3 FTE
Transfers		-	-	
TABOR Refund		-	-	

Summary of Legislation

The bill delays the implementation of House Bill 19-1229, which created the Colorado Electronic Preservation of Abandoned Estate Planning Documents Act (act), from January 1, 2021, to January 1, 2023. The act required the Judicial Department to electronically preserve abandoned estate planning documents, and created the Electronic Preservation of Abandoned Estate Planning Documents Cash Fund (cash fund) to collect fees used to cover the cost of electronically preserving estate planning documents.

Assumptions

The fiscal note for House Bill 19-1229 assumed that the cash fund would not have enough revenue to cover the expenditures created by the bill until individuals can access the electronic documents system. Due to this, this fiscal note assumes a General Fund appropriation is required for six months during the program implementation period.

State Revenue

In FY 2021-22 and FY 2022-23, state cash fund revenue to the Electronic Preservation of Abandoned Estate Planning Documents Cash Fund will decrease by at least \$68,750 due to the delay of the implementation of the act. Beginning in FY 2023-24, the Judicial Department will begin to collect fees from those who access the electronic documents system. It is estimated that there will be between 2,500 and 5,000 individuals who will access the system each year. Future fees will be set administratively by the Judicial Department based on cash fund balance, actual program costs, and the estimated number of individuals who access documents in the system.

State Expenditures

Based on the fiscal note for HB 19-1229, the bill decreases state expenditures in the Judicial Department by \$165,995 and 0.3 FTE in FY 2020-21 and \$83,602 and 0.8 FTE in FY 2021-22. Beginning in FY 2022-23, the bill increases state expenditures in the Judicial Department by \$168,540 and 0.3 FTE. These expenditures are highlighted in Table 2 and discussed below.

**Table 2
 Expenditures Under HB 20-1368**

	FY 2020-21	FY 2021-22	FY 2022-23
Judicial Department			
Personal Services	(\$23,064)	(\$51,893)	\$23,167
Operating Expenses and Capital Outlay Costs	(\$5,083)	(\$760)	\$7,140
One-time License Purchase and Set up Fee	(\$80,230)	-	\$80,230
System Development	(\$45,000)	-	\$45,000
Maintenance	-	(\$15,000)	
Centrally Appropriated Costs*	(\$12,618)	(\$15,949)	\$13,003
Total Cost	(\$165,995)	(\$83,602)	\$168,540
Total FTE	(0.3 FTE)	(0.8 FTE)	0.3 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Judicial Department. Beginning in FY 2022-23, the Judicial Department requires a court programs analyst to process inquiries and access requests, ensure individuals are authorized to receive documents, and maintain a searchable database. In addition, the Judicial Department will have to create an electronic filing system for abandoned estate documents. The initial system is anticipated to cost \$125,230 with annual maintenance costs of \$15,000. Electronic filing system costs are based on FY 2019-20 estimates and may change based on technology and costs unknown at this time. Personnel costs are based a January 1, 2023, effective date and on the Judicial Department's FY 2020-21 common polices.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to decrease by \$12,619 in FY 2020-21 and \$15,949 in FY 2021-22. In FY 2022-23, costs are estimated to be \$13,003.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2020-21, this bill requires and includes a reduced General Fund appropriation of \$153,377 to the Judicial Department.

State and Local Government Contacts

Judicial