



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

---

**Final Fiscal Note**

---

**Drafting Number:** LLS 22-0682      **Date:** May 24, 2022  
**Prime Sponsors:** Sen. Winter; Gonzales      **Bill Status:** Signed into Law  
Rep. Gray; Gonzales-      **Fiscal Analyst:** Erin Reynolds | 303-866-4146  
Gutierrez      Erin.Reynolds@state.co.us

---

**Bill Topic:**      **HOMESTEAD EXEMPTION & CONSUMER DEBT PROTECTION**

---

**Summary of Fiscal Impact:**       State Revenue       TABOR Refund  
 State Expenditure       Local Government  
 State Transfer       Statutory Public Entity

The bill increases the value of certain property that is exempt from seizure to satisfy debt. The bill may decrease state and local revenue and increase state and local workload.

---

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

---

**Fiscal Note Status:**      The final fiscal note reflects the enacted bill.

---

**Summary of Legislation**

Colorado's statutory homestead exemption exempts a portion of a homestead from seizure to satisfy a debt, contract, or civil obligation. This bill increases the portion of homestead exempted from \$75,000 to \$250,000 for an owner- or owner family-occupied home and from \$105,000 to \$350,000 for a home occupied by an owner or owner's family member who is elderly or disabled. The bill also modifies the definition of homestead to include a dwelling, and defines dwelling as conventional housing and personal property that is actually used as a residence, including a manufactured home, mobile home, vehicle, trailer, vessel, camper coach, mounted equipment, railway car, shipping or cargo container, shed, yurt, or tiny home.

Existing homestead exemptions for household goods, property related to an occupation, vehicles, and other items are increased in value and expanded to include certain accounts, proceeds, and equipment, with certain limitations.

Finally, the bill removes the requirement that child support payments not be comingled with other moneys in order for payments to be exempt from seizure.

## **State Revenue**

The bill may impact revenue from debt collections to the following state agencies.

**Judicial Department.** The bill is expected to reduce criminal restitution recoveries. Because actual revenue collections depend on a variety of factors, this impact has not been estimated.

**Department of Revenue.** While the Taxation Division has the authority to seize property for unpaid taxes, such enforcement actions are rare; any related revenue impact is expected to be minimal.

## **State Expenditures**

The bill may minimally increase workload in state agencies, as described below.

**Trial courts.** The bill is not expected to change the number of cases that would be filed with the trial courts in the Judicial Department in order to address a debt, contract, or civil obligation, but may minimally impact how cases proceed and are resolved. No change in appropriations is required.

**State debt collection.** Because the bill limits creditors' options for collecting debt in certain cases, state agencies that are involved in collecting debts, including the Judicial Department, the Department of Personnel and Administration, and the Department of Revenue, may have additional workload when working with debtors to resolve outstanding debt. Generally, state agencies report that actions to seize property occur infrequently, so any impact to these agencies is assumed to be minimal.

**Department of Human Services.** The Division of Child Support Services sends a Notice of Lien and Levy to financial institutions to collect past due child support. The division will update these notices to advise obligors of the new exemptions from levy under the bill using existing resources.

## **Local Government**

Similar to the state, workload may increase for local governments to the extent the bill changes the process for collecting outstanding debts.

## **Effective Date**

The bill was signed into law by the Governor and took effect April 7, 2022.

## **State and Local Government Contacts**

Counties	County Assessors	Human Services
Judicial	Labor and Employment	Law
Municipalities	Personnel	Property Tax Division
Revenue		