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***Fiscal Note
Memorandum***

March 18, 2024

TO: Members of the House Transportation, Housing, and Local Government Committee

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SUBJECT: Fiscal Assessment of Proposed Amendments L.001, L.002, L.003, L.004, L.005, and L.006.

This memorandum is an assessment of the fiscal impact of the attached proposed amendments L.001, L.002, L.003, L.004, L.005, and L.006 to HB24-1294. This fiscal assessment is for the impact of the bill with inclusion of these amendments only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendments

Amendments L.001 through L.006. Among other changes, these amendments reduce complaints received by the Department of Local Affairs (DOLA) relative to the introduced bill in the following ways:

- limits relocation assistance after condemnation to those that are caused by a park owner, preserves the current law ten-day notice for nonpayment of rent, narrows triggers under the bill for a temporary suspension of rent increase, and eliminates the bill's requirement regarding rent uniformity;
- requires eviction stays be twenty-one days pending a related administrative complaint, eliminates enforcement over water pressure, and clarifies a landlord's duty to provide water to a mobile home park;
- clarifies that a landlord's duty to maintain sidewalks does not include new sidewalk construction;
- revises language access requirements;



- specifies that park rule enforcement and opportunity to purchase notices only apply when negotiating with residents; and
- establishes a timeframe to provide requested documents in a park sale, clarifies discretionary judicial orders to suspend rent increases, modifies escrow requirements when a noncompliant park is sold, and updates the bill's effective date.

Fiscal Impact of Amendments

Overall, the amendments decrease expenditures under the bill related to complaints filed under the Mobile Home Park Act and, as such:

- decrease state expenditures, including for legal services, in DOLA as shown in the fiscal note published on March 5, 2024, since a substantial increase in complaints submitted to DOLA is no longer expected;
- eliminate the estimated fee increase for currently registered mobile home parks, thereby eliminating a corresponding increase in state revenue of about \$193,000; and
- reduce the appropriation required in FY 2024-25 to \$40,966 and 0.2 FTE from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund to the Department of Local Affairs, all of which is reappropriated to the Department of Law.

Bill's Revised Fiscal Impact with Amendments

Table 1 shows the estimated fiscal impact of the bill with Amendments L.001 through L.006. With these amendments, the bill is estimated to increase state expenditures by \$40,966 and 0.2 FTE beginning in FY 2024-25. It also increases state revenue by \$1,128 on an ongoing basis. These impacts are shown in Table 1 and discussed below.



Table 1
State Fiscal Impacts Under Amended HB 24-1294

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue	Cash Funds	\$1,128	\$1,128
Expenditures	Cash Funds	\$40,966	\$40,966
	Total FTE	0.2 FTE	0.2 FTE
Transfers	-	-	-
Other Budget Impacts	TABOR Refund	\$1,128	\$1,128

State Revenue

As amended, the bill increases state cash fund revenue by about \$1,000 per year to the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund in DOLA. This increase is from the addition of previously exempt parks to regulatory oversight.

State Expenditures

As amended, the bill increases expenditures in DOLA by about \$41,000 starting in FY 2024-25, paid from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund. Expenditures are for 320 hours of legal services provided by the Department of Law for rulemaking and representation during complaints.