



**Colorado
Legislative
Council
Staff**

HB17-1095

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0246
Prime Sponsor(s): Rep. Melton

Date: February 1, 2017
Bill Status: House Judiciary
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: SERVICE OF PROCESS TO SECURED DWELLINGS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Potential minimal revenue impact. See State Revenue section.	
State Expenditures General Fund	Potential minimal workload impact. See State Expenditures section.	
TABOR Impact	Potential minimal impact. See TABOR Impact section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing potential minimal revenue and workload impacts.		

Summary of Legislation

This bill provides guidelines for the service of process when access to a residential community is denied by security and authorizes alternative service of process delivery methods as described in the bill.

Background

Service of process is the procedure in which a party to a lawsuit provides appropriate notice of initial legal action on another party, court, or administrative body. In Colorado, process may be served by the sheriff or a deputy in the county of the lawsuit for a fee; ordered by the court to be delivered by the sheriff's department, in which case the sheriff's fee is applied to the court fees; or delivered by any person not a party to the lawsuit that is over the age of 18, which may include private for-profit process servers.

State Revenue

This bill potentially impacts cash fund revenue in the Judicial Department from filing fees in two ways. First, in some cases, when ordered by the court, the sheriff's fee for the service of process may be applied to the court fees. If fewer requests are received for orders for substitution

of service court fees may decrease. Second, this bill may increase the number of challenges related to the service of process. To the extent that this occurs, filing fees related to seeking to vacate a judgement may increase. Any change in filing fee revenue resulting from this bill is expected to be minimal. This revenue is credited to the Judicial Stabilization Cash Fund.

TABOR Impact

This bill potentially increases and decreases state cash fund revenue from filing fees, which potentially increases and decreases the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. Since the bill potentially increases and decreases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease or increase by an identical amount.

State Expenditures

This bill potentially impacts Judicial Department workload in the trial courts in two ways. One, by making it easier to serve process on an individual that resides in a residential community with secured access, this may decrease workload by decreasing the number of requests to the trial courts for orders for substitution of service. However, the new guidelines for serving process to individuals in secured communities may increase workload by increasing the number of challenges from parties claiming they never received the process or challenging the manner in which it was delivered. These workload impacts are expected to be minimal and no change in Judicial Department appropriations are anticipated as a result of this bill.

Local Government Impact

This bill potentially decreases county revenue and workload. Individuals wishing to have process served may do so using their county sheriff. Counties charge a fee for the service of process and assess an additional fee for serving process when they have to return to an address. By allowing the process to be left with security staff, a property manager, or left in a conspicuous place, this bill may reduce the number of return service trips which would also decrease associated revenue and workload. Revenue and workload may also be reduced if individuals elect to have the service of process conducted by a private server. Because the return service fee is minimal (generally \$10) and parties already have the option to have process served by private process servers, any decrease in revenue is not expected to be significant.

Denver County expenditures. Similar to the state, this bill may both increase and decrease workload and revenue for the Denver County Court, managed and funded by the City and County of Denver. Workload and court fees are potentially decreased due a reduction in the number of requests for substitution of service. Workload and filling fees are potentially increased for challenges related to the manner in which the process was served.

To the extent that this bill reduces the number process service return trips or the overall usage of the Denver Sheriff's office for the service of process workload and revenue will also decrease.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Regulatory Agencies

Local Affairs
Sheriffs

Information Technology