



Colorado
Legislative
Council
Staff

SB17-085

FINAL
FISCAL NOTE

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

Drafting Number: LLS 17-0644
Prime Sponsor(s): Sen. Zenzinger

Date: June 20, 2017
Bill Status: Postponed Indefinitely
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BILL TOPIC: INCREASE DOCUMENTARY FEE & FUND ATTAINABLE HOUSING

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

Under current law, county clerk and recorder offices are authorized to collect a \$3 surcharge for each recording or filing the county receives. Beginning January 1, 2018, the bill increases the surcharge by \$4 per document, to be deposited in the newly created Statewide Attainable Housing Investment Fund (fund). The fund is created in and administered by the Colorado Housing and Finance Authority (CHFA).

Of the moneys in the fund, up to 25 percent must support new or existing programs that assist households earning an income of up to 80 percent of the area median income with financing, purchasing, or rehabilitating single family homes. Programs can include those making loans to such households for specified purposes.

Any money in the fund at the end of the fiscal year must remain in the fund and money in the fund may not be transferred to other funds in CHFA. The bill requires CHFA to submit a report specifying the use of the funds to the Governor and the finance committees of the General Assembly by June 1, 2018, and each June 1 thereafter.

Background

Recordings and filings received by county clerk and recorder offices are primarily related to real estate deeds or liens and marriage or civil union licenses. Of the current \$3 per document surcharge, \$1 is a technology surcharge for the clerk for ongoing improvements to its document management system, and \$2 funds the Electronic Recording Technology Board. In 2015, county clerks collected an estimated \$945,093 from the then \$1 technology surcharge.

Electronic Recording Technology Board. Senate Bill 16-115 created the Electronic Recording Technology Board and authorized the board to impose a surcharge of up to \$2 on all documents that a clerk and recorder retains for recording or filing between January 1, 2017, and December 1, 2021. The surcharge is used for standards, equipment, training, best practices, and grants to counties related to electronic filing systems, among other things. At its meeting on September 2, 2016, the board set the surcharge at \$2 per recorded document, the maximum allowed under SB 16-115, beginning January 1, 2017.

Statutory Public Entity Impact

Beginning in FY 2017-18, CHFA is estimated to receive new revenue of approximately \$3.8 million from the new \$4 surcharge, to be deposited into the Statewide Attainable Housing Investment Fund. This estimate is based on the amount collected by county clerks in 2015 from the \$1 technology surcharge. CHFA must use at least 25 percent of the funds to support programs that assist households earning an income of up to 80 percent of the area median income with financing, purchasing, or rehabilitating single family homes.

Local Government

The bill increases the workload of county clerk and recorder offices by a minimal amount to collect and transfer the surcharge to the state treasurer beginning in FY 2017-18. To the extent that local housing authorities receive funds from CHFA, revenue and expenditures will increase to those local governments.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on February 13, 2017.

State and Local Government Contacts

Counties
Municipalities

County Clerks
Treasury

Local Affairs