



Legislative
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HB 19-1295

FINAL FISCAL NOTE

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| Drafting Number: | LLS 19-0473 | Date: | July 15, 2019 |
| Prime Sponsors: | Rep. Rich; Becker Sen. Scott; Story | Bill Status: | Signed into Law |
| | | Fiscal Analyst: | Josh Abram 303-866-3561 Josh.Abram@state.co.us |

Bill Topic: COUNTY TREASURERS TO SERVE AS PUBLIC TRUSTEES

Summary of Fiscal Impact:

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

The bill permits the county treasurer to serve as the public trustee in designated counties instead of those trustees being appointed by the Governor.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Under current law, the Governor appoints the public trustee in each Class 2 county. Beginning July 1, 2020, the bill allows the county treasurer in Class 2 counties to serve as the public trustee. Prior to commencing service as a public trustee, each treasurer in an affected county must create a written transition plan for assuming the duties of the public trustee. The transition plan must describe the anticipated staffing needs and budget impacts on the office. The treasurer must post the transition plan on the county's website not less than sixty days prior to assuming the duties of the public trustee. The county treasurer is also authorized to consider incorporating staff of the appointed trustee's office into the treasurer's office. Once the county treasurer assumes the role of public trustee, the bill limits additional compensation for these duties to an annual stipend of \$12,500, which is paid in addition to the county salary of the treasurer.

Background

The state constitution establishes county officers: commissioners, treasurer, assessor, coroner, clerk and recorder, surveyor, and sheriff, with duties provided under state law. All counties are assigned to one of six categories based on population and other factors for the purposes of setting the salaries of elected county officials. The county treasurers in Class 2 counties are paid between \$76,968 and \$100,059.

In Colorado, the public trustee is a statutory office created to release, foreclose upon, and take other action related to deeds of trust. Public trustees also perform other duties established by law, such as escrowing funds in certain real estate transactions and serving as trustee for certain

private trusts or corporations where all trustees or directors are deceased.

In most counties the elected treasurer is also the public trustee. In the following 10 Class 2 counties the public trustee is appointed by the Governor: Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. The city and county of Denver and the city and county of Bromfield assign the duties of the public trustee to the officer equivalent to a county treasurer in their home-rule charters. Most governor-appointed trustees receive a salary of \$72,500, while most treasurers in other counties receive a statutory salary stipend of \$12,500 to perform the duties of the public trustee, in addition to those of the treasurer.

State Expenditures

The bill will result in minimal workload savings for the executive branch. Existing costs are nominal for the governor to make appointments and administer those aspects of the public trustee system delegated to that office by statute. With reduced oversight by the Governor, the Division of Local Government (DLG) in the Department of Local Affairs will collect fewer filings from public trustees; this workload reduction for DLG is minimal and does not require any change in appropriations.

Local Government

In affected counties that combine the county treasurer and public trustee into one position, the bill may reduce some costs and increase others. The net effect will vary by county, potentially ranging from a per-county savings of \$60,000 annually to increases of up to \$100,000 annually.

The salary of the public trustee in affected counties is reduced from an annual wage of around \$72,500 to an annual stipend of \$12,500, a savings of \$60,000. In addition, consolidation of public trustee and treasurer offices could result in efficiencies for common functions, such as mailings, notices, and real estate database management.

New costs for public trustee-treasurers could include both one-time costs to implement the merger and permanent changes in staffing and operating costs. For counties with significant caseload, including many of the affected counties, a professional manager may be required to perform some of the current duties of the appointed public trustee at an equivalent or higher salary.

Effective Date

The bill was signed into law by the Governor on May 29, 2019, and it takes effect August 2, 2019, assuming no referendum petition is filed.

State and Local Government Contacts

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| Counties | Governor | Local Affairs | Secretary of State |
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