



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 23-0605 Date: August 1, 2023
Prime Sponsors: Rep. Sharbini; Lindsay Bill Status: Signed into Law
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Bill Topic: TASK FORCE TO STUDY CORPORATE HOUSING OWNERSHIP

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

The bill creates a task force to study corporate ownership of housing. The bill increases state expenditures in FY 2023-24 and FY 2024-25 only.

Appropriation Summary: For FY 2023-24, the enacted bill includes an appropriation of \$122,549 to the Department of Local Affairs, and an appropriation of \$1,416 to the Legislative Department. Appropriations in FY 2023-24 may also be spent in FY 2024-25.

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

Table 1
State Fiscal Impacts Under HB 23-1253

Table with 3 columns: Category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill creates the eight-member Task Force on Corporate Housing Ownership in the State Demography Office in the Department of Local Affairs (DOLA). The task force, which includes two legislators, is required to:

- examine housing ownership by corporations and residential real estate transactions by corporations in Colorado since January 1, 2008;
- determine a methodology to examine the impacts of corporate ownership of residential property, with a focus on single-family homes, condominiums, and townhomes; and,
- prepare reports and make legislative recommendations.

The task force must convene no later than December 1, 2023, meet at least once quarterly, and report to the local government committees of the legislature no later than October 1, 2025. Non-legislative members of the task force receive no compensation. Legislative Council Staff may supply assistance to the task force. The task force is repealed September 1, 2027.

Assumptions

Although the task force includes legislative members, it is created in the executive branch in the DOLA and will primarily receive staff support from the State Demography Office. Legislative expenses include only per diem for members attending task force meetings outside the regular legislative session, and do not require an increase in appropriations for any staff support from Legislative Council. The task force is repealed September 1, 2027; however, this fiscal note assumes the task force will complete its charge and make its report no later than October 1, 2025.

State Expenditures

In FY 2023-24, the bill increases state expenditures in the DOLA by \$92,169, and in the Legislative Department by \$944. In FY 2024-25, new costs in the DOLA are \$40,974, and in the Legislative Department are \$472. State expenditures are paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under HB 23-1253**

	FY 2023-24	FY 2024-25
Department of Local Affairs		
Personal Services	\$25,386	\$17,163
Professional Facilitator	\$50,000	\$20,000
Home Sales Data	\$10,000	
Centrally Appropriated Costs ¹	\$6,783	\$3,811
FTE – Personal Services	0.4 FTE	0.2 FTE
Dept. Subtotal	\$92,169	\$40,974
Legislative Department		
Legislator Per Diem	\$944	\$472
Total	\$93,113	\$41,446
Total FTE	0.4 FTE	0.2 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Local Affairs. DOLA will have administrative expenses for staff support to the task force, which includes contracting with a professional facilitator, managing all task force logistics, conducting research, and preparing legislative reports. The facilitator contract is estimated at \$50,000 in FY 2023-24, and \$20,000 in FY 2024-25. DOLA will also have costs to obtain data on home sales. Personal service costs in FY 2023-24 are prorated for the bill's effective date. Personal services costs in FY 2024-25 are prorated for a four-month impact.

Legislative Department. The legislative members must be paid per diem for participation in task force meetings that occur outside of the regular legislative session.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

The bill was signed into law by the Governor on June 7, 2023, and it takes effect August 7, 2023, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the enacted bill includes the following General Fund appropriations:

- \$122,549 to the Department of Local Affairs, and 0.4 FTE; and
- \$1,416 to the Legislative Department.

Any money not spent by the departments in FY 2023-24 is further appropriated for the same purposes in FY 2024-25.

State and Local Government Contacts

Law

Legislature

Local Affairs