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Final Fiscal Note

Drafting Number: LLS 24-0093 Date: August 12, 2024
Prime Sponsors: Rep. Boesenecker; Velasco Sen. Cutter Bill Status: Signed into Law
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Bill Topic: MOBILE HOMES IN MOBILE HOME PARKS

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

The bill adds various new protections and requirements to the Mobile Home Park Act, including allowing the Attorney General to bring actions regarding rent-to-own contract violations. It increases state revenue and expenditures starting in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires and includes a reappropriation of \$40,966 from the Department of Local Affairs to the Department of Law.

Fiscal Note Status: This final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 24-1294

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures, Transfers, and Other Budget Impacts.

## Summary of Legislation

The bill modifies the Mobile Home Park Act, including owner and landlord responsibilities, tenancy and rent protections, secondary language accessibility, tenant health requirements, and the conditions of the sale for mobile homes and parks. The bill also establishes provisions for rent-to-own contracts and rights.

Additionally, the bill authorizes the Attorney General to initiate civil and criminal actions to enforce the rent-to-own mobile home contract requirements.

## Background and Assumptions

The Division of Housing in the Department of Local Affairs (DOLA) administers the Mobile Home Park Oversight Program (MHPOP), which resolves disputes and enforces the Mobile Home Park Act provisions. MHPOP ensures compliance between park landlords, owners, and tenants, conducts educational outreach initiatives, and registers mobile home parks in the state.

## State Revenue

Starting in FY 2024-25, 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 from the addition of previously exempt parks to regulatory oversight. The bill may also minimally increase state revenue to the Judicial Department. These impacts are shown in Table 2 and discussed in more detail below.

**Table 2**  
**Annual Fee Impact on Mobile Home Parks**

Type of Fee	Current Fee	Units Affected	Total Fee Impact
Additional Park Registrations	\$24	47	\$1,128

**Fee impact on mobile home parks.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The bill is expected to increase the number of mobile home parks that are required to pay the current annual registration fee. Costs of the bill can be absorbed without raising the current fee based on existing resources in the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund, although DOLA may need to adjust the fee in future years depending on program costs, fund balance, and the number of mobile home parks subject to the fee.

**Filing fees.** Starting in FY 2024-25, revenue may minimally increase to the Judicial Department from an increase in case filing fees to the extent that mobile home park landlords and owners violate provisions. Overall, it is assumed that landlords and owners will comply with the new requirements. Revenue from fees is subject to TABOR.

## State Expenditures

The bill increases state expenditures in DOLA by about \$41,000 beginning in FY 2024-25, paid from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund. Workload will also minimally increase in various state departments, as detailed below.

**Department of Local Affairs.** Starting in FY 2024-25, DOLA requires 320 hours of legal services for rulemaking and representation to address complaints concerning rent increases, eviction proceedings, and park sales, which equates to 0.2 FTE. Legal services are provided by the Department of Law at a rate of \$128.02 per hour.

**Judicial Department.** Starting in FY 2024-25, trial courts in the Judicial Department may experience an increase in workload to adjudicate civil cases or appeals related to expanded landlord obligations, Forcible Entry and Detainer (FED), and enforcement by the Attorney General. The fiscal note assumes that any increase will be minimal.

**Department of Personnel and Administration.** The bill may increase workload starting in FY 2024-25 for administrative law judges in the Office of Administrative Courts to hear cases referred by DOLA for mobile home park violations. This workload is expected to be minimal and no change in appropriations is required.

**Department of Law.** Workload in the Department of Law will minimally increase to the extent additional enforcement actions are taken by the Attorney General. The department will prioritize these actions within the overall scope of its duties and available resources. No change in appropriations is required.

## Other Budget Impacts

**TABOR refunds.** The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

## Effective Date

The bill was signed into law by the Governor on June 4, 2024. It took effect on June 30, 2024, except that sections 1, 6, 8, 14, 15, 17, 20, 21, 22, and 23, sections 38-12-212.3 (1) and (2), C.R.S., as amended in section 9, and sections 38-12-214 (2), (2.5), (2.7), and (3), C.R.S., as amended in section 13, take effect on June 4, 2024.

The bill applies to rent-to-own mobile home contracts formed on or after June 30, 2024.

## **State Appropriations**

For FY 2024-25, the bill requires and includes a reappropriation of \$40,966 from the Department of Local Affairs to the Department of Law, with 0.2 FTE.

The Mobile Home Park Act Dispute Resolution and Enforcement Program Fund is continuously appropriated to DOLA, so not further appropriation is required.

## **State and Local Government Contacts**

Counties	Judicial	Law
Local Affairs	Personnel	Public Health and Environment

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).