



Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 24-1065 Date: July 16, 2024
Prime Sponsors: Sen. Simpson; Jaquez Lewis Bill Status: Signed into Law
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Bill Topic: MOBILE HOME TAXATION TASK FORCE

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

The bill creates a task force in the Department of Local Affairs to study and make recommendations concerning the statutory process for the distraint sale of a mobile home to collect delinquent property taxes. The bill increases state expenditures in FY 2024-25 only.

Appropriation Summary: For FY 2024-25, the bill includes appropriations totaling \$140,951 to multiple agencies. See State Appropriations Section.

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

Table 1
State Fiscal Impacts Under SB 24-183

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

## **Summary of Legislation**

Under current law, any surplus of the sale proceeds from the public auction of a mobile home seized by a county for back property taxes may be credited to the county's general fund. The bill temporarily suspends this authority from the time of the bill's effective date until the General Assembly modifies the process for the distraint sale of a mobile homes by special legislation, or until September 1, 2025, when the temporary suspension is repealed.

The bill creates the 17-member Task Force on Mobile Home Ownership and Taxation in the Division of Housing in the Department of Local Affairs (DOLA). The task force must examine and recommend legislation to modify the statutory process for the distraint sale of a mobile home to collect delinquent property taxes that complies with federal law and protects a property owner's constitutional right to the value of a mobile home in excess of the owner's tax debt.

The task force consists of two members from each chamber of the General Assembly, representatives from DOLA and the Department of Revenue, county officials, mobile home park operators, and other stakeholders. Non-legislative members serve without compensation but may be reimbursed for expenses. The task force must convene by June 15, 2024 and meet at least monthly before reporting recommendations to the legislature by October 1, 2024. The task force is repealed January 1, 2025.

Finally, this bill requires that the Division of Housing in DOLA work with the Governor's Office of Information Technology to develop an initial scope of work for a system for titling and registering mobile homes, including tiny homes, and consult with the task force in developing a system.

## **Assumptions**

The task force must first convene by June 15, 2024, in the current FY 2023-24. The cost for this initial convening is assumed absorbable within current appropriations. State expenditures in FY 2024-25 assumes the task force will hold five hybrid in-person and virtual meetings between July 1, 2024 and the October 1, 2024 deadline to submit a report with recommendations.

## **State Expenditures**

The bill increases state expenditures by about \$145,000 in FY 2024-25 only, paid from the General Fund and the Manufactured Building Program Cash Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under SB 24-183**

	<b>FY 2024-25</b>
<b>Department of Local Affairs</b>	
Personal Services	\$20,638
Contracted Services	\$10,000
Non-Legislative Member Expenses	\$5,595
Mobile Home Titling and Registering Scope of Work	\$100,000
Centrally Appropriated Costs <sup>1</sup>	\$4,288
FTE – Personal Services	0.2 FTE
<b>DOLA Subtotal</b>	<b>\$140,521</b>
<b>Legislative Department</b>	
Legislative Member Per Diem and Expenses	\$2,238
Travel	\$2,480
<b>Legislature Subtotal</b>	<b>\$4,718</b>
<b>Total</b>	<b>\$145,239</b>
<b>Total FTE</b>	<b>0.2 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Local Affairs.** Costs in DOLA will increase to staff and support the task force, as outlined below.

- **Staffing and contracted services.** DOLA will have increased staff costs of 0.2 FTE for a program manager to manage the task force, coordinate appointments, convene and facilitate meetings, and work with contracted vendors to prepare the report and recommendations. DOLA will also contract with a third-party expert for research and facilitation assistance. Contracted services assume a total of 240 hours at \$125 per hour.
- **Non-legislative member expenses.** Costs assume six in-person members will receive travel expenses of \$111.89 for each of the five meetings.
- **Legal Services.** DOLA will require an estimated 65 hours of legal services from the Department of Law at the blended rate of \$128.02 per hour. Legal services of less than 100 hours are adjusted during the budget process and not included in this bill's appropriation.
- **Titling and registering system.** DOLA will work with OIT to develop the required scope of work, estimated at an expense of \$100,000 in FY 2024-25. This cost will be paid from the Manufactured Building Program Cash Fund.

- **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.

**Legislative Department.** Legislative members of the task force receive per diem and travel expenses totaling \$235.89. It is assumed that the four legislative members will attend five meetings for a total of 20 reimbursements.

**Department of Revenue.** The bill minimally increases workload for a representative from the department to serve on the task force. This effort does not require new appropriations.

### **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 Governor signed the bill into law and it took effect on May 31, 2024.

### **State Appropriations**

For FY 2024-25, the bill requires the following appropriations:

- \$53,995 from the General Fund to the Department of Local Affairs, and 0.2 FTE;
- \$4,718 from the General Fund to the Legislative Department; and
- \$100,000 from the Manufactured Building Program Cash Fund to the Department of Local Affairs, of which the entire amount is reappropriated to the Governor's Office of Information Technology.

### **State and Local Government Contacts**

Local Affairs

Revenue

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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](#).