

Summary of Legislation

This bill creates the Colorado Electronic Preservation of Abandoned Estate Planning Documents Act. If an original estate planning document has been abandoned, the act requires the creation of an electronic estate planning document. An estate planning document is deemed to be abandoned if the possession of the original document cannot be transferred to the creator after conducting a thorough search. This bill also creates the Electronic Preservation of Abandoned Estate Planning Documents Cash Fund and allows the state court administrator's office (SCAO) in the Judicial Department to set and collect fees to cover the costs of electronically preserving estate planning documents. Finally, the bill creates a process for the SCAO to grant access to electronic documents and provides requirements for the storage and deletion of such documents.

Assumptions

The bill takes effect July 1, 2020. The fiscal note assumes that the Judicial Department will need approximately six months to fulfill system requirements to implement this bill and therefore will begin the program on January 1, 2020.

The newly created cash fund will not have revenue to appropriate to the expenditures under this bill until individuals can begin to access the electronic documents system. The fiscal note assumes General Funds will be required for six months during the program implementation period.

State Revenue

Beginning in FY 2020-2021, state cash fund revenue to the Electronic Preservation of Abandoned Estate Planning Documents Cash Fund is expected to increase by at least \$68,750 per year, as shown in Table 2. This estimate is based on the assumption that there will be between 2,500 and 5,000 individuals who will access the system per year. This cash fund revenue is subject to TABOR; however, under the March 2019 Legislative Council Staff forecast a TABOR surplus is not expected in FY 2020-21.

Fee Impact on Electronic Preservation of Abandoned Estate Planning Documents Cash Fund. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the Judicial Department based on cash fund balance, actual program costs, and the estimated number of individuals who access documents in the system. Assuming at least 2,500 individuals access the system, a fee of \$27.50 will generate approximately \$68,750 in cash fund revenue. The table below identifies the fee impact of this bill.

Table 2
Fee Impact on HB 19-1229

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2020-21	Document Access	\$27.50	2,500	at least \$68,750
FY 2020-21 Total				at least \$68,750
FY 2021-22	Document Access	\$27.50	2,500	at least \$68,750
FY 2021-22 Total				at least \$68,750

State Expenditures

This bill increases state expenditures in the Judicial Department by \$165,995 and 0.3 FTE in FY 2019-20, \$67,862 and 0.8 FTE in FY 2020-21, and \$83,602 and 0.8 FTE in FY 2021-22 and future years. These impacts are show in Table 3 and are discussed below. First year costs assume a January 2020 start date and reflect standard operating expenses and capital outlay costs.

Judicial Department. The bill increases state expenditures in the Judicial Department by \$28,146 and 0.3 FTE in FY 2019-20 and \$52,653 and 0.8 FTE in FY 2020-21 and future years for a court programs analyst to process inquiries and access requests, ensure individuals are authorized to receive documents, and maintain a searchable database. In addition, the Judicial Department must create an electronic filing system for abandoned estate documents. The initial system set up is anticipated to cost \$125,230. Starting in FY 2021-22, annual maintenance costs of the system will be \$15,000.

**Table 3
 Expenditures Under HB 19-1229**

	FY 2019-20	FY 2020-21	FY 2021-22
Judicial Department			
Personal Services	\$23,063	\$51,893	\$51,893
Operating Expenses and Capital Outlay Costs	\$5,083	\$760	\$760
One-time License Purchase and Set Up Fee	\$80,230	-	-
System Development	\$45,000	-	-
Maintenance	-	-	\$15,000
Centrally Appropriated Costs*	\$12,619	\$15,209	\$15,949
Total Cost	\$165,995	\$67,862	\$83,602
Total FTE	0.3 FTE	0.8 FTE	0.8 FTE

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

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 estimated to be \$12,619 in FY 2019-20, \$15,209 in FY 2020-21, and \$15,949 in FY 2021-22.

Local Government

Beginning in FY 2020-21, local governments will have an increase in workload to change administrative procedures regarding locating and executing estate planning documents that have been abandoned. This impact is assumed to be minimal and absorbable within existing resources.

Effective Date

The bill takes effect July 1, 2020, if no referendum petition is filed.

State Appropriations

This bill requires a General Fund appropriation of \$153,376 to the Judicial Department for FY 2019-20.

State and Local Government Contacts

Counties
Judicial
Regulatory Agencies

County Clerks
Local Affairs

Information Technology
Personnel