



Legislative
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FISCAL NOTE

Drafting Number: LLS 20-1294
Prime Sponsors: Rep. Woodrow

Date: June 2, 2020
Bill Status: House Finance
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Bill Topic: **FUNDING FOR EVICTION LEGAL DEFENSE FUND**

Summary of Fiscal Impact:

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

The bill creates a \$30 fee on persons who commence eviction proceedings to fund the Eviction Legal Defense Fund. The bill increases state revenue on an ongoing basis and minimally increases state workload in FY 2020-21 only.

Appropriation Summary: No appropriation is required

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

Table 1
State Fiscal Impacts Under HB 20-1405

		FY 2020-21	FY 2021-22
Revenue	Cash Funds	\$892,650	\$1,230,000
Expenditures		-	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill creates a \$30 fee on persons who begin a forcible entry and detainer action. Revenue from the fee is deposited in the existing Eviction Legal Defense Fund (eviction fund) and will be used for grants to qualifying organizations to provide legal advice, counseling, and representation to indigent clients facing or at risk of eviction.

Background and Assumptions

Senate Bill 19-180 created the eviction fund. Each year on July 1, the State Court Administrator's Office (SCAO) in the Judicial Department awards grants to qualifying nonprofit organizations in each county to provide civil legal services to indigent clients facing or at risk of eviction. Nonprofit organizations that receive a grant are required to submit an annual report that includes information on the number of clients served, nature of assistance rendered, amount of rent in dispute, demographic data, and the outcome of each client's case. In addition, the SCAO must evaluate the use of grant money from the eviction fund by December 31, 2024, and every five years thereafter. In FY 2019-20, the eviction fund received a \$750,000 General Fund appropriation.

The fiscal note assumes 29,755 forcible entry and detainer actions will be commenced in FY 2020-21 and 41,000 in FY 2021-22.

State Revenue

The bill increases state cash fund revenue to the eviction fund by \$892,650 in FY 2020-21 and \$1,230,000 in FY 2021-22.

Fee impact on persons commencing forcible entry and detainer actions. Colorado law requires legislative service agency review of measures which create any fee collected by a state agency. The table below identifies the fee impact of this bill.

Table 2
Fee Impact on Forcible Entry and Detainer Actions

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2020-21	Filing Fee	\$30	29,755	\$892,650
FY 2021-22	Filing Fee	\$30	41,000	\$1,230,000

State Expenditures

The bill minimally increases workload for the information technology division in the Judicial Department to update the department's case management system to incorporate the new fee. This workload increase is expected to be minimal and can be accomplished with existing appropriations. In addition, based on available revenue, the General Assembly may choose to appropriate additional funds from the Eviction Legal Defense Fund, which would increase future expenditures.

Effective Date

The bill takes effect July 1, 2020.

State and Local Government Contacts

Judicial