



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note Memorandum

Room 029 State Capitol, Denver, CO 80203-1784
Phone: (303) 866-3521 • Fax: (303) 866-3855
lcs.ga@state.co.us • leg.colorado.gov/lcs

March 22, 2022

TO: Representative Andrew Boesenecker

FROM: Matt Bishop, Research Analyst
Matt.Bishop@state.co.us | (303-866-4796)

SUBJECT: Fiscal Assessment of Proposed Amendments **HB1287_L.001**, **HB1287_L.003**, **HB1287_L.004**, and **HB1287_L.006**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendments L.001, L.003, L.004, and L.006 to House Bill 22-1287. This fiscal assessment is for the impact of the bill with inclusion of these amendments only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendments

Amendment L.001 specifies that rent increase cap implemented by the bill is not enforceable through the Mobile Home Park Act Dispute Resolution and Enforcement Program (DREP).

Amendment L.003 removes the authority under the bill for non-homeowner residents, local governments, and nonprofit entities to file complaints through DREP.

Amendment L.004 removes the requirements under the bill that the Department of Local Affairs (DOLA) provide a simplified complaint form and follow an expedited response process.

Amendment L.006 directs the General Assembly to appropriate money from the General Fund for addressing concerns and complaints related to mobile home owners' right to purchase mobile home parks and the requirement that landlords cover certain costs of mobile home owners when changing the use of land compromising a mobile home park.

Fiscal Impact of Amendments

The amendments eliminate the estimated fee increase and the corresponding increase in state revenue shown in the published fiscal note from March 18, 2022. They also lower the estimated expenditures by about \$250,000 and 1.2 FTE relative to the published fiscal note of March 18, 2022. Specifically, Amendments L.001, L.003, and L.004 reduce the duties and obligations under the bill for DOLA, which lowers the expenditure impact of the bill. Amendment L.006 requires certain functions of the bill to be paid using General Fund provided to the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund. Typically, expenditures for the program are paid using registration fee revenue from mobile home park owners. It is assumed that providing General Fund will eliminate the need to raise fees to cover the cost of the bill.

Bill's Revised Fiscal Impact with Amendments

With Amendments L.001, L.003, L.004, and L.006, HB 22-1287 is preliminarily estimated to increase state expenditures by \$149,316 and 1.0 FTE in FY 2022-23 and by \$116,657 and 1.0 FTE in FY 2023-24. It may also minimally impact state revenue from fees and fines, and requires a transfer from the General Fund each year. These impacts are shown in Table 1 and discussed below.

**Table 1
State Fiscal Impacts Under HB 22-1287 with Amendments**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds	\$116,807	\$84,148
	Centrally Appropriated	\$32,509	\$32,509
	Total Expenditures	\$149,316	\$116,657
	Total FTE	1.0 FTE	1.0 FTE
Transfers¹	General Fund	(\$116,293)	(\$109,697)
	Cash Funds	\$116,293	\$109,697
	Net Transfer	\$0	\$0
Other Budget Impacts	General Fund Reserve	\$17,444	\$16,455

¹ This transfer is represents the estimated appropriation required from the General Fund to the continuously appropriated Mobile Home Park Dispute Resolution and Enforcement Fund to support the costs of the bill without raising fees.

State Revenue

As amended, the bill may increase state revenue beginning in FY 2022-23. The bill creates additional violations of the Mobile Home Park Act and permits mobile home owners to file civil actions, which may increase cases heard in trial courts. Because most complaints are addressed through DREP, the fiscal note assumes that any impact on trial court workload will be minimal. To the extent the bill increases civil case filings, state revenue will increase beginning in FY 2022-23. This fee revenue is subject to TABOR.

State Transfer

Based on L.006, it is assumed that General Fund will be appropriated to the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund to cover certain costs of the bill. These appropriations will result in a transfer from the General Fund to the program cash fund of \$116,293 in FY 2022-23 and \$109,697 in FY 2023-24.

State Expenditures

As amended, the bill increases state expenditures in several state agencies, primarily DOLA, by \$149,316 in FY 2022-23 and \$116,657 in FY 2023-24. It is assumed that these costs are paid from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund. Expenditures are shown in Table 1 and detailed below.

**Table 2
Expenditures Under HB 22-1287**

	FY 2022-23	FY 2023-24
Department of Local Affairs		
Personal Services	\$73,571	\$73,571
Operating Expenses	\$3,617	\$3,617
Capital Outlay Costs	\$6,596	-
IT Support	\$24,323	-
Document Management	\$8,700	\$6,960
Centrally Appropriated Costs	\$32,509	\$32,509
Total Cost	\$149,316	\$116,657
Total FTE	1.0 FTE	1.0 FTE

Department of Local Affairs. Expanding protections for mobile home owners is expected to increase the number of complaints received by the Mobile Home Park Oversight Program, increasing workload to respond to additional questions and complaints and for enforcement. Promulgating rules, updating forms, responding to questions and complaints, and investigating alleged violations requires 1.0 FTE additional staff in the program, beginning in FY 2022-23. Operating and capital outlay costs include standard costs, additional computer equipment and software licenses, cell phone expenses, and mileage reimbursement at the standard rate. The fiscal note assumes a July 1 start date.

- **IT support.** In FY 2022-23, DOLA requires one-time computer programming and testing costs to update existing registration forms with new fields. Programming costs, to be paid from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund, are based on 250 hours of programming by the Office of Information Technology (OIT) at a rate of \$94 per hour. In addition, OIT staff co-located with DOLA will provide training to new DOLA staff and other ongoing support.
- **Legal services.** DOLA will require up to 100 hours of legal services, provided by the Department of Law. This increase in legal services costs is accounted for through the annual budget process, with the Department of Law billing client agencies based on their historical use of legal services. No change in appropriations is required.
- **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 1.

Department of Personnel and Administration. The Office of Administrative Courts may hear additional cases under the bill. The fiscal note assumes that the number of additional cases will be small and can be accomplished within existing appropriations. If the number of cases is greater than expected, the department may request additional resources through the annual budget process.

Judicial Department. As discussed in the State Revenue section above, workload may increase in the trial courts. Because most complaints are addressed through DREP, the fiscal note assumes that any impact on trial court workload will be minimal.

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 beginning in FY 2022-23. 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, which will decrease the amount of General Fund available for other purposes.

State Appropriations

For FY 2022-23, the bill as amended requires an appropriation of \$116,293 from the General Fund to the Mobile Home Park Dispute Resolution and Enforcement Fund.

The Mobile Home Park Dispute Resolution and Enforcement Fund is continuously appropriated to the Department of Local Affairs, so no appropriation is required from this fund. DOLA requires an additional allocation of 1.0 FTE.

Lastly, for FY 2022-23, the Office of Information Technology requires \$24,323 in reappropriation funds from DOLA for IT services.