



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 22-1040	Date:	April 26, 2022
Prime Sponsors:	Sen. Story; Jaquez Lewis Rep. Bennett; Gray	Bill Status:	Senate Business
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Bill Topic: RELEASE DEED OF TRUST WITHOUT EVIDENCE OF DEBT

Summary of Fiscal Impact:

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

The bill expands the exceptions under which a public trustee may release a deed of trust without evidence a debt has been paid. The bill increases workload for local governments.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill. The fiscal note is preliminary, as local governments were unable to provide timely estimates of costs. This fiscal note will be revised if additional information becomes available.

Summary of Legislation

Under current law, a public trustee must release a deed of trust if provided with evidence of the original canceled debt. This bill allows a holder of the original evidence of debt to request the release of a deed of trust without producing evidence of the paid debt if the holder:

- agrees to indemnify and defend the public trustee against any claim for damages resulting from release of the deed of trust;
- provides the public trustee a current address for the original grantor, assuming party, or current owner when requesting the release of the deed of trust; and
- files the request electronically via the county's recording system.

The bill also removes language requiring a title insurance company to be "qualified" as well as licensed for certain purposes relating to the release of a deed of trust and makes necessary changes to the statutory form used to request a deed of trust without producing the evidence of debt.

Local Government

County treasurers and public trustees will have increased workload and costs to adjust rules and internal policies and to modify electronic recording systems. These costs have not been estimated. This fiscal note will be revised if additional information becomes available.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	Law
Local Affairs	Municipalities