



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Table with 2 columns: Field (Drafting Number, Prime Sponsors, Date, Bill Status, Fiscal Analyst) and Value (LLS 24-0915, Rep. Lukens; Soper Sen. Roberts; Will, February 2, 2024, House Business Affairs & Labor, Brendan Fung | 303-866-4781 brendan.fung@coleg.gov)

Bill Topic: DEVELOPER SUBDIVISION RESERVATION DEPOSITS

Table with 2 columns: Field (Summary of Fiscal Impact) and Value (checkboxes for State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity)

The bill requires subdivision developers to hold earnest money in a third party trust unless it was received from an accredited investor. It minimally increases state expenditures in FY 2024-25.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

The bill stipulates that earnest money from a prospective purchaser must be held in a third party trust upon approval of a developer's registration to transfer or sell subdivision property. Earnest money deposits received from an accredited investor are exempt from this provision and may be used for development purposes with a clear statement of use and written consent.

State Expenditures

The bill increases workload in the Department of Regulatory Agencies to conduct a rulemaking hearing to update subdivision developer administrative rules. This workload is expected to be minimal and no change in appropriation is required.

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

Local Affairs Regulatory Agencies

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.