



Colorado
Legislative
Council
Staff

HB16-1356

FINAL
FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0044
Prime Sponsor(s): Rep. Kraft-Tharp; Nordberg
Sen. Jahn; Holbert

Date: July 25, 2016
Bill Status: Signed into Law
Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: DEBTS SECURED BY LIENS ON REAL PROPERTY

Summary of Legislation

This bill modifies the treatment of a line of credit lien secured with real property (i.e. a home equity line of credit) that has been satisfied. Under the bill, the lien continues and no release is required until the line of credit expires and the debt is satisfied, unless the debtor:

- relinquishes all right to make further use of the line of credit by either requesting, in writing, that the line of credit be cancelled; or
- provides notice that the property is being conveyed upon payment of the debt.

In the case of a conveyance, upon satisfaction of the debt in connection with the conveyance and notice to the creditor or holder of the conveyance, the creditor or holder is required to terminate the line of credit; record the release of the lien, or, in the case of a deed of trust, file with the public trustee the documents required for release; and return all papers and personal property.

Local Government Impact

This bill may increase revenue and workload for public trustees and clerk and recorders offices to release liens. The fiscal note assumes that filing fees charged by these respective offices will cover the costs for increased workload.

Effective Date

The bill was signed into law by the Governor on June 10, 2016, and takes effect August 10, 2016, assuming no referendum petition is filed.

State and Local Government Contacts

Assessors	Counties	County Clerk And Recorders
Information Technology	Judicial	Local Affairs
Municipalities	Personnel	Property Tax
Public Trustees	Regulatory Agencies	Special Districts