



**Colorado
Legislative
Council
Staff**

HB17-1095

**REVISED
FISCAL NOTE**

(replaces fiscal note dated February 1, 2017)

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

Drafting Number: LLS 17-0246
Prime Sponsor(s): Rep. Melton
Sen. Kagan

Date: May 2, 2017
Bill Status: Senate SVMA
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: SERVICE OF PROCESS TO SECURED DWELLINGS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Potential minimal revenue decrease. See State Revenue section.	
State Expenditures General Fund	Potential minimal workload decrease. See State Expenditures section.	
TABOR Impact	Potential minimal decrease. See TABOR Impact section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing potential minimal revenue and workload decrease.		

Summary of Legislation

This **reengrossed bill** authorizes and provides guidelines for licensed private investigators to enter a common interest community for the purpose of serving process if the community is staffed by one or more security personnel. Licensed private investigators allowed access to such communities are prohibited from using this access to perform investigative duties. Common interest communities not staffed by security personnel and property managers of multi-unit residential communities that restrict access to the community are required to adopt and implement procedures allowing for the service of process in the community. Homeowner association or community association managers and landlords are not civilly liable for any damage caused by a process server, unless the damages are attributable to negligence or omission by the manager or landlord.

Background

Service of process is the procedure in which a party to a lawsuit provides appropriate notice of initial legal action on another party, court, or administrative body.

A common interest community is real estate in which an individual owns a unit and is obligated to pay for real estate taxes, insurance premiums, maintenance, and/or improvements of other real estate in the community by virtue of such ownership as part of a homeowners association. This includes, condominiums, town homes, retirement communities, vacation timeshares, and housing developments comprised of individually owned units.

State Revenue

This bill potentially decreases cash fund revenue in the Judicial Department from filing fees. In some cases, when ordered by the court, the sheriff's fee for the service of process may be applied to the court fees. If fewer requests are received for orders for substitution of service as a result of this bill and greater use of private investigators to serve process court fees may decrease. Any change in filing fee revenue resulting from this bill is expected to be minimal. This revenue is credited to the Judicial Stabilization Cash Fund.

TABOR Impact

This bill potentially decreases state cash fund revenue from filing fees, which potentially increases the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19 by a minimal amount. TABOR refunds are paid out of the General Fund. Since the bill potentially decreases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will increase by an identical amount.

State Expenditures

This bill potentially decreases Judicial Department workload in the trial courts. By making it easier to serve process on an individual that resides in a common interest community or a multi-unit residential community, this may decrease workload by decreasing the number of requests to the trial courts for orders for substitution of service. This workload decrease is expected to be minimal and no change in Judicial Department appropriations is needed as a result of this bill.

Local Government Impact

This bill impacts county governments as follows.

County Sheriff. Individuals wishing to have process served may do so using their county sheriff for a fee. By making it easier to serve process in common interest communities and multi-unit residential communities revenue and workload may be reduced if individuals elect to have the service of process conducted by a private investigator instead of a sheriff deputy. Because individuals already have the option to have process served by private investigators, any decrease in revenue is expected to be minimal.

Denver County expenditures. Similar to the state, this bill may decrease workload and revenue by a minimal amount for the Denver County Court, managed and funded by the City and County of Denver. Workload and court fees are potentially decreased due a reduction in the number of requests for substitution of service.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Regulatory Agencies

Local Affairs
Sheriffs

Information Technology