



Legislative
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**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 10, 2019)

Drafting Number: LLS 19-1001
Prime Sponsors: Rep. Hooton; McCluskie
 Sen. Fenberg
Date: April 26, 2019
Bill Status: Senate Finance
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Bill Topic: MOBILE HOME PARK ACT OVERSIGHT

Summary of Fiscal Impact:

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

This bill creates certain protections for mobile home owners and establishes the Mobile Home Park Act Dispute Resolution and Enforcement program fund. This bill increases state revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, this bill requires an appropriation of \$352,965 to the Department of Local Affairs.

Fiscal Note Status: This fiscal note has been revised to reflect the reengrossed bill.

**Table 1
State Fiscal Impacts Under HB 19-1309**

		FY 2019-20	FY 2020-21
Revenue	Cash Funds	\$823,680	\$823,680
	Total	\$823,680	\$823,680
Expenditures	Cash Funds	\$352,965	\$566,536
	Centrally Appropriated	\$32,287	\$66,040
	Total	\$385,252	\$632,576
Total FTE		2.1 FTE	5.5 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill gives counties and municipalities greater authority to enact certain ordinances for mobile home parks. This bill gives mobile home owners additional time between the notice of nonpayment of rent and eviction, and additional time to vacate a mobile home park after a court ordered eviction. Lastly, the bill creates the Mobile Home Park Dispute Resolution and Enforcement Program and creates a new cash fund to cover associated costs. Under this program, the division of housing in the Department of Local Affairs (DOLA) is required to:

- register a mobile home park and collect registration fees;
- collect and annually report data on disputes and violations;
- create and maintain a database of mobile home parks; and
- take complaints, conduct investigations, participate in administrative dispute resolutions and impose penalties.

Background and Assumptions

As of April 2019, The division of housing estimates that there are an estimated 56,347 active mobile home sites at 878 open mobile home parks throughout Colorado. According to the most recent U.S. Census Bureau American Community Survey, approximately 60.9 percent of mobile homes in mobile home parks are owner occupied. Using this, the fiscal note assumes that registration fees can be assessed on 34,320 owner occupied mobile homes.

State Revenue

Beginning in FY 2019-20, this bill increases state cash fund revenue by \$823,680.

Civil fees. To the extent that encouraged mediation results in fewer civil cases, the state will have a minimal decrease in revenue credited to various cash funds in the Judicial Department and the General Fund starting in FY 2019-20. Court fee revenue is subject to TABOR.

Fee impact on mobile homes. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The bill sets the fee at \$24 for calendar year 2020, thereafter fees will be set administratively by the DOLA based on cash fund balance, estimated program costs, and the estimated number of registration, subject to the fee. Table 2 below estimates the fee impact of this bill.

Table 2
Fee Impact on Mobile Homes

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2019-20	Registration Fee	\$24	34,320	\$823,680
			FY 2019-20 Total	\$823,680
FY 2020-21	Registration Fee	\$24*	34,320	\$823,680
			FY 2020-21 Total	\$823,680

* Fee can be adjusted by DOLA administratively after January 1, 2021.

State Expenditures

Beginning in FY 2019-20, state expenditures will increase in the Department of Local Affairs and the Department of Law. The bill also affects workload for the Department of Personnel and Administration and the Judicial Department. These impacts are shown in Table 3 and discussed below.

**Table 3
 Expenditures Under HB 19-1309**

	FY 2019-20	FY 2020-21
Department of Local Affairs		
Personal Services	\$154,598	\$295,333
Operating Expenses and Capital Outlay Costs	\$21,092	\$4,085
Cell Phone and Travel	\$7,440	\$19,200
Postage	\$3,073	\$3,073
Computer Licensing Fees	\$14,000	\$14,000
Complaint Database System	\$130,065	\$9,200
Legal Services	\$22,697	\$221,645
Centrally Appropriated Costs*	\$32,287	\$66,040
FTE - Personal Services	2.0 FTE	4.3 FTE
FTE - Legal Services	0.1 FTE	1.2 FTE
Total Cost	\$385,252	\$632,576
Total FTE	2.1 FTE	5.5 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Local Affairs. The DOLA will have costs of \$385,252 and 2.1 FTE in FY 2019-20 and \$632,576 and 5.5 FTE in FY 2020-21 and future years to implement this bill. These costs are summarized below.

- *Personal services and operating expenses.* For FY 2019-20, DOLA requires 4.3 FTE which includes a program manager, two administrators, and a program assistant. These staff will be responsible for adopting rules, notifying individuals of registration requirements, collecting fees, and conducting investigations related to complaints. Standard operating and capital outlay costs are included for these staff in addition to cell phone and travel costs. First year costs are prorated to reflect the General Fund paydate shift.
- *Information Technology.* This bill requires \$130,065 for the creation of a complaint database system that can track complaints, laws that have been violated, and the outcome of each case. Beginning in FY 2020-21, annual maintenance will require \$9,200.
- *Legal services.* The DOLA will require legal services from the Department of Law for rule adoption and ongoing counsel and support. These costs are estimated to be \$22,697 in FY 2019-20 and \$221,645 in FY 2020-21 and future years, representing 213 hours and 2080 hours of legal services, respectively. To provide legal services, the Department of Law requires reappropriated funds and 0.1 FTE in the first year and 1.2 FTE in the second and future years.

Department of Personnel and Administration. This bill may increase the number of cases brought before the Office of Administrative Courts (OAC). A small increase in caseload is absorbable within existing appropriations. Should the increased caseload be larger, the impact will be addressed through the annual budget process.

Judicial Department. This bill will decrease trial court workload as a result of encouraged mediation. Any reduced workload is assumed to be minimal and does not necessitate a change in appropriations.

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 estimated to be \$32,287 in FY 2019-20 and \$66,040 in FY 2020-21.

Local Government

Beginning in FY 2019-20, local governments will have an increase in workload and potential costs if they choose to enact certain ordinances for mobile home parks.

Denver County Court. Similar to the state, the bill will decrease revenue and workload for the Denver County Court, which is managed and funded by the City and County of Denver, as a result of encouraged mediation. These impacts are assumed to be minimal.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2019-20, this bill requires a cash fund appropriation of \$352,965 to the Department of Local Affairs and 2.0 FTE. Of this amount, \$22,697 is reappropriated to the Department of Law for legal services and 0.1 FTE, and \$130,065 is reappropriated to the Governor's Office of Information Technology.

State and Local Government Contacts

Counties
Local Affairs

Information Technology
Personnel

Judicial