



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0103 Date: March 18, 2022
Prime Sponsors: Rep. Boesenecker; Hooton Bill Status: House Trans. & Local Govt.
Sen. Winter Fiscal Analyst: Matt Bishop | 303-866-4796
Matt.Bishop@state.co.us

Bill Topic: PROTECTIONS FOR MOBILE HOME PARK RESIDENTS

- Summary of Fiscal Impact:
[X] State Revenue [X] TABOR Refund
[X] State Expenditure [ ] Local Government
[ ] State Transfer [ ] Statutory Public Entity

The bill updates the Mobile Home Park Act and the Mobile Home Park Act Dispute Resolution and Enforcement Program. It increases state revenue and expenditures, and may increase local expenditures, beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$338,799 to the Department of Local Affairs.

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

Table 1
State Fiscal Impacts Under HB 22-1287

Table with 4 columns: Category, Sub-category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (TABOR Refund).

## Summary of Legislation

The bill makes various changes to the Mobile Home Park Act and the Mobile Home Park Act Dispute Resolution and Enforcement Program (DREP). It establishes a cap on rent increases based on inflation, to be determined annually by the Department of Local Affairs (DOLA), along with certain exceptions and limitations. DOLA must implement a simplified form and process for receiving complaints through the DREP by July 1, 2023. The bill also extends many of the protections afforded to mobile home owners to non-owner residents, and permits residents to file complaints with DREP beginning July 1, 2024.

Other changes include:

- granting the Attorney General the power to enforce actions brought pursuant to the Mobile Home Park Act and DREP;
- allowing a home owner to file a complaint or a civil action and entitling them to a penalty award, if their landlord threatens eviction for an action that is not grounds for termination;
- if a landlord wants to change the use of the mobile home park, requiring them to either pay for the home owner's reasonable relocation costs or offer to purchase the mobile home;
- requiring the Department of Regulatory Agencies to update the price floor for mobile home purchases when changing the use of the mobile home park;
- prohibiting a landlord from taking retaliatory action against a home owner or resident for participating in a decision making process concerning purchasing the mobile home park;
- prohibiting rental agreements from requiring a home owner to waive the opportunity to purchase the park as required by current law; and
- extending some provisions for mobile homes to other structures owned by residents.

## Background

The Mobile Home Park Oversight Program in DOLA regulates mobile home parks. There are currently 734 mobile home parks registered with the program, representing over 47,000 mobile homes, and each pays a registration fee set by DOLA administratively; the 2021 fee was \$24 per year per mobile home.

## State Revenue

Starting in FY 2022-23, the bill increases state revenue by about \$440,000 per year to the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund.

**Fee impact on mobile home park owners and mobile home owners.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by DOLA based on cash fund balance, estimated program costs, and the estimated number of registrations subject to the fee. The table below identifies the fee impact of this bill. While the fee is paid by mobile home park owners, the table instead shows the number of mobile homes because the fee is paid per mobile home. The impact to individual mobile home park owners will vary based on the number of units in their park. Current law permits mobile home park owners to pass up to half of the fee on to mobile home owners.

**Table 2  
 Fee Impact on Mobile Home Park Owners**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Proposed Fee Increase</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
<b>FY 2022-23</b>	Park Registration	\$9.36	47,169	\$441,570
<b>FY 2022-23 Total</b>				<b>\$441,570</b>
<b>FY 2023-24</b>	Park Registration	\$9.36	47,169	\$441,570
<b>FY 2023-24 Total</b>				<b>\$441,570</b>

**Civil filing fees.** The bill creates additional violations of the Mobile Home Park Act and permits mobile home owners and other stakeholders to file civil actions, which may increase cases heard in trial courts. Because most complaints are addressed through DREP, the fiscal note assumes that any impact on trial court workload will be minimal. To the extent the bill increases civil case filings, state revenue will increase beginning in FY 2022-23. This fee revenue is subject to TABOR.

**State Expenditures**

The bill increases state expenditures in several state agencies, primarily DOLA, by \$398,277 in FY 2022-23 and \$425,493 in FY 2023-24 from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund. Expenditures are shown in Table 3 and detailed below.

**Table 3  
 Expenditures Under HB 22-1287**

	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>Department of Local Affairs</b>		
Personal Services	\$129,034	\$243,728
Operating Expenses	\$7,050	\$13,916
Capital Outlay Costs	\$13,192	\$13,192
IT Support	\$142,552	\$1,646
Document Management	\$17,400	\$13,800
Legal Services	\$29,571	\$24,643
Centrally Appropriated Costs <sup>1</sup>	\$59,478	\$114,568
FTE – Personal Services	2.0 FTE	4.0 FTE
FTE – Legal Services	0.2 FTE	0.1 FTE
<b>Total Cost</b>	<b>\$398,277</b>	<b>\$425,493</b>
<b>Total FTE</b>	<b>2.2 FTE</b>	<b>4.1 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Local Affairs.** Expanding protections for mobile home owners, simplifying the complaint process, and expanding the population who may submit complaints are expected to increase the number of complaints received by the Mobile Home Park Oversight Program, increasing workload to respond to additional questions and complaints and for enforcement. Promulgating rules, updating forms, responding to questions and complaints, and investigating alleged violations requires additional staff in the program. This staffing increase will phase in over the first three years, with 2.0 FTE in FY 2022-23, 4.0 FTE in FY 2023-24, and 5.0 FTE beginning in FY 2024-25. Operating and capital outlay costs include standard costs, additional computer equipment and software licenses, cell phone expenses, and mileage reimbursement at the standard rate. The fiscal note assumes a July 1 start date in each year as staff phases in.

- **IT support.** In FY 2022-23, DOLA requires one-time computer programming and testing costs to update existing registration forms with new fields, create a simplified complaint form, and update the process for screening complaints to account for a broader population of potential complainants. Programming costs, to be paid from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund, are based on 1,499 hours of programming by the Office of Information Technology (OIT) at a rate of \$94 per hour. In addition, OIT staff co-located with DOLA will provide training to new DOLA staff and other ongoing support.
- **Legal services.** DOLA will require 300 hours of legal services in FY 2022-23 and 250 hours in subsequent years to conduct rulemaking, provide general counsel, and represent the department in enforcement actions. Legal services are provided by the Department of Law at a rate of \$98.57 per hour.

**Department of Personnel and Administration.** The Office of Administrative Courts may hear additional cases under the bill. The fiscal note assumes that the number of additional cases will be small and can be accomplished within existing appropriations. If the number of cases is greater than expected, the department may request additional resources through the annual budget process.

**Department of Regulatory Agencies.** Workload will increase to update the price floor for mobile home purchases. This is expected to be minimal and no change in appropriations is required.

**Judicial Department.** As discussed in the State Revenue section above, workload may increase in the trial courts. Because most complaints are addressed through DREP, the fiscal note assumes that any impact on trial court workload will be minimal.

**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 shown in Table 3.

## **Other Budget Impacts**

**TABOR refunds.** The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2021 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

## **Local Government**

To the extent that a local government entity files a complaint on behalf of a mobile home owner or resident, workload in that entity will increase.

## **Effective Date**

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

## **State Appropriations**

For FY 2022-23, the bill requires an appropriation of \$338,799 from the Mobile Home Park Act Dispute Resolution and Enforcement Program Fund to the Department of Local Affairs, and 2.0 FTE. Of this, \$142,552 is reappropriated to the Office of Information Technology, and \$29,571 is reappropriated to the Department of Law with an additional 0.2 FTE.

## **State and Local Government Contacts**

Information Technology  
Local Affairs

Judicial  
Personnel

Law  
Regulatory Agencies