



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 22-1040	<b>Date:</b>	July 26, 2022
<b>Prime Sponsors:</b>	Sen. Story; Jaquez Lewis Rep. Bennett; Gray	<b>Bill Status:</b>	Signed into Law
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<b>Bill Topic:</b>	<b>RELEASE DEED OF TRUST WITHOUT EVIDENCE OF DEBT</b>
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<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill expands the exceptions under which a public trustee may release a deed of trust without evidence a debt has been paid. The bill increases workload for local governments.

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<b>Appropriation Summary:</b>	No appropriation is required.
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<b>Fiscal Note Status:</b>	The fiscal note reflects the enacted bill.
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## Summary of Legislation

Under current law, a public trustee must release a deed of trust if provided with evidence of the original canceled debt. This bill allows a holder of the original evidence of debt to request the release of a deed of trust without producing evidence of the payed debt if the holder:

- agrees to indemnify and defend the public trustee against any claim for damages resulting from release of the deed of trust;
- provides the public trustee a current address for the original grantor, assuming party, or current owner when requesting the release of the deed of trust; and
- files the request electronically via the county's recording system.

The bill also removes language requiring a title insurance company to be "qualified" as well as licensed for certain purposes relating to the release of a deed of trust and makes necessary changes to the statutory form used to request a deed of trust without producing the evidence of debt.

## **Local Government**

County treasurers and public trustees will have increased workload and costs to adjust rules and internal policies and to modify electronic recording systems. These costs have not been estimated. This fiscal note will be revised if additional information becomes available.

## **Effective Date**

The bill was signed into law by the Governor on June 7, 2022, and takes effect August 9, 2022, assuming no referendum petition is filed.

## **State and Local Government Contacts**

Counties	Law
Local Affairs	Municipalities