



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 24-0639	Date:	February 15, 2024
Prime Sponsors:	Rep. Lindsay; Soper Sen. Buckner; Pelton B.	Bill Status:	House Trans., Hous. & Local Gov.
		Fiscal Analyst:	John Armstrong 303-866-6289 john.armstrong@coleg.gov

Bill Topic: DEFENDANT FILING FEES IN EVICTIONS

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

The bill prevents courts from charging fees for defendants in eviction cases. The bill will reduce revenues and increase expenditures in the courts beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$258,703 to the Judicial Department.

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

Table 1
State Fiscal Impacts Under HB 24-1099

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue	Cash Funds	(\$191,412)	(\$191,412)
	Total Revenue	(\$191,412)	(\$191,412)
Expenditures	General Fund	\$258,703	\$44,913
	Centrally Appropriated	\$5,449	\$5,449
	Total Expenditures	\$264,152	\$50,362
	Total FTE	0.3 FTE	0.3 FTE
Transfers		-	-
Other Budget Impacts	TABOR Refund	(\$191,412)	(\$191,412)
	General Fund Reserve	\$38,805	\$6,737

Summary of Legislation

The bill prevents a defendant in a forcible entry and detainer (“eviction”) case from being charged any fee for filing court documents. Courts must mail any required documents on the defendant’s behalf if the defendant is required to mail any document to a plaintiff in the case.

State Revenue

Using available data from FY 2018-19, FY 2021-22 and FY 2022-23, the bill will reduce fee revenue from eviction cases by an estimated \$191,412 per year beginning in FY 2024-25. This revenue is primarily credited to the Judicial Stabilization Fund and the Court Security Cash Fund, as well as other cash funds in the Judicial Department, as shown in Table 2. Court fees are subject to TABOR.

**Table 2
Fee Impact of HB 24-1099**

Cash Fund	Annual Reduction
Judicial Stabilization Fund	(\$180,675)
Court Security Cash Fund	(\$10,331)
Civil Action Tax	(\$160)
Office of Public Guardianship Fund	(\$246)
Total	(\$191,412)

State Expenditures

The bill will increase state expenditures to the Judicial Department by about \$264,000 in FY 2024-25 and by about \$50,000 in FY 2025-26 and ongoing, paid from the General Fund. Costs are detailed in Table 3 and explained below.

**Table 3
Expenditures Under HB 24-1099**

	FY 2024-25	FY 2025-26
Judicial Department		
Personal Services	\$21,296	\$21,296
Mailing Costs	\$23,617	\$23,617
Information Technology Updates	\$213,790	-
Centrally Appropriated Costs ¹	\$5,449	\$5,449
Total Cost	\$264,152	\$50,362
Total FTE	0.3 FTE	0.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Judicial Department.

- **Staff.** The State Court Administrator's Office requires an additional 0.3 FTE in Court Support Staff beginning in FY 2024-25 and ongoing. Staff will handle the additional filings and mailings that will result from the bill. This FTE will spend an average of 3 minutes per filing and mailing for an estimated 16,991 documents per year.
- **Mailing costs.** Courts will mail an estimated 16,991 documents per year on behalf of defendants with an average cost of \$1.39 per mailing for paper, printing, and postage, resulting in expenditures of \$23,617 beginning in FY 2024-25 and ongoing.
- **Information technology updates.** In FY 2024-25 only, Information Technology staff in the Judicial Department will remove logic from existing e-filing and mailing systems and conduct quality assurance to insure accurate implementation. Upgrades requires a team of a software engineer, quality assurance analyst, and business analyst to work for 8 months.

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 2.

Other Budget Impacts

TABOR refunds. The bill is expected to decrease 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 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue will increase the amount of General Fund available to spend or save.

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

Similar to the state, Denver County Courts will have a decrease in fee revenue and increase in eviction case-related expenditures.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$258,703 to the Judicial Department, and 0.3 FTE.

State and Local Government Contacts

Counties	Denver County Courts	Judicial
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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).