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Fiscal Note

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| Drafting Number: | LLS 24-0333 | Date: | February 5, 2024 |
| Prime Sponsors: | Sen. Mullica Rep. Bird | Bill Status: | Senate Judiciary |
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Bill Topic: **MONTHLY RESIDENTIAL EVICTION DATA & REPORT**

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

The bill requires courts to collect and report an expanded set of eviction case data. The bill will increase state expenditures beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$597,200 to the Judicial Department.

Fiscal Note Status: The fiscal note reflects the introduced bill. The analysis is preliminary and will be updated following further review and any additional information received.

Table 1
State Fiscal Impacts Under SB 24-064

| | | Budget Year FY 2024-25 | Out Year FY 2025-26 |
|-----------------------------|---------------------------|-----------------------------------|--------------------------------|
| Revenue | | - | - |
| Expenditures | General Fund | \$597,200 | \$191,211 |
| | Centrally Appropriated | - | \$54,251 |
| | Total Expenditures | \$597,200 | \$245,462 |
| | Total FTE | 0.0 FTE | 3.0 FTE |
| Transfers | | - | - |
| Other Budget Impacts | General Fund Reserve | \$89,580 | \$28,682 |

Summary of Legislation

The bill both defines “residential eviction data” and requires courts to electronically collect these data for all eviction cases in each county, beginning in July 2024. By January 1, 2025, the Judicial Department must publish these data in the aggregate with the final orders for each case. Individual case-level eviction data must be delivered upon request so long as no personally identifiable information about a landlord or tenant is disclosed. The Judicial Department must include information about residential eviction data in their annual SMART Act hearing to the legislature.

State Expenditures

The bill increases state expenditures in Judicial Department by \$863,000 in FY 2024-25 and \$245,000 in FY 2025-26, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 24-064

| | FY 2024-25 | FY 2025-26 |
|---|-------------------|-------------------|
| Judicial Department | | |
| Personal Services | - | \$187,161 |
| Operating Expenses | - | \$2,850 |
| Capital Outlay Costs | - | \$1,200 |
| Information Technology Upgrades | \$597,200 | \$65,000 |
| Centrally Appropriated Costs ¹ | - | \$54,251 |
| Total Cost | \$597,200 | \$245,462 |
| Total FTE | - | 3.0 FTE |

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

Judicial Department. The Judicial Department requires computer programming and staff to implement the bill.

- **Assumptions.** The fiscal note assumes that the Judicial Department requires a year to perform computer programming before it can effectively collect the eviction data required by the bill. Costs in FY 2024-25 assume only computer programming, with data review staff beginning in FY 2025-26. See Technical Note.

- **Information Technology Upgrades.** In FY 2024-25, the Judicial Department will update their case management system to add the required data fields for each eviction case, extract data from standardized forms, add searchable functionality, and publish data on their website. This will result in approximately 3,640 hours of software development, quality assurance, and testing, resulting in \$447,200 of IT contract staff services. Additionally, the Judicial Department will contract the services of a vendor to develop the results of district court orders in eviction cases, requiring an additional \$150,000 in FY 2024-25 and \$65,000 in FY 2025-26 and ongoing.
- **Staff.** The State Court Administrator's Office will enter and review additional data points including: the zip code of the property; reason the case was filed; total amount unpaid; if the tenant or plaintiff participated in-person or remotely; if the case is residential or commercial; and case results. The fiscal note assumes that document review and data entry, as well as reviewing data collected from an automated form, will average ten minutes per case. Approximately 37,322 cases are heard by courts statewide in eviction cases each year, resulting in 3.0 FTE in FY 2025-26 and ongoing. Capital outlay and operating expenses for staff are included.

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

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, expenditures to Denver County Court will increase to collect the required information outlined in the bill. The exact increase in costs is not known at this time but may require additional IT programming costs and staff costs, similar to the state. The fiscal note will be updated based on any information received.

Technical Note

The Judicial Department cannot make the necessary IT and form changes to begin collecting data by the effective date of the bill. The fiscal note assumes that the effective date will be modified to allow for this implementation phase, with the data collection beginning July 1, 2025.

While the bill requires the Judicial Department to collect eviction case data electronically, it does not require tenants and landlords in counties to use the department's e-file system or standardized form when submitting court documents. Implementation costs to collect and report these additional data would potentially be reduced if reporting across court systems were standardized and required e-filing.

Effective Date

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

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$597,200 to the Judicial Department.

Departmental Difference

The Judicial Department assumes that the bill requires \$1,273,174 and 10.0 FTE, including 9.0 FTE court judicial assistant and 1.0 FTE Supervisor II. This additional FTE is based on an assumption that each eviction case will require an average review of approximately 30 minutes, and a supervisor to coordinate a team of the nine judicial assistants.

The fiscal note assumes that the information technology upgrades to the case management system included in this note will reduce the need for manual review. The fiscal note assumes that each eviction case will require an average review of approximately 10 minutes, resulting in the need for 3.0 FTE.

State and Local Government Contacts

Judicial

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](#).