

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0437
Prime Sponsor(s): Sen. Lambert
 Rep. Scott

Date: May 29, 2013
Bill Status: Postponed Indefinitely
Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING THE COUNTY TREASURER BECOMING THE PUBLIC TRUSTEE IN THE COUNTIES WHERE THE PUBLIC TRUSTEE IS CURRENTLY APPOINTED BY THE GOVERNOR.

| Fiscal Impact Summary | FY 2013-2014 | FY 2014-2015 |
|---|---|---------------------|
| State Revenue | | |
| State Expenditures | Minimal savings. See State Expenditures section. | |
| FTE Position Change | | |
| Effective Date: The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on January 23, 2013. | | |
| Appropriation Summary for FY 2013-2014: None required. | | |
| Local Government Impact: See Local Government Impact section. | | |

Summary of Legislation

This bill eliminates, as of February 1, 2015, the governor's authority to appoint public trustees in certain Colorado counties. By February 1, 2015, the county treasurer will serve as the public trustee in all Colorado counties other than Broomfield and Denver. In Broomfield and Denver, an equivalent officer serves as public trustee, as identified by the city and county charter or code.

The bill also repeals current statutory salary provisions and provides for a uniform salary of \$12,500 per year for all public trustees in the state.

Background

In Colorado, the public trustee is a statutory office created to release, foreclose upon, and take other action related to deeds of trust, usually serving as security in real estate loans. Public trustees also perform other duties established by law, such as escrowing funds in certain real estate transactions and serving as trustee for certain private trusts or corporations where all trustees or directors, respectively, are deceased.

Under current law, in 52 of Colorado's 64 counties the county treasurer is also the public trustee. In 11 counties the public trustee is appointed by the Governor. Those 11 counties are: Denver, Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. In practice, and as directed by Denver's charter, the Denver clerk and recorder serves as the public trustee for Denver County. Current statute permits Broomfield to provide for an equivalent officer to serve as public trustee.

Salaries of public trustee are set by statute and vary according to the classification (generally based on population) of the county. Most governor-appointed trustees receive a salary of \$72,500, while most treasurers in other counties currently receive a statutory salary of \$12,500.

State Expenditures

The governor's office will experience minimal savings under the bill. Existing costs are minimal for the governor to make appointments and administer those aspects of the public trustee system delegated to the governor by statute. With reduced oversight by the governor, the Division of Local Government (DLG) in the Department of Local Affairs will collect fewer filings from public trustees. The reduction in DLG workload is minimal. Any savings to the Executive Branch will be minimal and result in no change to existing appropriations.

Local Government Impact

This bill affects current practices in ten counties: Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld. In those counties the bill results in a reduction of some costs and an increase in others. The net effect will vary by county, potentially ranging from a per-county savings of \$50,000 annually to increases of up to \$50,000 annually.

The salary of the public trustee in affected counties is reduced from \$72,500 to \$12,500, a savings of \$60,000. In addition, consolidation of public trustee and treasurer offices could result in efficiencies for common functions, such as mailings, notices, and real estate database management.

New costs for public trustee-treasurers under the bill could include both one-time costs to implement the merger and permanent changes in staffing and operating costs. In one recent example, Weld County paid over \$6,000 to move its public trustee office. For counties with significant caseload, including many of the affected counties, a professional manager may be required to replace the current appointed public trustee, possibly at an equivalent or higher salary.

Departments Contacted

Counties
Public Trustees
Property Taxation

Municipalities
Governor

County Clerks
Local Affairs