

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0026  
**Prime Sponsor(s):** Rep. Scott  
 Sen. Lambert

**Date:** January 28, 2013  
**Bill Status:** House Local Government  
**Fiscal Analyst:** Kirk Mlinek (303-866-2756)

**TITLE:** CONCERNING THE CHANGE IN CLASSIFICATION OF CERTAIN CLASS TWO COUNTIES TO CLASS THREE COUNTIES FOR PURPOSES OF THE OFFICE OF THE PUBLIC TRUSTEE.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed, except Section 2 of the bill, which takes effect January 1, 2014.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

The bill eliminates, as of January 1, 2014, the governor's authority to appoint public trustees in El Paso and Mesa counties. Under the bill, the terms of the El Paso County and Mesa County public trustees expire on December 31, 2013, and the county treasurer in each of those counties becomes the public trustee effective January 1, 2014. The bill reclassifies El Paso and Mesa counties from class 2 to class 3 counties under the public trustee law.

**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 the 53 class 3 counties under the public trustee statutes, the county treasurer is also the public trustee. In the 10 class 2 counties, the public trustee is appointed by the governor. The 10 class 2 counties are: Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, Larimer, Mesa, Pueblo, and Weld.

Salaries of public trustee are set by statute and vary according to the classification (generally based on population) of the county. The public trustees of class 2 counties, including those counties that are the subject of this bill, receive an annual salary of \$72,500, while treasurers in class 3 counties, who also serve as public trustee, receive an annual salary of \$12,500 in addition to the statutorily authorized salary for serving as county treasurer.

### **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 two counties, El Paso and Mesa. For those counties, the bill results in a reduction of some costs and a potential increase in others. The El Paso Public Trustee currently has a staff of 7.2 FTE; the Mesa County Public Trustee operates with 4.5 FTE. As stated above, 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. El Paso and Mesa counties have significant caseloads, meaning that a professional manager may be required to replace the current appointed public trustee, possibly at an equivalent or higher salary.

### **Departments Contacted**

Governor  
Local Affairs

Counties  
County Treasurers

Public Trustees