



## Updates on Certification Fees

May 27, 2009

Friends,

After hearing concerns about the DORA fee-setting announcement on May 12, CCLT met with the Director of the Division of Real Estate, Erin Toll, and the Conservation Easement Program Manager, Hollis Glenn, to try and find a mutually agreeable outcome that provided the structure for DORA to collect the fees necessary to implement HB08-1353's reforms while alleviating as much financial pressure on easement holders as possible. At this meeting, CCLT received answers for the questions we have heard from our members. We are very grateful for the Division of Real Estate's willingness to meet with us and for their openness to alternatives that could help our community.

Please find below today's announcement from the Division of Real Estate regarding easement holder certification fees. In short, DORA has agreed to push the second portion of the initial fee back to January 30, 2010, rather than collect it in December 2009. By having this fee come in the next fiscal year for most land trusts rather than the current one, we hope that it grants additional time for the organizations that needed it. The first portion of the initial fee (\$4,200) is still due by June 30, 2009 for those organizations that wish to be certified by January 1, 2010. What this means, however, is that **two payments will be collected in 2010**: the second portion of the initial fee in January 2010 (for certification in 2010) and the first renewal fee at the end of 2010 (for certification in 2011). Two fees in one year is an inescapable fate (due to the need to collect a fee for the FY08-09 expenses), so our hope is that by pushing that year back to 2010 rather than 2009, it will not be as much of a burden and will allow more time for planning.

Thank you to those who provided input and please do not hesitate to contact Greg Yankee ([greg.yankee@cclt.org](mailto:greg.yankee@cclt.org); 303-271-1577) with any questions or comments about this announcement.

The Staff of CCLT

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## **FOR IMMEDIATE RELEASE**

**May 27, 2009**

### **Conservation Easement News from the Division of Real Estate**

To provide a better understanding of the certification program, the Division of Real Estate would like to provide further guidance regarding the **application process** and the **initial fee**.

All applicants, whether they are a land trust or government entity, will need to pay an initial fee when they apply for state certification for the first time. This initial fee will cover the costs of administering the certification program, and we contemplate that this fee will be the same for all future applicants.

DORA is required by law to set the fee to ensure that the program is properly funded and we meet our financial obligations and statutory requirements. In accordance with statute and state accounting methodology, this is an internal process and is not subject to public input. Due to the structure of HB08-1353, the certification program has been running for almost a full year, but no fees have been collected to fund the program. This means a "catch up fee" must be collected now to pay for the past year's expenses.

#### **First Portion:**

To account for the start-up costs of the program that accrued in fiscal year 08/09, the Division is going to split the payment of the initial fee into two portions. The first portion of the initial fee is \$4,200 and will cover the expenses of the program in fiscal year 08/09. For those applicants that wish to be certified by January 1, 2010, the first portion of the initial fee is due with the first part of the application process (submission of the Organizational Profile) and no later than June 30, 2009.

#### **Second Portion:**

The second portion of the initial fee will cover the program's expenses in fiscal year 09/10. The amount of the second portion of the initial fee will be determined by a number of factors, especially the number of organizations that apply for certification, but also other factors such as

whether donations are received. It is impossible to prescribe the fee at this time because we cannot forecast future revenue and costs. The second portion of the initial fee will be prescribed later in calendar year 2009.

In order provide land trusts flexibility with their budgetary planning, the Division is providing a **grace period** for submission of the second portion of the initial fee. This fee does not need to be submitted to the Division until January 30, 2010. Please note, however, that certification will not be granted until the second portion of the initial fee is received.

#### **Renewal Fee:**

Towards the end of calendar year 2010, certified organizations will need to renew their annual certification and pay a **renewal fee** for calendar year 2011. More information about the renewal process and fee will be provided once this process is developed and budgetary forecasts are made.

#### **Application Materials:**

Updated versions of the Organizational Profile, Project List, and Application were posted on the Division's website on May 13, 2009. If you have already filled out a previous version of the Organizational Profile and/or Project List, you may submit that version to the Division. However, along with this submission, you must also include page 9 of the revised Organizational Profile with an original signature.

Also, the Division has updated the FAQ webpage to address questions we have recently received regarding the application process and the initial fee.

You can find the updated application materials and FAQs here: <http://www.dora.state.co.us/Real-estate/Conservation.htm>.