



**Colorado
Legislative
Council
Staff**

HB16-1159

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0430
Prime Sponsor(s): Rep. Lee
Sen. Holbert

Date: February 11, 2016
Bill Status: House Judiciary
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: SUNSET COLORADO FRAUD INVESTIGATORS UNIT

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	
This bill changes and continues a program that would otherwise end September 1, 2016, so the fiscal note shows the new and continuing fiscal impacts.	New	New	Continuation
State Revenue	<u>0</u>	<u>up to 545,726</u>	
Cash Funds	0	0	up to 545,726
State Expenditures	<u>0</u>	<u>545,726</u>	
Cash Funds	0		545,726
General Fund	Potential increase.		
Tabor Impact:			up to 545,726
FTE Position Change	0	0	7.0 FTE
Appropriation Required: None.			
Future Year Impacts: Program costs continue through FY 2025-26.			

Summary of Legislation

This bill continues the Colorado Fraud Investigators Unit in the Department of Public Safety (DPS) through September 1, 2025, and authorizes the appropriation of General Funds to the Colorado Fraud Investigators Fraud Cash Fund.

Background

The Colorado Fraud Investigators Unit, located in the Colorado Bureau of Investigation in DPS, assists local law enforcement agencies in the investigation and prosecution of identity theft and financial fraud. The unit provides educational materials, training, and consultation to local police and sheriff departments, financial institutions, district attorneys, and the Attorney General. The unit is cash funded through gifts, grants, and donations and the following surcharges:

- \$4 on Uniform Commercial Code filings made with the Secretary of State (scheduled to decrease to \$3 on July 1, 2017);

- \$100 on each initial license and renewal for a supervised lender license issued by the Uniform Consumer Credit Office of the Attorney General's Office; and
- \$500 on initial licenses and renewals for each money transmitter license issued by the Division of Banking in the Department of Regulatory Agencies.

Fiscal Impact of Programs Set to Expire

This bill continues the Colorado Fraud Investigators Unit in the DPS that is set to repeal effective September 1, 2016. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2017-18, one year after the repeal date. There is no need for an appropriation of the \$654,871 base funding in FY 2016-17, since the program's authorization has not yet expired, and ongoing funding for the program is included in the department's base budget request.

The state revenue and state expenditures impact for FY 2017-18 reflects the program's anticipated fee revenue and base budget request beginning that year. Based on the budget request for FY 2016-17 for the Colorado Fraud Investigator Unit, cash fund appropriations are expected to be \$654,871 and 7.0 FTE in FY 2017-18. Prorated for 10 months to account for the September 1 sunset date this amounts to \$545,726.

TABOR Impact

This bill increases state revenue from fees, which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

State Expenditures

Under the bill, Department of Public Safety cash fund expenditures for the Colorado Fraud Investigators Unit and allocation of 7.0 FTE will continue in FY 2017-18, with a prorated amount of \$545,726 for 10 months.

In prior years, cash fund revenue received has not sufficiently funded the Colorado Fraud Investigators Unit and DPS has responded by filling less than the authorized 7.0 FTE. If cash fund revenues are not sufficient to fully fund the unit, General Fund appropriations will be requested to ensure full staffing. This analysis assumes that General Fund appropriation requests will be addressed through the annual budget process.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Public Safety