



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

SB 19-014

FINAL FISCAL NOTE

Drafting Number:	LLS 19-0047	Date:	June 13, 2019
Prime Sponsors:	Sen. Coram Rep. Carver; Tipper	Bill Status:	Signed into Law
		Fiscal Analyst:	Chris Creighton 303-866-5834 Chris.Creighton@state.co.us

Bill Topic: ORGANIZED RETAIL THEFT PREVENTION

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue (<i>minimal</i>)	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill modifies the crime of failure to record sales by a secondhand dealer. Beginning in FY 2019-20, this bill increases state and local government revenue, costs, and workload by a minimal amount.

Appropriation Summary: No appropriation is needed.

Fiscal Note Status: This fiscal note reflects the enacted bill.

Summary of Legislation

This bill modifies the crime of failure to record sales by a secondhand dealer. Under this bill, secondhand dealers or any person that sells new goods at a flea market or similar facility must record the purchase of store credit, gift cards, or merchandise cards for resale in a register that is accessible to law enforcement. Failure to record such purchases is petty offense or a class 3 misdemeanor if the value of the credit or card is \$30 or greater.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of an existing crime. The following sections outline data on crimes that are comparable to the offense in this bill and discuss assumptions on future rates of criminal convictions under the bill.

Prior conviction data. This bill changes the element of the existing crime of failure to record sales by a secondhand dealer and expands upon the definition of a "valuable article" to include store credit, gift cards, or merchandise cards. To form an estimate on the prevalence of this crime, this fiscal note analyzed the existing offense of failure to record sales by a secondhand dealer. There have been zero offenders convicted and sentenced for failure to record sales by a secondhand dealer during the last three years

Assumptions. Due to the lack of convictions for the failure to record sales by a secondhand dealer, this analysis assumes a high level of compliance and that any impacts will be minimal.

Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

State Revenue

By expanding the existing misdemeanor offense of failure to record sales by a second hand dealer, this bill increases state revenue from criminal fines and court fees by a minimal amount beginning in FY 2019-20, credited to the Fines Collection Cash Fund, various other cash funds in the Judicial Department, and the General Fund. The fine penalty for a petty offense is no more than \$500. The fine penalty for a class 3 misdemeanor is \$50 to \$750. Additionally, court fees may be imposed on a case-by-case basis for a variety of court-related costs, such as probation supervision, drug surcharges, or late fees. Because the courts have the discretion of incarceration, imposing a fine, or both, a precise state revenue impact cannot be determined. Criminal fine and court fee revenue is subject to TABOR, however under the March 2019 Legislative Council Staff forecast a TABOR surplus is not expected in FY 2019-20 or FY 2020-21.

State Expenditures

Beginning in FY 2019-20, this bill will increase costs and workload in the Judicial Department as discussed below.

Judicial Department. This bill will increase costs and workload for the trial courts in the Judicial Department to handle additional case filings. To the extent that additional offenders are sentenced to probation, costs and workload in the Division of Probation will increase. Costs and workload may also increase in the agencies that provide representation to indigent persons, including the Office of the State Public Defender and the Office of Alternate Defense Council. Overall, it is assumed that this workload can be accomplished within existing appropriations. Should a change in funding be required for any agency or division with the Judicial Department, the fiscal note assumes it will be addressed through the annual budget process.

Local Government

Beginning in FY 2019-20, this bill is expected to increase local government revenue, costs, and workload by a minimal amount as described below. The exact impact to a particular local government will vary depending on the number of offenses committed within its jurisdiction.

District attorneys. This bill will minimally increase costs and workload for district attorneys to prosecute new offenses for failure to disclose sales by a secondhand dealer. District attorney offices are funded by counties, with each county in a judicial district contributing based on its population.

County jails. To the extent that additional offenders are sentenced to county jail this bill will increase county jail costs. However, because the courts have the discretion of incarceration or imposing a fine, the precise county impact cannot be determined. Under current law, the state reimburses county jails for housing state inmates. Based on a 2018 Joint Budget Committee Staff county jail survey, the average cost to house an offender in a county jail is \$98.83 per day, but varies significantly from \$43.65 to \$350.21 per day depending on the county. For the current fiscal year, the state reimburses county jails at a daily rate of \$54.93.

Denver County Court. The bill potentially increases revenue, costs and workload for the Denver County Court, which is managed and funded by the City and County of Denver, to try petty offense and misdemeanor cases under the bill. Probation services in the Denver County Courts may also experience an increase in revenue, costs, and workload revenue to supervise persons convicted under the bill within Denver County. These impacts are assumed to be minimal.

Effective Date

This bill was signed into law by the Governor on April 8, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed. It applies to acts committed on or after the effective date.

State and Local Government Contacts

Corrections
Information Technology
Regulatory Agencies

Counties
Judicial

District Attorneys
Municipalities