



Legislative Council Staff
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Fiscal Note

Drafting Number:	LLS 23-0916	Date:	March 31, 2023
Prime Sponsors:	Sen. Rodriguez	Bill Status:	Senate Business
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Bill Topic: **AG REGULATED CONSUMER CREDIT TRANSACTIONS**

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates the Consumer Credit Unit Cash Fund in the Department of Law, modifies the scheduled collection of certain business registration fees under the Uniform Consumer Credit Code, and transfers the balances from two funds to this new consolidated fund. For FY 2023-24 only, the bill results in a one-time increase in state revenue and makes two transfers.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 23-248

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue	Cash Funds	up to \$1.4 million	-
	Total Revenue	up to \$1.4 million	
Expenditures		-	-
Transfers	Collection Agency Cash Fund	-	(\$103,459)
	Uniform Consumer Credit Code Cash Fund	-	(\$247,159)
	Consumer Credit Unit Cash Fund	-	\$350,618
	Net Transfers	-	\$0
Other Budget Impacts	TABOR Refund	up to \$1.4 million	

Summary of Legislation

The bill creates the continuously appropriated Consumer Credit Unit Cash Fund in the Department of Law (DOL) to receive all fees collected pursuant to articles 2, 6, 10, 16, 19, and 21 of the Consumer Credit Code, starting July 1, 2024. Additionally, on September 30, 2024, the bill transfers the unexpended and unencumbered balances of the two funds that currently receive that fee revenue to the new fund.

The bill changes the business registration fee collection schedule, moving the deadline from January to July to align with the state fiscal year. The bill makes business registrations issued in January 2023 valid until July 2024 and not subject to a renewal fee until July 2024. The bill gives the DOL authority to establish the fees, repealing the specific amounts set in statute. The DOL may also charge an additional fee in January 2024 to cover direct and indirect administrative expenses until renewals are due in July 2024.

Finally, the bill requires licensed student loan servicers to submit an annual report on loans serviced to the DOL as part of license renewal, modifies definitions to exempt private education credit that is refinanced from required disclosure, and replaces statutory definitions of “lender” and “loan” with “creditor” and “credit”.

State Revenue

The bill allows the DOL to assess a one-time fee in January 2024 to cover six months of costs that result from extending the deadline for 2023 registrations from January 1, 2024 to July 1, 2024. This one-time fee, which will be set administratively by DOL, will bring in up to \$1.4 million to the Collection Agency Cash Fund and the Uniform Consumer Credit Code Cash Fund in FY 2023-24 based on current appropriation levels. This one-time fee and the new July registration schedule will shift the timing of when businesses pay registration fees, but on net the overall fee impact is expected to be neutral on fee payers relative to current law.

Prior to the July 1, 2024 registration deadline, fee revenue collected by the DOL in FY 2023-24 and future years will be deposited into the new Consumer Credit Unit Cash Fund, rather than the Collection Agency Cash Fund and the Uniform Consumer Credit Code Cash Fund. This ongoing revenue is estimated to total \$2.9 million per year.

State Transfer

On September 30, 2024, the bill transfers the unexpended and unencumbered balances of the Uniform Consumer Credit Code Cash Fund and the Collection Agency Cash Fund to the new Consumer Credit Unit Cash Fund created in the bill. Based on cash fund balances reported in the DOL’s FY 2023-24 budget request, \$103,459 would be transferred from the Collection Agency Cash Fund and \$247,159 from the Uniform Consumer Credit Code Cash Fund, for a total of \$350,618 transferred to the new Consumer Credit Unit Cash Fund.

State Expenditures

The bill may minimally impact workload for the Department of Law in FY 2023-24 only to make any adjustments to the administration of the Uniform Consumer Credit Code. No change in appropriations is required.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2024-25. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will decrease the amount of General Fund available to spend or save.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Law