



**Colorado
Legislative
Council
Staff**

SB17-046

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 17-0263

Date: May 16, 2017

Prime Sponsor(s): Sen. Tate

Bill Status: Signed into Law

Rep. Arndt

Fiscal Analyst: Greg Sobetski (303-866-4105)

BILL TOPIC: MODERNIZE PROCEDURES FOR UNPAID CHECKS AND WARRANTS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: None.		

Summary of Legislation

This bill codifies current practice with respect to the treatment of warrants and checks drawn on state funds that were not promptly presented for payment. It requires that unpaid warrants and checks be cancelled and that the amounts held to pay such warrants and checks be transferred to the Unclaimed Property Trust Fund pursuant to rules promulgated by the State Controller.

The bill includes exemptions for warrants drawn on federal funds and the Wildlife Cash Fund. Warrants and checks representing money received by the federal government are required to be processed in accordance with federal guidelines. Warrants and checks drawn on the Wildlife Cash Fund, except those refunding a license fee submitted as part of an unsuccessful limited license application, are repaid to that fund under both current law and the bill.

The bill also eliminates the requirement that the Department of the Treasury and the Office of the State Controller each annually post lists in their offices of unpaid warrants and checks drawn and issued during the previous fiscal year.

State Expenditures

The bill minimally increases workload in the Department of Personnel and Administration in FY 2017-18 only. The department is expected to promulgate new rules to codify current practice related to the timing of transfers to the Unclaimed Property Trust Fund. It is assumed that rules can be promulgated within existing appropriations.

Transfers of amounts held for unpaid warrants and checks. On a monthly basis under current practice, the Office of the State Controller in the Department of Personnel and Administration marks as expired all uncashed warrants that are greater than six months old. The Department of the Treasury then completes transactions to transfer the amounts of the expired warrants to the Unclaimed Property Trust Fund. The bill allows the department to promulgate rules codifying this current practice.

For FY 2015-16, amounts of expired warrants transferred to the Unclaimed Property Trust Fund totaled \$1.7 million. For FY 2014-15, this amount was \$2.3 million.

Posting requirements. The requirement to post lists of unpaid checks and warrants is not currently observed by the Department of the Treasury or the Office of the State Controller, though information on issued payments can be found online. Therefore, removal of the requirement is not expected to reduce workload for these agencies.

Effective Date

The bill was signed into law by the Governor on April 6, 2017, and takes effect on August 9, 2017, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology
Personnel and Administration

Law
Treasury