



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-179: SUNSET IDENTITY THEFT & FINANCIAL DETERRENCE ACT

Prime Sponsors:

Sen. Weissman; Snyder
Rep. Carter; Garcia

Fiscal Analyst:

Matt Bishop, 303-866-4796
Aaron Carpenter, 303-866-4918

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Fiscal note status: This revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill continues the Colorado Fraud Investigators Unit, repeals its oversight board, and repeals the surcharges that funds the unit.

Types of impacts. The bill has impacts in the following areas through FY 2036-37 from both continuing an existing program scheduled to repeal and making changes to that program:

- State Revenue
- State Expenditures
- TABOR Refunds

Appropriations. The bill modifies appropriations to the Department of Public Safety resulting in no net change. If the General Assembly wishes to expand the Colorado Fraud Investigators Unit, see additional appropriation details in the Legislative Options section.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	-\$501,271	-\$501,271	-\$501,271
State Expenditures	\$0	\$653,345	\$653,345
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	-\$501,271	-\$501,271	-\$501,271
Change in State FTE	0.0 FTE	4.0 FTE	4.0 FTE

¹ These impacts include both those from continuing a program scheduled to repeal, as well as from changes to the program under the bill. Additional detail on fund sources, as well as the new and continuing impacts, are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Cash Funds – Continuation	\$0	\$0	\$0
Cash Fund – Change	-\$501,271	-\$501,271	-\$501,271
Total Revenue	-\$501,271	-\$501,271	-\$501,271

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Cash Funds – Continuation	\$0	\$653,345	\$653,345
Cash Funds – Refinance	\$0	-\$453,271	-\$653,345
General Fund – Refinance	\$0	\$453,271	\$653,345
Total Expenditures	\$0	\$653,345	\$653,345
Total FTE	0.0 FTE	4.0 FTE	4.0 FTE

¹ Table 1B reflects the continuation of the program starting in FY 2026-27 and the refinancing of cash fund expenditures to the General Fund.

² Expenditure amounts represents the continuation of the current expenditure and FTE amounts for the program. These costs are based on the 4.0 FTE currently used by the program. In the Long Bill, the program currently has an allocation of 7.0 FTE, but has never received sufficient funds from existing cash fund revenue sources to hire the full allocation of FTE. The bill refinances these program expenditures from cash funds to the General Fund, and it is assumed that the funding level will remain constant. If the General Assembly wants to increase the fraud investigation unit to 7.0 FTE, appropriations may be provided, as described in the Legislative Option section.

Summary of Legislation

The bill continues the Colorado Fraud Investigators Unit for 11 years (through September 1, 2036). The bill also repeals the oversight board and the surcharges on uniform commercial code filings, lender licenses, and money transmitter licenses that fund the unit. Instead, the bill allows the unit to accept gifts, grants, and donations to the existing Identity Theft and Financial Fraud Fund.

Continuing Program Impacts

Based on the department's FY 2025-26 budget request, the Department of Public Safety is expected to have expenditures of \$653,345 to administer the Fraud Investigators Unit. If this bill is enacted, current and expenditures will continue for the program starting in FY 2026-27. However, the funding source for the program will shift to the General Fund due to other changes in the bill, as explained in the State Expenditure section.

If this bill is not enacted, the program will end one year after its repeal date on September 1, 2026, following a wind-down period. If allowed to repeal, state cash fund revenue and expenditures will decrease starting in FY 2026-27 by \$653,345 per year.

Background and Assumptions

Currently, the Fraud Investigation Unit is funded through the surcharges outlined in the Summary of Legislation above. The unit is allocated 7.0 FTE, however, due to the revenue to the cash fund, the unit has only been able to fund 4.0 FTE positions. The fiscal note assumes current spending levels in future years, however, if the General Assembly chooses to appropriate to 7.0 FTE, it must appropriate additional General Fund (see Legislative Option section).

State Revenue

Starting in FY 2025-26, state revenue to the Identity Theft and Financial Fraud Cash Fund will decrease by an estimated \$501,271 per year due to the removal of certain surcharges. This amount represents the projected revenue described in the Department FY 2025-26 budget requests in the Schedule 9 cash fund report. This revenue is subject to the state's TABOR limit.

State Expenditures

The bill results in no net change to state expenditures after continuing the program, but instead requires that program expenditures be refinanced from the Identity Theft and Financial Fraud Fund to the General Fund. At the beginning of FY 2025-26, it is assumed that the department will have an estimated \$853,419 left in its cash fund. The fiscal note assumes that the cash fund will first be spent down before General Fund is appropriated. Assuming the General Assembly chooses to appropriate General Fund at the same level as current cash fund expenditures, this results in no refinancing in FY 2025-26, an increase of \$453,271 in General Fund in FY 2026-27, and an increase of \$653,345 in General Fund in FY 2027-28. An equal decrease will occur in cash fund expenditures, resulting in no net change in program expenditures. This transition to General Fund expenditures is shown in Table 2.

Table 2
Refinancing the Fraud Investigators Unit

	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Cash Fund Balance	\$853,419	\$200,074	\$0
Annual Expenditures	\$653,345	\$653,345	\$653,345
Cash Fund Balance	\$200,074	\$0	\$0
Required General Fund	\$0	\$453,271	\$653,345

TABOR Refunds

The bill is expected to decrease 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 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue will increase 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 Appropriations

For FY 2025-26, the includes an adjustment to the 2025 Long Bill to reduce appropriations by \$653,345, and 7.0 FTE, from the Identity Theft and Financial Fraud Cash Fund to the Department of Public Safety. This same amount, \$653,345 and 7.0 FTE, is included as an appropriation in the bill to the Department of Public Safety from the Identity Theft and Financial Fraud Cash Fund.

Legislative Option

This fiscal note assumes the least cost alternative for implementing this bill is to continue program expenditures at the current level. However, if the General Assembly wants to expand the fraud investigation unit and ensure that it can operate with its full allocation of 7.0 FTE, additional appropriations may be provided to the DPS. Funding an additional 3.0 FTE will result in total program expenditures of \$1.2 million and 7.0 FTE per year starting in FY 2025-26. The breakdown of these expenditures and the required fund source is shown in the tables below.

Table 3A
State Expenditures for 7.0 FTE
Department of Public Safety

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$736,476	\$736,476	\$736,476
Operating Expenses	\$8,960	\$8,960	\$8,960
Capital Outlay Costs	\$20,010	\$0	\$0
Additional Agent Operating	\$262,085	\$210,604	\$210,604
Centrally Appropriated	\$203,125	\$203,125	\$203,125
Total Costs	\$1,230,656	\$1,159,165	\$1,159,165
Total FTE	7.0 FTE	7.0 FTE	7.0 FTE

Table 3B
Required Appropriations to Fund 7.0 FTE
Department of Public Safety

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Cash Fund Balance	\$853,419	\$0	\$0
General Fund	\$174,112	\$956,040	\$956,040
Centrally Appropriated	\$203,125	\$203,125	\$203,125
Total Appropriations	\$1,230,656	\$1,159,165	\$1,159,165
Total FTE	7.0 FTE	7.0 FTE	7.0 FTE

State and Local Government Contacts

Public Safety

Treasury