



Colorado
Legislative
Council
Staff

HB17-1043

REVISED
FISCAL NOTE

(replaces fiscal note dated January 12, 2017)

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

Drafting Number: LLS 17-0624

Date: April 26, 2017

Prime Sponsor(s): Rep. Navarro; Gray
Sen. Priola; Williams A.

Bill Status: House Appropriations

Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: CONTINUE FUNDING FRAUD INVESTIGATORS UNIT

| Fiscal Impact Summary | FY 2017-2018 | FY 2018-2019 |
|---|------------------------|--------------|
| State Revenue | <u>\$103,675</u> | |
| <i>Continuing revenue</i> Cash Funds | 103,675 | |
| State Expenditures | Workload continuation. | |
| TABOR Impact | <u>\$103,675</u> | |
| <i>Continuing TABOR Impact</i> | 103,675 | |
| Appropriation Required: | None. | |
| Future Year Impacts: | None. | |

Note: This fiscal note has been updated to clarify the TABOR impact of the bill.

Summary of Legislation

Under current law, the Department of Public Safety must report on the activities of the Colorado Fraud Investigators Unit as part of its State Measurement, Responsive, and Transparent Government Act (SMART Act) hearing every year through 2017. This bill extends this SMART Act hearing requirement through 2018. Additionally, the unit is partially funded through a surcharge on uniform commercial code filings. In 2014, this surcharge was increased from \$3 to \$4 and is scheduled to revert back to \$3 on June 30, 2017. This bill extends the \$4 surcharge to June 30, 2018.

Background

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

- \$4 Uniform Commercial Code filing fee made with the Secretary of State. This \$3 surcharge was created in 2006 and increased to \$4 in 2014;
- \$100 on each initial license and renewal for a supervised lender license issued by the Uniform Consumer Credit Office in 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.

For FY 2015-2016, the \$4 surcharge was assessed on 103,675 uniform commercial code filings resulting in \$414,700 in Identity Theft Unit cash funds. This fiscal note assumes the same number of filings in FY 2017-18 and FY 2018-19. Under the bill, the surcharge will revert back to \$3 in FY 2018-19.

State Revenue

For FY 2017-18 only, this bill continues current Identity Theft Unit cash fund revenue. Specifically, by continuing the \$4 surcharge for FY 2017-18 an estimated \$103,675 will be collected.

Fee Impact on Individuals, Families or Business

Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. The table below identifies the fee impact of this bill.

| Table 1. Fee Impact on Individuals, Families or Business | | | | | |
|---|-----------------------------|-------------------------------|---------------|--------------------|---------------------|
| Type of Fee | Current Fee (FY 2017-18) | Continued Fee (FY 2017-18) | Fee Change | Number Affected | Total Fee Impact |
| Uniform Commercial Code Filing Surcharge | \$3 | \$4 | \$1 | 103,675 | \$103,675 |
| TOTAL | | | | | \$103,675 |

TABOR Impact

This bill continues state revenue from uniform commercial code filing surcharges in FY 2017-18, which will continue the amount of money required to be refunded under TABOR in FY 2017-18. TABOR refunds are paid out of the General Fund. Because the Legislative Council Staff revenue forecast already accounts for continued revenue from uniform commercial code filing surcharges, this continued revenue does not require an adjustment to the amount required to be set aside in the budget for TABOR refunds.

State Expenditures

With the extension of the SMART Act hearing requirement for the Colorado Fraud Investigators Unit, the Department of Public Safety will have continued workload in FY 2017-18 and FY 2018-19 to prepare this report.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Public Safety