

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning the continuation of the "Identity Theft and Financial Deterrence Act", and, in connection therewith, implementing the recommendations contained in the 2024 sunset report by the department of regulatory agencies.

Prime Sponsors:

Senators Weissman; Snyder
Representatives Carter; Garcia

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Fiscal Impacts

Appropriation Required, Amendments in Packet

General Fund Impact

New Cash Fund with Continuous Appropriation

Significant General Fund transfer increase in second and third years

Fiscal Note Status

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/05/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

J.001 Staff-prepared appropriation amendment

L.002/J.002 Bill Sponsor amendment - changes fiscal impact and appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) reduces the cash fund appropriation from the Colorado Identity Theft and Financial Fraud Cash Fund (Cash Fund) to the Department of Public Safety by \$653,345 and the related FTE is decreased by 7.0 FTE.

L.002 and J.002

Bill Sponsor amendment **L.002** (attached) removes the continuous spending authority provided to the new, Identity Theft and Financial Fraud Fund (Fund), created in the bill. This Fund is created in the bill through a repeal and reenact of the current statute that codifies the current Cash Fund. Therefore, staff assumes that on the effective date of this bill, the old Cash Fund becomes the new Fund.

Appropriation amendment **J.002** (attached) includes the following:

- reduces the current cash fund appropriation from the Colorado Identity Theft and Financial Fraud Cash Fund to the Department of Public Safety by \$653,345 and the related FTE is decreased by 7.0 FTE; and
- appropriates to the Department of Public Safety the same amounts from the new Identity Theft and Financial Fraud Fund.

If the Committee adopts L.002 and J.002, it should not adopt J.001.

Points to Consider

Future Fiscal Impact

Although this bill would not require a General Fund appropriation for FY 2025-26, it will reduce General Fund revenues by at least \$453,271 in FY 2026-27 and by \$653,345 in FY 2027-28 and future years, reducing the amount of General Fund available for other purposes.

Revenue Source

The current program is successfully cash funded from surcharge revenue on entities engaged in financial transactions.

Does the General Assembly really wish to replace an industry- and policy-appropriate source of cash fund revenue with General Fund support?

Is the creation of a new cash fund necessary if the intention is to fund the program with General Fund?