



**Colorado
Legislative
Council
Staff**

SB16-185

FISCAL NOTE

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

Drafting Number: LLS 16-1224
Prime Sponsor(s): Sen. Scott
Rep. Melton

Date: April 15, 2016
Bill Status: Senate Finance
Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: CONSUMER FINANCE CHARGES INFLATION ADJUSTMENT

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal workload increase.		

Summary of Legislation

This bill requires the administrator of the Consumer Credit Code to adjust the financed dollar amounts for supervised loans and consumer credit sales issued by a Colorado lender based on the consumer price index for the Denver-Boulder-Greeley metropolitan statistical area. The administrator must adjust these amounts for inflation no later than January 1, 2017, and each January 1 thereafter.

Background

Under current law, annual finance charge limits are tiered as follows:

- 36 percent on an unpaid balance of \$1,000 or less;
- 21 percent on an unpaid balance of more than \$1,000 to less than \$3,000; and
- 15 percent on an unpaid balance that is more than \$3,000.

Supervised loans and consumer credit sales issued by a Colorado lender must comply with the Colorado Uniform Consumer Credit Code (UCCC), which is administered by the Attorney General's Office within the Department of Law.

The Federal Bureau of Labor Statistics in the U.S. Department of Labor administers the consumer price index program.

State Expenditures

Beginning in FY 2016-17, this bill increases workload for the Department of Law by a minimal amount to adjust financed dollar amounts. This bill may also result in a minimal increase in the number of inquiries to the department about changes to the financed dollar amounts, but this is not expected to require additional appropriations for administration, compliance, or enforcement.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology

Law