



**Colorado  
Legislative  
Council  
Staff**

**HB17-1043**

**FISCAL NOTE**

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

**Drafting Number:** LLS 17-0624 **Date:** January 12, 2017  
**Prime Sponsor(s):** Rep. Navarro; Gray **Bill Status:** House Finance  
 Sen. Priola; Williams A. **Fiscal Analyst:** Chris Creighton (303-866-5834)

**BILL TOPIC:** CONTINUE FUNDING FRAUD INVESTIGATORS UNIT

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
<b>State Revenue</b>	<b><u>\$103,675</u></b>	<b><u>0</u></b>
Cash Fund	103,675	0
<b>State Expenditures</b>	Workload continuation.	
<b>TABOR Impact</b>	\$103,375	
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> None.		

**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 of 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 Identify 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, this bill increases Identity Theft Unit cash fund revenue by an estimated \$103,675. No change in revenue is expected in FY 2018-19.

## 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	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
Uniform Commercial Code Filing Surcharge FY 2017-18	\$3	\$4	\$1	103,675	\$103,675
<b>TOTAL</b>					<b>\$103,675</b>

## TABOR Impact

This bill increases state revenue from uniform commercial code filing surcharges in FY 2017-18, which will increase the amount of money required to be refunded under TABOR in FY 2017-18. TABOR refunds are paid out of the General Fund. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

## 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**

Information Technology

Public Safety