



**Colorado  
Legislative  
Council  
Staff**

**SB17-216**

**FISCAL NOTE**

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

**Drafting Number:** LLS 17-0298 **Date:** March 17, 2017  
**Prime Sponsor(s):** Sen. Gardner **Bill Status:** Senate Judiciary  
 Rep. Becker K.; Lontine **Fiscal Analyst:** Erin Reynolds (303-866-4146)

**BILL TOPIC:** SUNSET CONTINUE FAIR DEBT COLLECTIONS ACT

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b>		<b>\$779,900</b>
<i>Continuing revenue</i>		
Cash Funds		779,000
<i>New revenue</i>		
Cash Funds		
<b>State Expenditures</b>	<b>(\$860)</b>	<b>\$798,140</b>
<i>Continuing expenditures</i>		
Cash Funds		799,000
<i>New expenditures</i>		
Cash Funds	(860)	(860)
<b>TABOR Impact</b>		\$779,000
<b>FTE Position Change</b>		7.0 FTE
<b>Appropriation Required:</b> (\$860) - Department of Law (FY 2017-18).		
<b>Future Year Impacts:</b> Continuation of revenue and expenditures through FY 2028-29.		

**Summary of Legislation**

The bill continues the Colorado Fair Debt Collection Practices Act for 11 years, through September 1, 2028, and implements the Department of Regulatory Agencies' (DORA) sunset report recommendations, including:

- repealing the Collection Agency Board;
- defining what is expected of a collection agency, solicitor, or debt collector that purchases, sells, or attempts to collect on purchased debt by modifying the definition of "debt" and adding a definition for "retired debt";
- clarifying that the statute of limitations for a collection agency, solicitor, or debt collector to contact a debtor is four years after the last payment was made on a debt;
- clarifying that the statute of limitations for the Uniform Consumer Credit Code administrator to bring an action or proceeding against a collection agency, solicitor, or debt collector is four years after the date the violation occurred; and

- allowing consumers who have a monetary judgement against a collection agency, solicitor, or debt collector to access surety bond funds.

### **Fiscal Impact of Programs Set to Expire**

This bill continues a program in the Department of Law that is set to repeal effective July 1, 2017. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2018-19, one year after the repeal date. There is no need for an appropriation of the current base funding for the program in FY 2017-18 since its authorization has not yet expired and ongoing funding for the program has been included in the department's base budget request. Based on the budget request for FY 2017-18, the program is anticipated to have continuation revenue of \$779,000 and continuation expenditures of \$799,000, which includes an allocation of 7.0 FTE, in FY 2018-19.

### **State Revenue**

By continuing the Colorado Fair Debt Collection Practices Act, the bill increases cash fund revenue to the Department of Law by an estimated \$779,000 in FY 2018-19 from licensing fees and enforcement fines, deposited into the Collection Agency Cash Fund. This revenue represents a continuation of existing revenue to the program.

### **TABOR Impact**

This bill will increase state cash fund revenue from licensure fees and enforcement fines, which will increase the amount of money required to be refunded under TABOR for FY 2018-19. 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**

By continuing and modifying the Colorado Fair Debt Collection Practices Act in the Department of Law, the bill decreases expenditures by \$860 in FY 2017-18, and increases expenditures by \$798,140 in FY 2018-19 and an allocation of 7.0 FTE, paid from the Collection Agency Cash Fund. The cost savings beginning in FY 2017-18 results from the repeal of the Collection Agency Board under the bill. The FY 2018-19 costs represent the continuation of the program beyond its current repeal date and wind-up period, and the ongoing cost savings.

### **Effective Date**

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

**State Appropriations**

In FY 2017-18, a reduction in cash fund appropriations of \$860 is required for the Department of Law from the Collection Agency Cash Fund.

**State and Local Government Contacts**

Information Technology

Law