



Legislative Council Staff
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Fiscal Note

Drafting Number: LLS 24-0578 Date: April 4, 2024
Prime Sponsors: Rep. Kipp; Soper Bill Status: House Finance
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Bill Topic: SUNSET DIVISION OF FINANCIAL SERVICES

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [] Local Government
[X] State Expenditure [] TABOR Refund [] Statutory Public Entity

Sunset bill. The bill continues the regulation of financial services, which is scheduled for repeal on September 1, 2024. State fiscal impacts include the continuation of the program's current revenue and expenditures. Changes to the program under the bill have minimal workload impact. The program is continued through September 1, 2039.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 24-1381

Table with 3 columns: Category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include New Impacts (Revenue, Expenditures), Continuing Impacts (Revenue, Expenditures), Transfers, and Other Budget Impacts (TABOR Refunds).

1 Table 1 shows the new impacts resulting from changes to the program under the bill, and the continuing impacts from extending the program beyond its current repeal date. Because the bill continues a program with minor changes, the new impacts are minimal and not quantified. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

The bill continues the regulation of credit unions, savings and loan associations, and life care institutions, for 15 years from September 1, 2024, to September 1, 2039. The bill also:

- establishes a procedure for interstate mergers;
- raises the civil penalty limit for failing to adhere to a cease and desist order from \$1,000 to \$5,000 per day; and
- makes changes to disclosure and other operations requirements for credit unions.

Background

Financial services have been regulated in Colorado since 1931. There are currently 46 licensed operators in Colorado including: 35 credit unions, 5 savings and loan associations, and 6 life care institutions. The full sunset report and recommendations can be found [here](#).

Continuing Program Impacts

Based on the 2023 sunset report, DORA is expected to have revenue of about \$2,561,000 and expenditures of \$2,032,000 to administer the Financial Services Division in FY 2025-26. If this bill is enacted, these impacts will continue for the program starting in FY 2025-26. This continuing revenue is subject to the TABOR. If this bill is not enacted, the program will end on September 1, 2025, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2025-26 by the amounts shown in Table 1.

State Expenditures

Workload will minimally increase in DORA to conduct rulemaking, education, and outreach concerning the new policies. No change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial
Secretary of State

Law

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).