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Fiscal Note

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Prime Sponsors: Rep. Clifford; Soper Bill Status: House Judiciary
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Bill Topic: REPEAL CBI CRIMINAL JUSTICE RECORD SEALING FEE

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

The bill repeals the requirement for defendants to pay the Colorado Bureau of Investigation to seal a record. Starting in FY 2024-25, the bill decreases state revenue and increases and refines state expenditures.

Appropriation Summary: For FY 2024-25, the bill requires a net increase in appropriations of \$372,350 to the Department of Public Safety.

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

Table 1
State Fiscal Impacts Under HB 24-1432

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (TABOR Refund, General Fund Reserve).

Summary of Legislation

The bill repeals the requirement that a defendant seeking to seal a criminal record pay the Colorado Bureau of Investigation (CBI) for any costs related to sealing the record. The bill requires CBI to waive the fee for all requests it received before the effective date of the bill and to seal the record by June 30, 2026.

Background

Based on the most recent data available, CBI received 44,382 sealing requests in FY 2022-23, of which 7,961, or 18 percent, paid the required sealing fee of \$20. This resulted in \$159,220 in revenue credited to the CBI Identification Unit Cash Fund.

State Revenue

Starting in FY 2024-25, the bill reduces revenue to the CBI Identification Unit Cash Fund by an estimated \$159,220 per year. This amount is based on FY 2022-23 revenue.

State Expenditures

Starting in FY 2024-25, the bill increases General Fund expenditures in the CBI by \$470,000 in FY 2024-25 and \$624,000 in FY 2026-27 to seal the backlog of unpaid sealing request over two years. In addition, expenditures of \$159,000 will be paid from the General Fund instead of the CBI Identification Unit Cash Fund to the General Fund, as shown in Table 2 and described below.

Table 2
Expenditures Under HB 24-1432

	FY 2024-25	FY 2025-26
Department of Public Safety		
Personal Services	\$332,600	\$465,640
Operating Expenses	\$6,400	\$8,960
Capital Outlay Costs	\$33,350	\$13,340
General Fund Backfill	\$159,220	\$159,220
Lost Revenue to the CBI Identification Unit Cash Fund	(\$159,220)	(\$159,220)
Centrally Appropriated Costs ¹	\$97,458	\$136,441
Total Cost	\$469,808	\$624,381
Total FTE	5.0 FTE	7.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Bureau of Investigation – Department of Public Safety. The CBI will have increased costs to seal records for no fee, as outlined below.

- **Staff.** The CBI requires a total of 12.0 FTE over two years to seal the records of individuals who did not have records sealed due to nonpayment. There are an estimated 36,241 sealing requests that meet this criteria which each take an estimated 40 minutes. Due to the timeline to seal cases within two years, and the bill's effective date, CBI will start with 5.0 FTE in FY 2024-25, and increase to 7.0 FTE in FY 2025-26. Standard operating and capital outlay costs are included.
- **General Fund backfill.** Starting in FY 2024-25, CBI expenditures for record sealing that were previously covered by fee revenue to the CBI Identification Unit Cash Fund will require General Fund instead.
- **Potential future costs.** Under current law, CBI is only responsible for sealing records for which they are paid to seal. Under this bill, CBI will now be responsible to seal all records regardless of payment, for which the General Fund backfill identified above may not be sufficient. However, the department is currently working to implement Senate Bill 22-099, which is expected to streamline and automate the sealing process, which may mitigate the need for additional staff in future fiscal years. The fiscal note assumes this will be addressed through the annual budget process.

Other Budget Impacts

TABOR refunds. The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue will increase the amount of General Fund available to spend or save.

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

For FY 2024-25, the bill requires the following appropriations:

- \$531,570 from the General Fund to the CBI in the Department of Public Safety; and
- a reduction of \$159,220 from the CBI Identification Unit Cash Fund to the CBI in the Department of Public Safety.

State and Local Government Contacts

Judicial

Public Safety

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](#).