



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0649 **Date:** February 17, 2022
Prime Sponsors: Rep. Benavidez; Bockenfeld **Bill Status:** House Judiciary
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Bill Topic: **CATALYTIC CONVERTER RECORDS AND GRANT PROGRAM**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates requirements for recording transactions of catalytic converters and creates a grant program. It increases state expenditures beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$300,000 to the Department of Public Safety.

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

Table 1
State Fiscal Impacts Under HB 22-1217

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue	Cash Funds	-	-
Expenditures	General Fund	\$300,000	\$300,000
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$45,000	\$45,000

Summary of Legislation

The bill creates requirements for recording transactions of catalytic converters, which are elements of a car's exhaust system that makes exhaust gas less polluting, and creates a grant program.

Catalytic converter records. A person who sells, transfers, buys, or receives a catalytic converter or its parts must keep a record of the transaction for one year. The bill specifies the information to be recorded and requires the person to allow certain individuals, including a peace officer, a representative of the Commodity Metals Theft Task Force, or an employee of the Department of Public Health and Environment (CDPHE), to review the record upon request. A violation of these requirements constitutes a petty offense, and each subsequent violation within three years of a prior conviction constitutes a class 5 felony.

Grant program. The bill creates the Catalytic Converter Identification and Theft Prevention Grant Program in the Department of Public Safety (CDPS) to raise awareness of catalytic converter theft and for catalytic converter identification and tracking efforts. CDPS must adopt rules for the program, consistent with guidelines established in the bill. By June 30 of each year beginning in 2023, the department must submit a report to the legislature on the status of the grant program. The program repeals on July 1, 2025.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. This section outlines data on crimes comparable to the offense in this bill and discusses assumptions on future rates of criminal conviction for those offense.

Prior conviction data and assumptions. This bill creates the new offense of failing to maintain catalytic converter transaction records, a petty offense for first violations and a class 5 felony for subsequent violations. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of failing to keep a book or register by a metal salvager as a comparable crime. From FY 2018-19 to FY 2020-21, zero offenders have been sentenced and convicted for this existing offense; therefore, the fiscal note assumes that there will be minimal or no additional case filings or convictions for the new offense under the bill.

Criminal justice impacts. Because the bill is not expected to have a tangible impact on criminal justice-related expenditures or revenue at the state or local levels, these potential impacts are not discussed further in this fiscal note. Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

State Expenditures

The bill increases state expenditures in multiple state agencies, primarily in CDPS, by \$300,000 in FY 2022-23 and FY 2023-24 from the General Fund.

Department of Public Safety. Beginning in FY 2023-24, expenditures will increase in CDPS by \$300,000 to administer the grant program. The fiscal note assumes that 30 grants averaging \$10,000 will be awarded, but the General Assembly has the discretion to determine this amount. Workload will increase to adopt rules for the program, review grant applications, monitor grantees, and compile the annual report. This workload can be accomplished within existing appropriations.

Department of Public Health and Environment. Workload may increase to review catalytic converter transaction records. This workload can be accomplished within existing appropriations.

Other Budget Impacts

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 beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$45,000 in FY 2022-23 and FY 2023-24, which will decrease the amount of General Fund available for other purposes.

Local Government

Revenue and expenditures will increase in municipalities, counties, special districts, and other units of local government to the extent that they apply for and/or receive grants. Workload may increase for local law enforcement to review catalytic converter transaction records.

Effective Date

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

State Appropriations

For FY 2022-23, the bill requires an appropriation of \$300,000 to the Department of Public Safety from the General Fund.

State and Local Government Contacts

Information Technology
Legislative Council Staff

Judicial
Public Health and Environment

Law
Public Safety