



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated February 17, 2022)

**Drafting Number:** LLS 22-0649 **Date:** March 1, 2022  
**Prime Sponsors:** Rep. Benavidez; Bockenfeld **Bill Status:** House Appropriations  
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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 requires audits of 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 appropriations totaling \$402,595 to the Department of Public Safety. See State Appropriations section for detail.

**Fiscal Note Status:** The revised fiscal note reflects the introduced bill, as amended by the House Judiciary Committee.

**Table 1  
State Fiscal Impacts Under HB 22-1217**

		Budget Year FY 2022-23	Out Year FY 2023-24
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$300,000	\$300,000
	Highway Users Tax Fund <sup>1</sup>	\$102,595	\$362,835
	Centrally Appropriated	\$8,098	\$96,180
	<b>Total Expenditures</b>	<b>\$410,693</b>	<b>\$759,015</b>
	<b>Total FTE</b>	<b>0.3 FTE</b>	<b>3.5 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$45,000	\$45,000

<sup>1</sup>Expenditures from the Highway Users Tax Fund are conditional on the passage of Senate Bill 22-009.

**Summary of Legislation**

The bill requires audits of transactions of catalytic converters, which are elements of a car’s exhaust system that makes exhaust gas less polluting, and creates a grant program.

**Commodity metals records audits.** The Commodity Metals Theft Task Force in the Department of Public Safety must complete an audit of all commodity metals dealers during FY 2023-24 and publish a public report of its findings by December 31, 2024. This audit requirement only applies if Senate Bill 22-009, which adds transactions of catalytic converters to the records requirements of commodity metals dealers, also passes.

**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.

**State Expenditures**

The bill increases state expenditures in CDPS by \$410,693 in FY 2022-23 and \$759,015 in FY 2023-24 from various funds. Expenditures are shown in Table 2 and detailed below.

**Table 2  
 Expenditures Under HB 22-1217**

	FY 2022-23	FY 2023-24
<b>Department of Public Safety</b>		
Personal Services	\$24,998	\$299,970
Operating Expenses	-	\$4,725
Capital Outlay Costs	\$24,800	-
Grant Awards	\$300,000	\$300,000
Academy Equipment	\$47,952	-
Vehicle Leases	\$3,450	\$41,400
Vehicle Maintenance	\$1,395	\$16,740
Centrally Appropriated Costs <sup>1</sup>	\$8,098	\$96,180
<b>Total Cost</b>	<b>\$410,693</b>	<b>\$759,015</b>
<b>Total FTE</b>	<b>0.3 FTE</b>	<b>3.5 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Public Safety.** Beginning in FY 2022-23, expenditures will increase in CDPS to conduct audits of commodity metals dealers and administer the grant program.

- **Records audits.** CDPS requires 3.5 FTE to conduct audits, ensure compliance, generate audit reports, and create the final report. The fiscal note assumes a start date of June 1, 2023, and standard operating and capital outlay costs are included. Additional costs include training and outfitting troopers. The department will lease three vehicles from the state fleet, which is managed by the Department of Personnel and Administration. These costs are paid from the Highway Users Tax Fund.
- **Grant program.** Expenditures will increase by \$300,000 from the General Fund 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.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## 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 receive grants.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that the section pertaining to audits by the Commodity Metals Theft Task Force only takes effect if Senate Bill 22-009 becomes law.

## State Appropriations

For FY 2022-23, the bill requires the following appropriations to the Department of Public Safety:

- \$300,000 from the General Fund; and
- \$102,595 from the Highway Users Tax Fund, and 0.3 FTE. Of this, \$3,450 is reappropriated to the Department of Personnel and Administration.

**State and Local Government Contacts**

Information Technology  
Legislative Council Staff

Judicial  
Public Health and Environment

Law  
Public Safety

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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: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).