

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE RIGHTS OF A PERSON WITH OWNERSHIP INTEREST IN A VEHICLE THAT HAS BEEN TOWED FROM PRIVATE PROPERTY WITHOUT THE PERSON'S CONSENT.

Prime Sponsors: Reps. Ricks and Hooton
Sens. Gonzales and Sonnenberg

JBC Analyst: Mitch Burmeister
Phone: 303-866-3147
Date Prepared: April 27, 2022

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/25/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Department of Revenue submitted fiscal impact information after the publication of the attached fiscal note that increased the required appropriation for FY 2022-23. The Department indicated that the requirement to notify vehicle owners of remittances owed to them as a result of tow carriers selling the vehicles would require an appropriation of \$963,538. Legislative Council Staff and JBC Staff agree that this information will increase the required appropriation.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.003	Staff-prepared appropriation amendment
L.022/J.004	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.003 Staff has prepared amendment **J.003** (attached) to add a provision appropriating a total of \$68,827 General Fund to the Department of Regulatory Agencies for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.8 FTE. Of that amount, \$5,733 is reappropriated to the Department of Personnel. A further \$963,583 General Fund is appropriated to the Department of Revenue for FY 2022-23, based on the assumption that the Department will require an additional 5.6 FTE. Of that amount, \$18,611 is reappropriated to the Department of Personnel and \$6,535 is reappropriated to the Office of Information Technology.

L.022 and J.004

Bill Sponsor amendment **L.022** (attached) eliminates the requirement for the Department of Revenue to collect remittances and notify owners of vehicles that have been sold by tow carriers. The tow carriers now bear the responsibility for remitting funds to the lienholders and owners of the vehicles that the carriers sell. If the carriers are unable to remit the funds to the rightful parties, then the funds will be remitted to the Unclaimed Property Trust Fund in the Department of the Treasury. This eliminates the fiscal impact and appropriation to the Department of Revenue.

Staff has prepared amendment **J.004** (attached) to add a provision appropriating a total of \$68,827 General Fund to the Department of Regulatory Agencies for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department will require an additional 0.8 FTE. Of that amount, \$5,733 is reappropriated to the Department of Personnel.

If the Committee adopts L.022, then it should adopt J.004 and not adopt J.003.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to

HB22-1314

JBC Staff Analysis

maintain the statutory General Fund reserve.

If **J.003** is adopted, this bill would create an ongoing obligation and requires a General Fund appropriation of \$1,032,410 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.

If **L.022 and J.004** are adopted, this bill would create an ongoing obligation and requires a General Fund appropriation of \$68,827 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.