



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 8, 2024)

Drafting Number:	LLS 24-1119	Date:	May 3, 2024
Prime Sponsors:	Rep. Clifford; Soper Sen. Michaelson Jenet	Bill Status:	Senate Appropriations
		Fiscal Analyst:	Aaron Carpenter 303-866-4918 aaron.carpenter@coleg.gov

Bill Topic: REPEAL CBI CRIMINAL JUSTICE RECORD SEALING FEE

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> TABOR Refund	<input type="checkbox"/> 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 state expenditures.

Appropriation Summary: For FY 2024-25, the bill requires a net increase in appropriations of \$282,309 to the Department of Public Safety.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill. The bill has been revised to reflect new information.

Table 1
State Fiscal Impacts Under HB 24-1432

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue	Cash Funds	(\$159,220)	(\$159,220)
	Total Revenue	(\$159,220)	(\$159,220)
Expenditures	General Fund	\$441,529	\$401,509
	Cash Funds	(\$159,220)	(\$159,220)
	Centrally Appropriated	\$116,950	\$116,950
	Total Expenditures	\$399,259	\$359,239
	Total FTE	6.0 FTE	6.0 FTE
Transfers		-	-
Other Budget Impacts	TABOR Refund	(\$159,220)	(\$159,220)
	General Fund Reserve	\$66,229	\$60,226

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, on net, increases expenditures in the CBI by \$399,000 in FY 2024-25 and \$359,000 in FY 2026-27 to seal requests over two years. This increase accounts for an increase in General Fund expenditures and a decrease in cash fund expenditures from the CBI Identification Unit Cash 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	\$393,829	\$393,829
Operating Expenses	\$7,680	\$7,680
Capital Outlay Costs	\$40,020	-
Lost Revenue to the CBI Identification Unit Cash Fund	(\$159,220)	(\$159,220)
Centrally Appropriated Costs ¹	\$116,950	\$116,950
Total Cost	\$399,259	\$359,239
Total FTE	6.0 FTE	6.0 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 6.0 FTE to seal an estimated 44,000 records over two years, paid from the General Fund. This includes the records of individuals who did not have records sealed due to nonpayment, as well as records being sealed by staff previously supported by fees to the CBI Identification Cash Fund. It is estimated that each record takes around 40 minutes of staff time to seal. In addition, the bill reduces workload for staff to no longer follow up and seek payment from record sealing applicants who did not pay the fee. Standard operating and capital outlay costs are included.
- **CBI Identification Cash Fund.** 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 decrease. This amount is estimated at about \$159,000 per year.
- **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 additional General Fund supported staff 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 any future impacts will be addressed through the annual budget process, if necessary.

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:

- an increase of \$441,529 from the General Fund to the CBI in the Department of Public Safety, and 6.0 FTE; and
- a reduction of \$159,220 from the CBI Identification Unit Cash Fund to the CBI in the Department of Public Safety.

The bill currently includes an appropriation increase of \$531,570 from the General Fund and a decrease of \$159,220 from the CBI Identification Unit Cash Fund.

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](#).