



Legislative Council Staff

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Fiscal Note

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Prime Sponsors:	Sen. Fields	Bill Status:	Senate Judiciary
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Bill Topic: **UPDATES TO THE CRIME VICTIM COMPENSATION ACT**

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

The bill makes several updates to victim compensation. Starting in FY 2024-25, the bill will increase state and local revenue and expenditures.

Appropriation Summary: No appropriation is required for the Crime Victim Compensation Fund.

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

**Table 1
State Fiscal Impacts Under SB 24-120**

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue	Cash Funds	\$214,768	\$248,287
Expenditures	Cash Funds	up to \$214,768	up to \$248,287
Transfers		-	-
Other Budget Impacts	TABOR Refunds	\$214,768	\$248,287

Summary of Legislation

The bill makes several modifications to the victim compensation program including changing award approval requirements, what losses are eligible for reimbursement, increasing the amount of funding that may be used for administrative expenses, and placing a surcharge on criminal actions that result in alternative sentencing.

Approval requirements. Under current law, a person eligible for compensation must notify law enforcement of a crime within 72 hours of the perpetration of the crime and must submit an application within one year of the date of the injury. The bill clarifies that the requirement to notify law enforcement is met when the person provides documentation of a forensic examination conducted by a nurse or medical provider.

Compensable losses. Only certain losses are eligible for victim compensation. The bill removes outpatient care and homemaker and home health services as compensable losses and adds:

- replacement services losses;
- funeral expenses;
- reasonable travel expenses related to funeral, burial, medical care, counseling, and attending critical events during the criminal justice process unless the victim is subpoenaed to testify;
- dependent care services;
- payment of the deductible on a motor vehicle insurance policy;
- reasonable relocation expenses;
- towing or impound fees; and
- repair or replacement of medically necessary devices.

The bill clarifies that compensable loss related to repairing property applies to residential property and makes motor vehicle expenses not related to insurance or rekeying the vehicle non-compensable.

Deducting compensation approval from collateral sources. Under current law, a victim compensation board must deduct from an applicant's overall compensation approval any payments the applicant receives from the offender, the government, a private source, or an emergency approval of compensation. The bill allows but does not require this deduction.

Compensation to relatives. The bill adds funeral expenses to the list of eligible expenses that are compensated for relatives of a victim.

Emergency approvals. Under current law, a board may approve emergency compensation up to \$2,000. The bill removes this cap and allows a board to set its own cap.

Administrative expense. The bill increases the amount district attorneys and the court executive may use for administrative expenses, from 12 to 22.5 percent, with district attorneys allowed to use 20 percent and the court executive allowed to use 2.5 percent.

Victim compensation surcharge. Finally, the bill establishes a new \$33 surcharge on each criminal action that results in placement in an alternative sentencing program (diversion surcharge), and removes the court's ability to waive victim compensation surcharges for indigency.

Assumptions

Indigence waivers. Based on FY 2019-20 and FY 2020-21 data from the Judicial Department, there were about 1,352 traffic cases, 2,406 misdemeanor cases, and 4,201 felony cases that were assessed a victim compensation penalty, of which one-third received a waiver for indigence.

Inability to pay. The bill precludes the court from waiving fees for indigence; however, certain offenders will not have the funds to pay the diversion surcharge even if required by a court. The fiscal note assumes that 30 percent of individuals who received an indigence waiver, as discussed above, or 10 percent of all offenders, will be unable to pay.

State Revenue

The bill will increase state revenue to the Crime Victim Compensation Fund by \$215,000 in FY 2024-25 and \$248,000 in FY 2025-26 and ongoing from the new surcharge and removing indigence waivers, as described below.

Fee impact on offenders. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are either outlined in the bill (the surcharge in cases of alternative sentencing) or represent the average assessment issued by the courts for certain offenses. The table below identifies the fee impact of this bill, and more information about each source of revenue is explained in more detail below.

**Table 2
Fee Impact on Offenders**

Year	Type of Fee	Assessment	Number Affected	Percent Collected	Total Fee Impact
FY 24-25	Diversion Surcharge	\$33.00	1,215	55%	\$22,052
	Waived Indigence – Traffic	\$40.00	446	28%	\$4,995
	Waived Indigence – Misdemeanor	\$78.00	794	38%	\$23,534
	Waived Indigence – Felony	\$163.00	1399	72%	\$164,187
FY 2024-25 Total					\$214,768
FY 25-26	Diversion Surcharge	\$33.00	1,215	55%	\$22,052
	Waived Indigence – Traffic	\$40.00	446	28%	\$4,995
	Waived Indigence - Misdemeanor	\$78.00	794	38%	\$23,534
	Waived Indigence – Felony	\$163.00	1399	72%	\$164,187
	Prior-Year Collections	-	-	-	\$33,518
FY 2025-26 Total					\$248,287

Diversions surcharge. Starting in FY 2024-25, revenue to the Crime Victim Compensation Fund will increase due to the new \$33 diversion surcharge on offenses that result in placement in an alternative sentencing program. Based on Judicial data analyzed by Legislative Council Staff, there were about 1,350 diverted sentences in FY 2022-23. Applying the ability to pay assumption outlined above, it is estimated that 135 individuals will be unable to pay the new surcharge. Of the remaining individuals, based on Judicial Department collection rates for other victim compensation assessments, it is assumed 55 percent of the diversion surcharge assessed will be collected in the fiscal year. It is unknown what the collection rate of district attorney offices will be; therefore, actual revenue may vary.

Waiving indigence. By removing the ability for the court to waive a victim assessment due to indigence, the bill will increase revenue from requiring payment from individuals that receive a waiver. Applying the ability to pay assumption outlined above, the fiscal note estimates that an additional 446 traffic offenses, 794 misdemeanor cases, and 1,399 felony cases will be assessed a victim compensation assessment. Based on Judicial Department collection rates for each of these offenses (28 percent for traffic offenses, 38 percent for misdemeanor offenses, and 72 percent for felony offenses), the fiscal note further estimates how much will be collected in one fiscal year, as outlined in Table 2.

Prior year collections. Starting in FY 2025-26, revenue will increase from collections of assessments that were assessed in the prior fiscal year. It is estimated that 12 percent of the diversion surcharge, 14 percent of the waived traffic assessment, 12 percent of the waived misdemeanor assessment, and 8 percent of the waived felony assessment will be collected.

State Expenditures

Starting in FY 2024-25, bill increases workload within the Judicial Department and may increase expenditures from the Crime Victim Compensation Fund, as described below.

Judicial Department. Workload within the Judicial Department will increase to update its information technology system to create a new financial code, and for accounting staff to update ledgers and spreadsheets to track the new revenue, and to make payments to each judicial districts. All work can be accomplished within existing workload and no change in appropriations is required.

Victim compensation. By increasing revenue to the Crime Victim Compensation Fund, expenditures from the fund will also increase to award more compensation. Exact increases will depend upon funding decisions by each individual judicial district's victim compensation board. In addition, the bill may change individual compensation awards in two ways. First, by increasing administrative expenses, there may be less money available for victim compensation awards. Second, by changing the requirements on how to get an award, and what is eligible for reimbursement, the number of individuals receiving compensation and the size of individual awards may increase, which may decrease award amounts in other areas. The fiscal note assumes that victim compensation boards will make compensation award decisions within the available funds.

Other Budget Impacts

TABOR refunds. The bill is expected to increase 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 December 2023 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, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Local Government

District attorneys. Starting in FY 2024-25, the bill will increase workload for district attorney offices that run diversion programs to collect and transmit the diversion surcharge. In addition, revenue to district attorney offices will increase from retaining additional victim compensation funds for administrative purposes, as allowed under the bill.

Victim compensation boards. Starting in FY 2024-25, the bill will increase revenue to, and may increase expenditures in victim compensation boards. The exact revenue increase to each board will be dependent upon the number of diversion cases in each judicial district and the number of waived indigence cases there currently are in the judicial district. In addition, the exact increase in expenditures will be dependent upon compensation award decisions made by each board.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to compensation approvals on or after this date.

State and Local Government Contacts

District Attorneys

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](#).