



Legislative Council Staff  
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# Fiscal Note

**Drafting Number:** LLS 23-0109  
**Prime Sponsors:**

**Date:** September 16, 2022  
**Bill Status:** Bill Request  
**Fiscal Analyst:** Matt Bishop | 303-866-4796  
Matt.Bishop@state.co.us

**Bill Topic:** **STOLEN CATALYTIC CONVERTER REPLACEMENT EXEMPTION**

**Summary of Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill lowers the emissions requirements for a replacement catalytic converter when an individual's catalytic converter is stolen. It increases state expenditures in FY 2023-24 and FY 2024-25 only.

**Appropriation Summary:**

For FY 2023-24, the bill requires an appropriation of \$207,131 to the Department of Public Health and Environment.

**Fiscal Note Status:**

The fiscal note reflects the draft bill as requested by the Transportation Legislation Review Committee.

**Table 1  
State Fiscal Impacts Under Bill 8**

		<b>Budget Year FY 2023-24</b>	<b>Out Year FY 2024-25</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$207,131	\$207,694
	Centrally Appropriated	\$43,310	\$51,663
	<b>Total Expenditures</b>	<b>\$250,441</b>	<b>\$259,357</b>
	<b>Total FTE</b>	<b>2.2 FTE</b>	<b>2.6 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$31,070	\$31,154

## Summary of Legislation

Current law requires catalytic converters to comply with the California Air Resources Board air quality standards. The bill allows an individual to operate a motor vehicle with a catalytic converter that complies with the less stringent federal Environmental Protection Agency standards if their previous catalytic converter was stolen, they reported the theft to law enforcement, and they made a reasonable effort to obtain a new catalytic converter that complies with existing standards. The Air Quality Control Commission in the Colorado Department of Public Health and Environment (CDPHE) must promulgate rules to implement these provisions, which repeal July 1, 2025.

## State Expenditures

The bill increases state expenditures in CDPHE by approximately \$250,000 in FY 2023-24 and FY 2024-25 from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under Bill 8**

	FY 2023-24	FY 2024-25
<b>Department of Public Health and Environment</b>		
Personal Services	\$153,138	\$204,184
Operating Expenses	\$2,835	\$3,510
Capital Outlay Costs	\$20,010	-
Translation Services and Materials	\$10,000	-
Legal Services	\$21,148	-
Centrally Appropriated Costs <sup>1</sup>	\$43,310	\$51,663
FTE – Personal Services	2.1 FTE	2.6 FTE
FTE – Legal Services	0.1 FTE	-
<b>Total Cost</b>	<b>\$250,441</b>	<b>\$259,357</b>
<b>Total FTE</b>	<b>2.2 FTE</b>	<b>2.6 FTE</b>

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

**Public Health and Environment.** CDPHE requires 2.6 FTE to conduct rulemaking, outreach, tracking, and enforcement of the temporary policy. Staff costs are prorated to account for a September 1, 2023, start date and the General Fund pay date shift. Standard operating and capital outlay costs are included.

- **Translation services and materials.** In FY 2023-24 only, CDPHE requires additional operating costs associated with rulemaking and outreach, estimated at \$10,000.
- **Legal services.** In FY 2023-24 only, CDPHE requires 200 hours of legal services for the Air Quality Control Commission to promulgate new rules. Legal services are provided by the Department of Law at a rate of \$105.74 per hour.

**Potential technology solution.** CDPHE notes that a digital tracking system may be required to provide adequate data security under the bill. Based on the bill's repeal date, the fiscal note assumes that these requirements can be accomplished through a manual tracking process. If a software system is required, CDPHE and the Office of Information Technology estimate costs to be \$565,000 and 2.1 FTE in FY 2023-24, and \$80,000 in FY 2024-25. Manual tracking would still take place for a portion of FY 2023-24 while the system is in development.

**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. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts in Table 1, which will decrease 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 2023-24, the bill requires a General Fund appropriation of \$207,131 to the Department of Public Health and Environment, and 2.1 FTE. Of this amount, \$21,148 is reappropriated to the Department of Law, with an additional 0.1 FTE.

## State and Local Government Contacts

Information Technology

Public Health and Environment

Revenue