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MEMORANDUM

April 27, 2016

TO: Representatives Kevin Priola and Jonathan Singer
FROM: Erin Reynolds, Fiscal Analyst (303-866-4146)
SUBJECT: Fiscal Assessment of Proposed Amendment **HCR1003_L.001**.

This memorandum is an assessment of the fiscal impact of the attached proposed **Amendment L.001 to HCR16-1003**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Amendment L.001 to HCR16-1003 limits the eligible nonprofits that may conduct a raffle under the bill to those affiliated with a professional sports organization. It also removes the requirement that the General Assembly set the annual raffle license fee for this group.

Fiscal Impact of Amendment

By limiting the number of eligible nonprofits that are permitted to hold a raffle, Amendment L.001 removes the need for the Secretary of State's (SOS's) office to create a new licensing database and add on 0.8 FTE in FY 2016-17 to oversee the project. It also removes the ongoing need for 0.2 FTE to process applications in FY 2017-18 and beyond. Instead, this small cohort of licensees can be included in the existing online licensing database currently available on the SOS's website. The amendment also allows the SOS's office to set the licensing fees administratively, which will be set to cover the direct and indirect costs of the administering the new licensees without impacting the fees set on any other license types.

Bill's Revised Fiscal Impact with Amendment

Table 1 shows the conditional fiscal impact summary of Amendment L.001 if the referendum is approved by voters. Licensing fees will be set administratively by the SOS's office to cover the direct and indirect costs associated with the new license type. FY 2016-17 expenditures of \$16,480 represent 160 hours of computer programming costs at a rate of \$103 per hour to revise the online filing system at the SOS's office. Application processing for the 10 or less nonprofits eligible under the bill will be addressed within existing appropriations in FY 2017-18 and beyond. Finally, if voters approve the referendum, new revenue from licensing fees will be a voter-approved revenue increase and have no impact on potential TABOR refunds.

Table 1. Fiscal Impact Summary of HCR16-1003 with Amendment L.001

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	<u>\$16,480</u>	Increase from fees.
Cash Funds	16,480	
State Expenditures	<u>\$16,480</u>	Workload increase.
Cash Funds	16,480	
TABOR Impact	None.	
Appropriation Required: \$16,480 – Department of State (FY 2016-17).		
Future Year Impacts: Ongoing revenue and workload increase.		