SB25-179

JBC Staff Fiscal Analysis

House Appropriations Committee

Concerning the continuation of the "Identity Theft and Financial Deterrence Act", and, in connection therewith, implementing the recommendations contained in the 2024 sunset report by the department of regulatory agencies and making and reducing an appropriation.

Prime Sponsors:
Senators Weissman; Snyder
Representatives Carter; Garcia

Date Prepared:
April 23, 2025

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Fiscal Impacts

Appropriation Already Added to Bill, No Amendment in Packet

General Fund/TABOR Impact

New Cash Fund

Significant General Fund Transfer Increase in Second and Third Years

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/18/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

None.

Current Appropriations Clause in Bill

The bill repeals the current Colorado Identity Theft and Financial Fraud Cash Fund and replaces it by creating the Colorado Identity Theft and Financial Fraud Fund. The bill includes an appropriation clause that reduces by $653,345 the Long Bill appropriation from the Colorado Identity Theft and Financial Fraud Cash Fund to the Department of Public Safety. The appropriation also provides the same amount from the Colorado Identity Theft and Financial Fraud Fund to the Department of Public Safety. The associated 7.0 FTE are likewise decreased and added by the appropriation clause.

Points to Consider

Revenue Source

The current program is successfully cash funded from surcharge revenue on entities engaged in financial transactions. Does the General Assembly wish to replace an industry- and policy-appropriate source of cash fund revenue with General Fund support? Under a TABOR refund, current cash fund revenue increases the TABOR refund to be paid from the General Fund. However, if state revenue drops below the TABOR cap in future years, this program may be threatened if General Fund is less available.

Is the creation of a new cash fund necessary if the intention is to fund the program with General Fund? Is it necessary to repeal the current cash fund and create a new cash fund with a single word change that eliminates "Cash" from the name of the fund?

TABOR/ Excess State Revenues Impact

The March 2025 Office of State Planning and Budgeting (OSPB) revenue forecast projects a TABOR surplus liability of $642.7 million for FY 2025-26 and $775.8 million for FY 2026-27 to be refunded to taxpayers out of the General Fund. Legislation that reduces non-exempt revenue (such as cash funds) will reduce the TABOR refund from the General Fund.

The Joint Budget Committee has proposed a budget package for FY 2025-26 based on the March 2025 OSPB revenue forecast. The budget package includes $18.2 million General Fund set aside for other legislation outside of the JBC budget package. This may be used for appropriations, transfers, or increases in TABOR refunds for FY 2025-26.

This bill is estimated to reduce cash fund revenues by $501,271 in FY 2025-26 and future years, which will increase the available General Fund in each fiscal year by equal amounts. This bill reduces the TABOR refund made out of the General Fund by $501,271 for FY 2025-26, increasing the $18.2 million General Fund set aside for FY 2025-26 by the same amount.

Future Fiscal Impact

Although this bill would not require a General Fund appropriation or transfer for FY 2025-26, it will reduce General Fund revenues by at least $453,271 in FY 2026-27 and by $653,345 in FY 2027-28 and future years, reducing the amount of General Fund available for other purposes.

If FY 2026-27 is a TABOR refund year, the net impact will increase available General Fund by $48,000. For TABOR refund years thereafter, the net impact will decrease General Fund by at least $152,074 annually. If FY 2026-27 is not a TABOR refund year, the net impact will decrease General Fund by $453,271. For non-TABOR refund years thereafter, the net impact will decrease General Fund by at least $653,345 annually.