

recording real property in a county, or for purposes of assessing property taxes. A governmental agency may request the secretary to disclose a participant's actual address in certain instances and the secretary must establish an expedited process for disclosing a participant's actual address to a criminal justice official or agency.

State Revenue

The bill will increase state revenue from surcharges, fees, and fines. In total state revenue is expected to increase by **\$125,267 in FY 2007-08** and \$167,626 per year thereafter. The bulk of these costs relate to a proposed surcharge sufficient to cover the costs of the Department of State identified in the State Expenditures section. However, the amount of the surcharge is not specified in the bill.

Surcharge on Certain Convictions. Beginning July 1, 2007, a surcharge is imposed on any conviction for domestic violence or stalking (or criminal attempt, conspiracy, or solicitation thereof). Although the amount of the surcharge is not specified in the bill, a surcharge of \$28 would generate \$125,267 in FY 2006-07 and \$163,126 per year thereafter, amounts that would cover costs of the Department of State.

The most recent data indicate that roughly 10,000 convictions per year are attributable to these crimes, most of which are misdemeanor offenses. All or part of the surcharge may be waived for indigents or others who cannot pay. Based on historical collections, and after accounting for the likelihood that the surcharge would be reduced or waived for certain offenders, it is assumed that the state would collect 52 percent of assessed surcharges in the first year and 68 percent of assessed surcharges in subsequent years.

Five percent of all surcharge revenue is to be retained by the State Court Administrator for administrative costs and credited to the Judicial Stabilization Cash Fund. All other moneys are credited to the Address Confidentiality Program Surcharge Fund and are subject to annual appropriation to the Department of State for program costs. The Secretary of State may also seek gifts, grants, and donations to support the program.

Fees for Handling 2nd Class and Other Mail. Beginning in FY 2008-09, a participant may request that the Secretary of State handle mail other than first-class, certified, and registered mail at the participant's expense. If each of the estimated 300 participants per year request this service, and postage costs average \$15 per year for each participant, the state would collect \$4,500 from participants. It is assumed that this money would be credited to the Address Confidentiality Program Surcharge Fund to offset the department's costs for handling 2nd class and other mail.

Potential fine revenue for new class 1 misdemeanor. Any person who knowingly and intentionally obtains or discloses information in violation of the law is guilty of a class 1 misdemeanor. Per Section 18-1.3-501, C.R.S., the penalty for a class 1 misdemeanor is 6 to 18 months imprisonment in a county jail, a fine of \$500 to \$5,000, or both. Fine revenue not otherwise appropriated is deposited into the Fines Collection Cash Fund. Because the courts have the discretion

of incarceration or imposing a fine, the impact to state revenue cannot be determined. However, a minimal amount of fine revenue (less than \$5,000 per year) is assumed under the bill beginning in FY 2008-09.

State Expenditures

Establishing the program is expected to require **\$124,081 and 1.5 FTE in FY 2007-08**. The bulk of the first-year costs (\$109,789) relate to operating the program in the Department of State, as shown in Table 1, but a portion (\$14,293) relates to one-time computer programming changes in the Department of Revenue. Program costs are anticipated to be at least \$137,119 in FY 2008-09 and will increase in future years based on the number of participants and the volume of mail to be processed.

Table 1. Department of State Costs Under HB 07-1350		
Cost Components	FY 2007-08	FY 2008-09
Personal Services	\$70,121	\$92,003
FTE	1.5	2.0
Operating Expenses (including postage)	\$10,160	\$19,614
Capital Outlay	\$5,508	\$1,503
Leased Space	\$24,000	\$24,000
TOTAL	\$109,789	\$137,120

Department of State costs shown in Table 1 would be paid from surcharge revenue credited to the Address Confidentiality Program Surcharge Fund. These costs are based on the following assumptions:

- the program is available to participants beginning July 1, 2008, but startup costs will be incurred in FY 2007-08;
- an average of 300 people will elect to enter the program each year beginning with FY 2008-09, but no person will participate for more than 4 years;
- certifying application assistant centers will require the program manager to travel extensively in the first year;
- staff functions will include developing information packets for participants, receiving and forwarding mail, and responding to inquiries;
- the state will pay an average of \$25 in postage costs per participant per year for forwarding first-class, certified, and registered mail while participants will pay an average of \$15 per year for other mail;
- staff will require annual training on domestic violence issues; and
- security constraints and the limited space available in the Department of State will require the leasing of additional office space.

This fiscal note identifies the minimum amount of staffing necessary to operate the program, based in large part on the staffing patterns for similar programs across the country. It should be noted, however, that the staffing for those other programs vary widely and the Department of State may need additional resources beyond those identified here, especially after the program has been in place for a few years. It is assumed that any additional resources needed to appropriately staff the program would be provided through the annual budget process.

Department of Revenue costs are for modifying the driver license computer system to account for the extended deadlines granted to program participants. This effort is expected to require 420 hours of computer programming at a one-time cost of \$14,293 in FY 2007-08. Computer programming costs for the driver license system are paid from the General Fund. It should be noted, however, that the Joint Budget Committee (JBC) is recommending \$226,788 and 2.2 FTE in the FY 2007-08 Long Bill, including \$66,846 from the General Fund, for computer programming costs in the Department of Revenue associated with 2007 proposed legislation. The fiscal note identifies the programming costs associated with this bill, but the JBC's actions eliminate the need for an additional appropriation of moneys for this purpose.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates.

- group health, life and dental insurance
- short-term disability
- inflation indices
- indirect costs
- regular and supplemental amortization equalization disbursements

Local Government Impact

The bill will affect local governments, although the actual costs are unknown. For example, local election officials will have to keep track of a participant's actual address for voting purposes and county assessors will have to keep track of a participant's actual address to assess property taxes. It is assumed that the costs for these functions will not be significant for any individual county, based on the expectation that no more than 1,200 people will participate in the program at any given time.

The penalty for a class 1 misdemeanor is six to 18 months imprisonment in a county jail, a fine of \$500 to \$5,000, or both. Because the courts have the discretion of incarceration or imposing a fine, the impact at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. For the current fiscal year, the state reimburses county jails a daily rate of \$48.96 to house state inmates. It is assumed that the impact of this new misdemeanor will be minimal and will not create the need for additional county jail space.

State Appropriations

For FY 2007-08, the Department of State requires an appropriation of \$109,788 and 1.5 FTE from the Address Confidentiality Program Surcharge Fund. No appropriation for the Department of Revenue is necessary, based on recommendations of the JBC in the FY 2007-08 Long Bill.

Departments Contacted

Judicial	Public Safety
Revenue	State

Note: The Department of State has indicated that a total of 3.0 FTE would be needed to adequately staff the program, as opposed to the 2.0 FTE identified in this fiscal note. This difference in staffing accounts for a difference in costs of \$25,000 in FY 2008-09 and \$50,000 per year thereafter.