

**STATE and LOCAL  
REVISED CONDITIONAL FISCAL IMPACT**

(replaces fiscal note dated February 9, 2011)

**Drafting Number:** LLS 11-0600

**Date:** February 24, 2011

**Prime Sponsor(s):** Rep. Balmer

**Bill Status:** House Appropriations

**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**TITLE:** CONCERNING MEASURES TO STRENGTHEN THE ENFORCEMENT OF LAWS AGAINST ILLEGAL ALIENS.

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
General Fund		\$27,979
<b>FTE Position Change</b>		0.5 FTE
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature except that Section 2 takes effect 30 days after the U.S. Department of Homeland Security's Immigration and Customs Enforcement Agency's Secure Communities Initiative is made available to each local government in the state.		
<b>Appropriation Summary for FY 2011-2012:</b> None.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

*As amended by the House Local Government Committee*, this bill prohibits local governments that do not participate in the U.S. Department of Homeland Security's Immigration and Customs Enforcement (ICE) Agency's Secure Communities Initiative (SCI) from receiving local government grants, severance taxes, local government mineral impact funds, and cigarette tax revenues. Funds that are forfeited are to be redirected proportionately to all eligible local governments. The director of the Colorado Bureau of Investigation (CBI) in the Department of Public Safety (DPS) is tasked with implementing the SCI in consultation with law enforcement associations.

**Background**

Former Governor Ritter signed Colorado onto the SCI on January 4, 2011. The SCI requires that everyone arrested and booked have their fingerprints checked against both FBI criminal records and Immigration and Customs Enforcement (ICE) immigration records. If there is a match with ICE records, ICE and the agency that processed the arrest will evaluate what enforcement action is

needed and whether ICE has the resources to prosecute the case. Priority is given to individuals who pose the greatest threat to public safety. Denver, Arapahoe, and El Paso counties will serve as pilots to test the electronic system. Beginning in calendar year 2013, the FBI database will have sufficient capacity to handle records matching nationwide.

### **State Expenditures**

*The fiscal note assumes a high level of compliance, but under the condition that even one county does not participate in the SCI, this bill will have a General Fund fiscal impact of \$27,979 and 0.5 FTE in FY 2012-13 which is explained below.*

**Department of Local Government (DOLA).** DOLA will have an increase in General Fund expenditures beginning in FY 2012-13 of \$10,219 and 0.5 FTE, conditional upon local governments not complying with the bill.

During the beginning of FY 2012-13, if the DPS reports that all local governments are in compliance with the SCI, the DOLA will not need to proceed with implementing the sanctions in the bill. If DPS reports that some local governments are not in compliance, the DOLA will develop rules for discontinuing those governments' shares in state revenues and developing formulas for redistributing the funds. This requires legal services for rule development, computer programming costs for system changes, and professional staff to implement the redistributions. In addition, DOLA may need to execute a memorandum of understanding with the DPS to share information. These costs are shown in Table 2.

**Department of Revenue (DOR).** DOR will have an increase in General Fund expenditures in FY 2012-13 only of \$17,760, conditional upon local governments not complying with the bill.

Like DOLA, if all local governments are in compliance with the SCI, the DOR will not need to proceed with implementing the sanctions in the bill. If the DOR does need to move forward with implementation, it will require computer programming services to make changes to its revenue accounting system. This is a General Fund conditional impact of \$17,760 in FY 2012-13 and is shown in Table 1.

<b>Cost Components</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>
Personal Services (DOLA)		\$8,749
FTE (DOLA)		0.5
Computer Programming (DOR)		17,760
Legal Services (DOLA)		1,470
<b>TOTAL</b>		<b>\$27,979</b>

**Expenditures Not Included**

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. The centrally appropriated costs subject to this policy are summarized in Table 2.

<b>Table 2. Expenditures Not Included Under HB11-1140*</b>		
<b>Cost Components</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)		\$1,075
Supplemental Employee Retirement Payments		396
<b>TOTAL</b>		<b>\$1,471</b>

*\*More information is available at: <http://colorado.gov/fiscalnotes>*

**Local Government Impact**

Local governments are subject to sanctions for noncompliance with the SCI resulting in loss of revenue. Local governments that are in compliance stand to receive increased revenues from redistribution of funds.

**Departments Contacted**

Public Safety  
Labor and Employment  
Judicial

Local Affairs  
Revenue

Natural Resources  
Corrections