

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 14-1034 **Date:** April 4, 2014  
**Prime Sponsor(s):** Sen. Johnston **Bill Status:** Senate Judiciary  
 Rep. Murray; Court **Fiscal Analyst:** Kristen Koehler (303-866-4918)

**SHORT TITLE:** CRIMINAL PENALTIES FOR CHOP SHOPS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016	FY 2016-2017
<b>State Revenue</b>	<b>&lt;\$5,000</b>	<b>&lt;\$5,000</b>	<b>&lt;\$5,000</b>
Cash Funds	<\$5,000	<\$5,000	<\$5,000
<b>State Expenditures</b>	<b>\$0</b>	<b>\$21,484</b>	<b>\$42,968</b>
General Fund	\$0	\$21,484	\$42,968
<b>FTE Position Change</b>			
<b>Appropriation Required:</b> \$211,437 - Department of Corrections (FY 2014-15 through FY 2018-19)			

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

This bill creates the crime of ownership or operation of a "chop shop" and makes the offense a class 4 felony. A person commits ownership or operation of a chop shop if he or she knowingly owns or operates a chop shop, or conspires with another person to own or operate a chop shop; if he or she knowingly transports an unlawfully obtained motor vehicle or major motor vehicle component to or from a chop shop; or if he or she knowingly sells, transfers, purchases, or receives an unlawfully obtained motor vehicle or major motor vehicle component from a chop shop.

The bill also repeals and relocates crimes related to motor vehicle identification numbers and identification numbers on major vehicle components.

**State Revenue**

Beginning in FY 2014-15, this bill is anticipated to increase state revenue by up to \$5,000 per year, credited to the Fines Collection Cash Fund in the Judicial Branch. The fine penalty for a class 4 felony is \$2,000 to \$500,000. By creating the new crime of owning or operating a chop shop, fine revenue may increase. Because the court has the discretion to impose a fine and the amount of any such fines varies by offender, the exact increase in fine revenue cannot be determined. Fines are credited to the Fines Collection Cash Fund in the Judicial Department.

**State Expenditures**

This bill is expected to increase state expenditures in the Department of Corrections by \$21,484 in FY 2015-16 and \$42,968 in FY 2016-17.

**Assumptions.** The fiscal note assumes that one new offender per year will be sentenced to the DOC for the behavior of owning or operating a chop shop. This offense is a class 4 felony under the bill.

**Department of Corrections.** For the DOC, this bill is anticipated to increase state General Fund expenditures by an estimated \$211,437 over the 5-year period between FY 2014-15 and FY 2018-19. This increase assumes one new offender per year will be convicted of a class 4 felony and have an average length of stay in the DOC of 46.1 months.

Current law prohibits the General Assembly from passing any bill to increase periods of imprisonment in state correctional facilities without appropriating an amount sufficient to cover the increased capital construction and operating costs of the bill in each of the first five fiscal years. However, current law also allows the DOC to place offenders classified as medium custody and below in private contract prisons, for which no state capital construction costs are incurred.

Offenders sentenced under this bill to DOC may be placed in either a state-run or a private contract prison, depending on several factors. Any offenders that *must* be housed in a state-run prison will likely require a shift of other inmates in that facility to private contract prisons. Therefore, this fiscal note assumes that the impact of this bill will be accommodated through the use of private contract prisons, and that no new capital construction funds are necessary.

Offenders placed in a private contract prison cost the state about \$58.86 per offender per day, including the current daily rate of \$53.74 and an estimated \$5.12 per offender per day for medical care provided by the DOC. No impact is expected in the first year because of the estimated time for criminal filing, trial, disposition, and sentencing. Table 1 shows the estimated cost of the bill over the next five fiscal years.

<b>Table 1. Five-Year Fiscal Impact On Correctional Facilities</b>				
<b>Fiscal Year</b>	<b>Inmate Bed Impact</b>	<b>Construction Cost</b>	<b>Operating Cost</b>	<b>Total Cost</b>
FY 2014-15	0.0	\$0	\$0	\$0
FY 2015-16	1.0	\$0	\$21,484	\$21,484
FY 2016-17	2.0	\$0	\$42,968	\$42,968
FY 2017-18	3.0	\$0	\$64,452	\$64,452
FY 2018-19	3.8	\$0	\$82,534	\$82,534
<b>Total</b>		\$0	\$211,437	\$211,437

**Judicial Department.** This bill is expected to increase felony filings for the Judicial Department; however, based on the current charging rate for these behaviors, it is anticipated that the increase will be minimal and no adjustments in appropriations are required.

**Office of the State Public Defender (OSPD).** If a person is indigent, the OSPD may experience an increase in workload as a result of this bill; however, any increase in workload is expected to be minimal and no adjustments in appropriations are required.

**Office of the Alternative Defense Counsel (ADC).** The ADC represents clients when the OSPD has a conflict and, therefore, may incur costs associated with the bill. Costs to the ADC under this bill have not been estimated, but are anticipated to be minimal.

### **Comparable Crimes**

Pursuant to Section 2-2-322 (2.5), C.R.S., Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense.

Under current law, a person who alters or removes a motor vehicle identification number or the identification number of a major motor vehicle component, except as necessary to make repairs, commits a class 5 felony. Since 2012, there have been 11 cases of altering or removing a motor vehicle or major motor vehicle component identification number; however, none of these offenders were sentenced to the Department of Corrections (DOC).

Current law also addresses the behaviors of transferring, purchasing, selling, trading, receiving, concealing, or altering a motor vehicle part, accessory, or equipment. This behavior is a class 5 felony under current law. Since 2012, there have been seven cases of this behavior, with one person being sentenced to the DOC. No gender or minority data is available.

### **Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed and applies to offenses committed on or after the effective date of the bill.

### **State Appropriations**

The Department of Corrections requires the five-year appropriations shown in Table 1.

### **State and Local Government Contacts**

Judicial  
Public Defenders  
District Attorneys

Corrections  
Revenue  
Local Affairs

Alternative Defense Counsel  
Counties  
Law