

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 25, 2014)

Drafting Number: LLS 14-0760	Date: February 26, 2014
Prime Sponsor(s): Sen. Guzman Rep. Kagan	Bill Status: Senate Finance
	Fiscal Analyst: Kerry White (303-866-3469)

SHORT TITLE: POST BOARD RULE AUTHORITY TRAINING SUSPENSIONS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue	<u>\$1,636,492</u>	<u>\$1,801,744</u>
Cash Funds	\$1,636,492	\$1,801,744
State Expenditures	<u>\$1,626,092</u>	<u>\$1,799,043</u>
Cash Funds	\$1,612,467	\$1,783,781
Centrally Appropriated Costs**	13,625	15,262
FTE Position Change	1.4 FTE	1.5 FTE
Appropriation Required: \$1,612,467 - Department of Law (FY 2014-15)		

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

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Note: this fiscal note is provided to correct information in the Summary of Legislation section.

Summary of Legislation

As amended by the Senate Judiciary Committee, this bill authorizes the Peace Officers Standards and Training (P.O.S.T.) Board to promulgate rules for:

- certification of inspectors of vehicle identification numbers;
- annual in-service training requirements for certified peace officers; and
- any rules necessary to carry out the functions of the P.O.S.T. Board.

The bill allows the P.O.S.T. Board to increase its certification fees from \$125 to \$150. The bill also allows the P.O.S.T. Board to expand the entities to whom it may make grants by including nonprofit organizations. The P.O.S.T. Board may deny certification to any person who is convicted of a municipal violation that is the equivalent of any of the state law violations that permit denial of certification. Finally, the registration fee (P.O.S.T. fee) paid by owners of Class A, B, or C vehicles will increase from \$0.60 to \$1.00.

Background

The P.O.S.T. Board is cash funded and has an annual budget of approximately \$2.8 million and 7.0 FTE. The majority of revenues are generated from the \$0.60 P.O.S.T. fee on vehicle registrations, which is being adjusted by \$0.40 to \$1.00 under the amended version of the bill.

Current law allows county clerk and recorder offices to retain 5 percent of the fee for administrative purposes. The program also receives about \$127,528 per year from P.O.S.T. certification fees and \$6,000 per year in miscellaneous revenue. The program distributes an average of \$2.2 million per year in training grants.

State Revenue

Beginning in FY 2014-15, this bill will increase state cash fund revenue credited to the P.O.S.T. Board Cash Fund in the Department of Law by \$1,636,492 in FY 2014-15 and by \$1,801,744 in FY 2015-16.

Assumptions. Based on an average of the past three fiscal years, the fiscal note assumes that 1,020 persons will pay an increased fee of \$25 per year for P.O.S.T. certification. In addition, the P.O.S.T. fee on vehicle registrations will increase by \$0.38 (\$0.40 less 5 percent or \$0.02 retained by counties). Based on current collections, the rate of assumed growth is 1.07 percent per year, and the first year is adjusted for the effective date of the bill.

Fee impact on individuals. Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 1 below identifies the fee impact of this bill.

Table 1. Fee Impact on Individuals under SB14-123					
Type of Fee	Current Fee	Proposed Fee	Fee Change	Number Affected	Total Fee Impact
P.O.S.T. Applications for Certification (each year)	\$125	\$150	\$25	1,020	\$25,500
P.O.S.T. Fee FY 2014-15	\$0.60	\$1.00*	\$0.40*	4,239,452	\$1,695,781
P.O.S.T. Fee FY 2015-16	\$0.60	\$1.00*	\$0.40*	4,674,325	\$1,869,730

* \$0.02 of this amount is retained by the county clerk and recorder office and is, therefore, excluded from the totals for State Revenue. See the Local Government Impact section for more information.

State Expenditures

This bill will increase costs and workload in the Department of Law by \$1,636,492 and 1.4 FTE in FY 2014-15 and by \$1,799,043 and 1.5 FTE in FY 2015-16. For FY 2014-15 only, the bill will increase workload for the Department of Revenue. Table 2 and the discussion that follows describe the costs of the bill.

Table 2. Department of Law Expenditures Under SB14-123		
Cost Components	FY 2014-15	FY 2015-16
Personal Services	\$73,053	\$78,678
FTE	1.4	1.5
Operating Expenses and Capital Outlay Costs	10,736	1,425
Training and Simulator Equipment and Software	700,000	700,000
Training Sessions	427,250	427,250
Online Training Development	100,000	25,000
Records Management Software	120,000	120,000
Grants and Scholarships	150,000	400,000
Online P.O.S.T. Certification Testing Development	25,500	25,500
Centrally Appropriated Costs*	13,625	15,262
TOTAL	\$1,626,092	\$1,799,043

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Law. The Department of Law will expand its training activities to support peace officers. To accomplish this, the department requires 1.5 FTE, including 1.0 FTE Program Assistant I at an annual salary of \$50,400 and 0.5 FTE Accountant I at an annual salary of \$40,200. Standard operating and capital outlay costs are included. First year costs are prorated for the effective date of the bill. Training equipment and software assumes the purchase of three driving and three shooting simulators, the instructor certification, and three licenses for the shooting simulation software per year. Training session costs are based on the assumption that there will be four events of 100 people per event, per year and include costs for ammunition, range and driving track fees, ammunition targets, training facility rentals, instructor training, and reimbursements to provide coverage for peace officers attending a training. Records management software is assumed to be \$100,000 per year for FY 2014-15 and FY 2015-16, and will require maintenance costs of about \$25,000 in future years (not shown above). Online training development costs are assumed to be \$100,000 in FY 2014-15 and \$25,000 in FY 2015-16. Online P.O.S.T. certification testing development costs are assumed to be \$25,500 per year. Grants and scholarships will be provided to local governments to conduct testing and attend training functions. Centrally appropriated costs are shown in Table 3, below.

Department of Revenue. The Department of Revenue will be required to update its GenTax, Colorado State Titling and Registration Systems (CSTARS), and Online Vehicle Registration Renewal System to reflect the change in the P.O.S.T. fee on vehicle registrations. These activities will not require an increase in appropriations.

Centrally appropriated costs. 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 estimated in the fiscal note for informational purposes and summarized in Table 3.

Table 3. Centrally Appropriated Costs Under SB14-123*		
Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,552	\$9,164
Supplemental Employee Retirement Payments	5,073	6,098
TOTAL	\$13,625	\$15,262

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

Local Government Impact

This bill will increase revenue to counties by an estimated \$84,789 in FY 2014-15 and \$93,486 in FY 2015-16. Under current law, county clerk and recorder offices receive 5 percent of the registration fee paid by owners of Class A, B, or C vehicles (P.O.S.T. fee). Under the bill, this fee will increase from \$0.60 to \$1.00, which will increase the county share by \$0.02 per vehicle registration, from \$0.03 to \$0.05 per registration.

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.

State Appropriations

For FY 2014-15, the Department of Law requires an appropriation of \$1,612,467 from the P.O.S.T. Board Cash Fund and an allocation of 1.4 FTE.

State and Local Government Contacts

Governor's Office of Information Technology

Law

Revenue