First Regular Session Sixty-fifth General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 05-0240.01 John Hershey

HOUSE BILL 05-1044

HOUSE SPONSORSHIP

Judd,

SENATE SPONSORSHIP

(None),

House Committees

Senate Committees

Judiciary

101102103

A BILL FOR AN ACT

CONCERNING THE INTERCEPTION OF THE PAYMENT OF SPECIFIED
CLAIMS TO SATISFY CERTAIN OBLIGATIONS OF THE CLAIMANT,
AND MAKING AN APPROPRIATION THEREFOR.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Directs the state treasurer to offset outstanding court fines, fees, costs, and restitution against claims for unclaimed property. Authorizes the judicial department and the state treasurer to enter into a memorandum of understanding for this purpose.

Directs the state treasurer to offset child support obligations against claims for unclaimed property. Authorizes the department of human services and the state treasurer to enter into a memorandum of

understanding for this purpose.

Directs the department of revenue to provide specified information to the state treasurer regarding persons who owe delinquent state taxes, penalties, or interest. If a person claiming unclaimed property owes delinquent state taxes, penalties, or interest, directs the state treasurer to suspend payment of the claim until the offset is made.

Specifies the priority of the offsets when a person claiming unclaimed property has multiple obligations subject to offset.

Requires a person filing a claim for unclaimed property to submit the person's social security number or federal employer identification number to the state treasurer. States that this number shall not become a public record.

Be it enacted by the General Assembly of the State of Colorado:

2 **SECTION 1.** 16-11-101.6, Colorado Revised Statutes, is

amended BY THE ADDITION OF A NEW SUBSECTION to read:

4 16-11-101.6. Collection of fines and fees - methods - charges.

5 (6) (a) THE JUDICIAL DEPARTMENT MAY ENTER INTO A MEMORANDUM OF

UNDERSTANDING WITH THE STATE TREASURER, ACTING AS THE

ADMINISTRATOR OF UNCLAIMED PROPERTY UNDER THE "UNCLAIMED

8 PROPERTY ACT", ARTICLE 13 OF TITLE 38, C.R.S., FOR THE PURPOSE OF

OFFSETTING AGAINST A CLAIM FOR UNCLAIMED PROPERTY THE AMOUNT OF

10 OUTSTANDING FINES, FEES, COSTS, OR SURCHARGES OWED PURSUANT TO

11 LAW OR AN ORDER ENTERED BY A COURT OF THIS STATE BY THE PERSON

12 CLAIMING UNCLAIMED PROPERTY. WHEN AN OFFSET IS TO BE MADE, THE

13 JUDICIAL DEPARTMENT OR THE COURT TO WHICH THE FINES, FEES, COSTS,

OR SURCHARGES ARE OWED SHALL NOTIFY THE DEFENDANT IN WRITING

THAT THE STATE INTENDS TO OFFSET THE DEFENDANT'S OUTSTANDING

16 FINES, FEES, COSTS, OR SURCHARGES AGAINST HIS OR HER CLAIM FOR

17 UNCLAIMED PROPERTY.

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(b) The state court administrator may adopt rules

19 ESTABLISHING THE PROCESS BY WHICH AN UNCLAIMED PROPERTY

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1	CLAIMANT MAY OBJECT TO AN OFFSET AND REQUEST AN ADMINISTRATIVE
2	REVIEW. THE SOLE ISSUES TO BE DETERMINED AT THE ADMINISTRATIVE
3	REVIEW SHALL BE WHETHER THE PERSON IS REQUIRED TO PAY THE FINES,
4	FEES, COSTS, OR SURCHARGES PURSUANT TO LAW OR AN ORDER ENTERED
5	BY A COURT OF THIS STATE AND THE AMOUNT OF THE OUTSTANDING FINES,
6	FEES, COSTS, OR SURCHARGES.
7	(c) For purposes of this subsection (6), "Claim for
8	UNCLAIMED PROPERTY" MEANS A CASH CLAIM FILED IN ACCORDANCE WITH
9	SECTION 38-13-117, C.R.S.
10	SECTION 2. Article 18.5 of title 16, Colorado Revised Statutes,
11	is amended BY THE ADDITION OF A NEW SECTION to read:
12	16-18.5-106.7. Unclaimed property offset. (1) The Judicial
13	DEPARTMENT MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH
14	THE STATE TREASURER, ACTING AS THE ADMINISTRATOR OF UNCLAIMED
15	PROPERTY UNDER THE "UNCLAIMED PROPERTY ACT", ARTICLE 13 OF TITLE
16	38, C.R.S., FOR THE PURPOSE OF OFFSETTING AGAINST A CLAIM FOR
17	UNCLAIMED PROPERTY THE UNPAID AMOUNT OF RESTITUTION THE PERSON
18	MAKING THE CLAIM HAS BEEN ORDERED TO PAY PURSUANT TO SECTION
19	18-1.3-603 OR 19-2-918, C.R.S. WHEN AN OFFSET IS TO BE MADE, THE
20	JUDICIAL DEPARTMENT OR THE COURT IN WHICH THE PERSON'S
21	RESTITUTION OBLIGATION IS PENDING SHALL NOTIFY THE PERSON IN
22	WRITING THAT THE STATE INTENDS TO OFFSET THE AMOUNT OF THE
23	PERSON'S UNPAID RESTITUTION OBLIGATION AGAINST HIS OR HER CLAIM
24	FOR UNCLAIMED PROPERTY.
25	(2) The state court administrator may adopt rules
26	ESTABLISHING THE PROCESS BY WHICH AN UNCLAIMED PROPERTY
27	CLAIMANT MAY OBJECT TO AN OFFSET AND REQUEST AN ADMINISTRATIVE

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1	REVIEW. THE SOLE ISSUES TO BE DETERMINED AT THE ADMINISTRATIVE
2	REVIEW SHALL BE WHETHER THE PERSON IS REQUIRED TO PAY RESTITUTION
3	PURSUANT TO AN ORDER ENTERED BY A COURT OF THIS STATE AND THE
4	AMOUNT OF THE OUTSTANDING RESTITUTION.
5	(3) FOR PURPOSES OF THIS SECTION, "CLAIM FOR UNCLAIMED
6	PROPERTY" MEANS A CASH CLAIM FILED IN ACCORDANCE WITH SECTION
7	38-13-117, C.R.S.
8	SECTION 3. Article 13 of title 26, Colorado Revised Statutes,
9	is amended BY THE ADDITION OF A NEW SECTION to read:
10	26-13-118.5. Unclaimed property offset. (1) The state
11	DEPARTMENT MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH
12	THE STATE TREASURER, ACTING AS THE ADMINISTRATOR OF UNCLAIMED
13	PROPERTY UNDER THE "UNCLAIMED PROPERTY ACT", ARTICLE 13 OF TITLE
14	38, C.R.S., FOR THE PURPOSE OF OFFSETTING AGAINST A CLAIM FOR
15	UNCLAIMED PROPERTY THE AMOUNT OF CURRENT CHILD SUPPORT, CHILD
16	SUPPORT DEBT, RETROACTIVE CHILD SUPPORT, CHILD SUPPORT
17	ARREARAGES, CHILD SUPPORT COSTS, OR CHILD SUPPORT WHEN COMBINED
18	WITH MAINTENANCE OWED BY THE PERSON CLAIMING THE UNCLAIMED
19	PROPERTY.
20	(2) THE STATE DEPARTMENT SHALL NOTIFY AN OBLIGATED PERSON
21	IN WRITING THAT THE STATE INTENDS TO OFFSET THE PERSON'S CURRENT
22	CHILD SUPPORT, CHILD SUPPORT DEBT, RETROACTIVE CHILD SUPPORT,
23	CHILD SUPPORT ARREARAGES, CHILD SUPPORT COSTS, OR CHILD SUPPORT
24	WHEN COMBINED WITH MAINTENANCE AGAINST THE PERSON'S CLAIM FOR
25	UNCLAIMED PROPERTY. THE NOTIFICATION SHALL INCLUDE INFORMATION
26	ON THE PERSON'S RIGHT TO OBJECT TO THE OFFSET AND TO REQUEST AN
27	ADMINISTRATIVE REVIEW.

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1 (3) FOR PURPOSES OF THIS SECTION, "CLAIM FOR UNCLAIMED 2 PROPERTY" MEANS A CASH CLAIM SUBMITTED IN ACCORDANCE WITH 3 SECTION 38-13-117, C.R.S. 4 **SECTION 4.** 38-13-117 (1) and (3) (a), Colorado Revised 5 Statutes, are amended to read: 6 **38-13-117.** Filing of claim with administrator. (1) A person, 7 excluding another state, this state, or a governmental agency of this state, 8 claiming an interest in any property paid or delivered to the administrator 9 may file with him or her a claim on a form prescribed by the 10 administrator and verified by the claimant. If the value of the property 11 claimed is one hundred dollars or less, the administrator may waive the 12 requirement that the claimant verify the claim. THE ADMINISTRATOR 13 SHALL REQUIRE THE CLAIMANT TO SUBMIT HIS OR HER SOCIAL SECURITY 14 NUMBER OR FEDERAL EMPLOYER IDENTIFICATION NUMBER, WHICHEVER IS 15 APPLICABLE. THE SOCIAL SECURITY NUMBER OR FEDERAL EMPLOYER 16 IDENTIFICATION NUMBER SHALL NOT BECOME PART OF THE PUBLIC 17 RECORDS OF THE ADMINISTRATOR. 18 (3) (a) SUBJECT TO THE PROVISIONS OF SECTIONS 38-13-117.3, 19 38-13-117.5, AND 38-13-117.7, if a claim is allowed, the administrator 20 shall pay over or deliver to the claimant the property or the amount the 21 administrator actually received or the net proceeds if it has been sold by 22 the administrator, together with any additional amount required by 23 section 38-13-114. If the property claimed was interest-bearing to the 24 owner on the date of surrender by the holder, the administrator also shall 25 pay simple interest at a rate of six percent a year or any lesser rate the 26 property earned while in the possession of the holder. Such interest 27 begins to accrue when the property is delivered to the administrator and

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1 ceases on the expiration of five years after delivery or the date on which 2 payment is made to the owner. No interest on interest-bearing property 3 is payable for any period before July 1, 1987. 4 **SECTION 5.** Article 13 of title 38, Colorado Revised Statutes, 5 is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to read: 6 7 **38-13-117.3.** Claims offset for child support. (1) BEFORE 8 PAYING A CLAIM PURSUANT TO SECTION 38-13-117 (3), THE 9 ADMINISTRATOR SHALL OFFSET AGAINST THE AMOUNT OF THE CLAIM THE 10 CLAIMANT'S OBLIGATIONS TO PAY CURRENT CHILD SUPPORT, CHILD 11 SUPPORT DEBT, RETROACTIVE CHILD SUPPORT, CHILD SUPPORT 12 ARREARAGES, CHILD SUPPORT COSTS, OR CHILD SUPPORT WHEN COMBINED 13 WITH MAINTENANCE. THE ADMINISTRATOR MAY ENTER INTO A 14 MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF HUMAN 15 SERVICES TO IMPLEMENT THIS SECTION AND SECTION 26-13-118.5, C.R.S. 16 (2) (a) If a claimant owes current child support, child 17 SUPPORT DEBT, RETROACTIVE CHILD SUPPORT, CHILD SUPPORT 18 ARREARAGES, CHILD SUPPORT COSTS, OR CHILD SUPPORT WHEN COMBINED 19 WITH MAINTENANCE, AND ALSO OWES RESTITUTION OR FINES, FEES, COSTS, 20 OR SURCHARGES AS DESCRIBED IN SECTION 38-13-117.5 OR DELINQUENT 21 STATE TAXES, PENALTIES, OR INTEREST AS DESCRIBED IN SECTION 22 38-13-117.7, OR BOTH, THE UNCLAIMED PROPERTY OFFSET AGAINST THE 23 CURRENT CHILD SUPPORT, CHILD SUPPORT DEBT, RETROACTIVE CHILD 24 SUPPORT, CHILD SUPPORT ARREARAGES, CHILD SUPPORT COSTS, OR CHILD 25 SUPPORT WHEN COMBINED WITH MAINTENANCE SHALL TAKE PRIORITY AND 26 BE APPLIED FIRST.

(b) If a claimant owes both restitution or fines, fees,

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1	COSTS, OR SURCHARGES AND DELINQUENT STATE TAXES, PENALTIES, OR
2	INTEREST, AFTER PAYMENT IN ACCORDANCE WITH PARAGRAPH (a) OF THIS
3	SUBSECTION (2), IF APPLICABLE, ANY REMAINING UNCLAIMED PROPERTY
4	SHALL BE APPLIED FIRST TOWARD THE PAYMENT OF THE OUTSTANDING
5	RESTITUTION OR FINES, FEES, COSTS, OR SURCHARGES AND PROCESSED IN
6	ACCORDANCE WITH SECTION 38-13-117.5 AND THEN APPLIED TO THE
7	PAYMENT OF DELINQUENT STATE TAXES, PENALTIES, OR INTEREST AND
8	PROCESSED IN ACCORDANCE WITH SECTION 38-13-117.7.
9	(c) If a claimant owes restitution or fines, fees, costs, or
10	SURCHARGES OR DELINQUENT STATE TAXES, PENALTIES, OR INTEREST,
11	AFTER PAYMENT IN ACCORDANCE WITH PARAGRAPH (a) OF THIS
12	SUBSECTION (2), IF APPLICABLE, ANY REMAINING UNCLAIMED PROPERTY
13	SHALL BE APPLIED TOWARD THE PAYMENT OF THE OUTSTANDING
14	RESTITUTION OR FINES, FEES, COSTS, OR SURCHARGES AND PROCESSED IN
15	ACCORDANCE WITH SECTION 38-13-117.5 OR TOWARD THE DELINQUENT
16	STATE TAXES, PENALTIES, OR INTEREST AND PROCESSED IN ACCORDANCE
17	WITH SECTION 38-13-117.7, WHICHEVER IS APPLICABLE.
18	38-13-117.5. Claims offset for judicial restitution, fines, fees,
19	costs, or surcharges. (1) Before paying a claim pursuant to
20	SECTION 38-13-117 (3), THE ADMINISTRATOR SHALL OFFSET AGAINST THE
21	AMOUNT OF THE CLAIM THE CLAIMANT'S OUTSTANDING COURT FINES, FEES,
22	COSTS, OR SURCHARGES OR RESTITUTION. THE ADMINISTRATOR MAY
23	ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE JUDICIAL
24	DEPARTMENT TO IMPLEMENT THIS SECTION AND SECTIONS 16-11-101.6(6)
25	AND 16-18.5-106.7, C.R.S.
26	(2) If a claimant owes fines, fees, costs, or surcharges or
27	RESTITUTION AS DESCRIBED IN THIS SECTION AND ALSO OWES CURRENT

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1	CHILD SUPPORT, CHILD SUPPORT DEBT, RETROACTIVE CHILD SUPPORT,
2	CHILD SUPPORT ARREARAGES, CHILD SUPPORT COSTS, OR CHILD SUPPORT
3	WHEN COMBINED WITH MAINTENANCE AS DESCRIBED IN SECTION
4	38-13-117.3 OR DELINQUENT STATE TAXES, PENALTIES, OR INTEREST AS
5	$DESCRIBED IN SECTION 38\text{-}13\text{-}117.7, or both, the unclaimed property}$
6	OFFSETS SHALL BE APPLIED IN ACCORDANCE WITH THE PRIORITY SET
7	FORTH IN SECTION 38-13-117.3 (2).
8	38-13-117.7. Claims offset for state tax delinquencies.
9	(1) BEFORE PAYING A CLAIM PURSUANT TO SECTION 38-13-117 (3), THE
10	ADMINISTRATOR SHALL COMPARE THE SOCIAL SECURITY NUMBER OR
11	FEDERAL EMPLOYER IDENTIFICATION NUMBER OF THE CLAIMANT WITH THE
12	NUMBERS CERTIFIED BY THE DEPARTMENT OF REVENUE FOR THE PURPOSE
13	OF THE UNCLAIMED PROPERTY OFFSET AS PROVIDED IN SECTION 39-21-121,
14	C.R.S.
15	(2) If the social security number or federal employer
16	IDENTIFICATION NUMBER OF A CLAIMANT APPEARS AMONG THE NUMBERS
17	CERTIFIED BY THE DEPARTMENT OF REVENUE PURSUANT TO SECTION
18	39-21-121, C.R.S., THE ADMINISTRATOR SHALL SUSPEND THE PAYMENT OF
19	THE CLAIM UNTIL THE REQUIREMENTS OF SECTION 39-21-121, C.R.S., ARE
20	MET. IF, AFTER CONSULTING WITH THE DEPARTMENT, THE ADMINISTRATOR
21	DETERMINES THAT THE CLAIMANT IS OBLIGATED TO PAY THE AMOUNTS
22	CERTIFIED UNDER SECTION 39-21-121, C.R.S., THE ADMINISTRATOR SHALL
23	WITHHOLD FROM THE AMOUNT OF THE UNCLAIMED PROPERTY PAID TO THE
24	CLAIMANT AN AMOUNT EQUAL TO THE AMOUNT OF DELINQUENT STATE
25	TAXES, PENALTIES, OR INTEREST. IF THE AMOUNT OF THE UNCLAIMED
26	PROPERTY IS LESS THAN OR EQUAL TO THE AMOUNT OF DELINQUENT STATE
27	TAXES, PENALTIES, OR INTEREST, THE ADMINISTRATOR SHALL WITHHOLD

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1	THE ENTIRE AMOUNT OF THE UNCLAIMED PROPERTY. THE ADMINISTRATOR
2	SHALL TRANSMIT ANY UNCLAIMED PROPERTY SO WITHHELD TO THE
3	DEPARTMENT FOR DISBURSEMENT AS DIRECTED IN SECTION 39-21-121,
4	C.R.S.
5	(3) IF A CLAIMANT OWES DELINQUENT STATE TAXES, PENALTIES, OR
6	INTEREST AS DESCRIBED IN THIS SECTION AND ALSO OWES CURRENT CHILD
7	SUPPORT, CHILD SUPPORT DEBT, RETROACTIVE CHILD SUPPORT, CHILD
8	SUPPORT ARREARAGES, CHILD SUPPORT COSTS, OR CHILD SUPPORT WHEN
9	COMBINED WITH MAINTENANCE AS DESCRIBED IN SECTION 38-13-117.3 OR
10	RESTITUTION OR FINES, FEES, COSTS, OR SURCHARGES AS DESCRIBED IN
11	SECTION 38-13-117.5, OR BOTH, THE UNCLAIMED PROPERTY OFFSET SHALL
12	BE APPLIED IN ACCORDANCE WITH THE PRIORITY SET FORTH IN SECTION
13	38-13-117.3 (2).
14	SECTION 6. Part 1 of article 21 of title 39, Colorado Revised
15	Statutes, is amended BY THE ADDITION OF A NEW SECTION to
16	read:
17	39-21-121. Unclaimed property offset. (1) (a) The
18	DEPARTMENT SHALL PERIODICALLY CERTIFY TO THE STATE TREASURER,
19	ACTING AS THE ADMINISTRATOR OF UNCLAIMED PROPERTY UNDER THE
20	"Unclaimed Property Act", article 13 of title 38, C.R.S.,
21	INFORMATION REGARDING PERSONS WHO ARE LIABLE FOR THE PAYMENT
22	OF TAXES, PENALTIES, OR INTEREST IMPOSED PURSUANT TO ARTICLES 22
23	TO 33 OF THIS TITLE THAT ARE DELINQUENT AND IN DISTRAINT.
24	(b) THE INFORMATION DESCRIBED IN PARAGRAPH (a) OF THIS
25	SUBSECTION (1) SHALL INCLUDE THE SOCIAL SECURITY NUMBER OR
26	FEDERAL EMPLOYER IDENTIFICATION NUMBER, WHICHEVER IS APPLICABLE,
27	OF THE PERSON OWING THE DELINQUENT TAXES, PENALTIES, OR INTEREST,

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- THE AMOUNT OWED, AND ANY OTHER IDENTIFYING INFORMATION
 REQUIRED BY THE STATE TREASURER.
- 3 (2) (a) Prior to the payment of a claim for unclaimed 4 PROPERTY PURSUANT TO SECTION 38-13-117, C.R.S., THE STATE 5 TREASURER SHALL COMPARE THE SOCIAL SECURITY NUMBER OR FEDERAL 6 EMPLOYER IDENTIFICATION NUMBER, WHICHEVER IS APPLICABLE, OF THE 7 CLAIMANT WITH THOSE CERTIFIED BY THE DEPARTMENT PURSUANT TO 8 SUBSECTION (1) OF THIS SECTION. IF THE NAME AND ASSOCIATED SOCIAL 9 SECURITY NUMBER OR FEDERAL EMPLOYER IDENTIFICATION NUMBER OF A 10 CLAIMANT APPEARS AMONG THOSE CERTIFIED, THE STATE TREASURER 11 SHALL OBTAIN THE CURRENT ADDRESS OF THE CLAIMANT, SUSPEND THE 12 PAYMENT OF THE CLAIM, AND NOTIFY THE DEPARTMENT. 13 NOTIFICATION SHALL INCLUDE THE NAME, HOME ADDRESS, AND SOCIAL 14 SECURITY NUMBER OR FEDERAL EMPLOYER IDENTIFICATION NUMBER OF 15 THE CLAIMANT.
 - (b) AFTER RECEIPT OF THE NOTIFICATION FROM THE STATE TREASURER THAT A PERSON CLAIMING UNCLAIMED PROPERTY PURSUANT TO SECTION 38-13-117, C.R.S., APPEARS AMONG THOSE CERTIFIED BY THE DEPARTMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE DEPARTMENT SHALL NOTIFY THE PERSON, IN WRITING, THAT THE STATE INTENDS TO OFFSET THE PERSON'S DELINQUENT STATE TAXES, PENALTIES, OR INTEREST LIABILITY AGAINST THE PERSON'S CLAIM FOR UNCLAIMED PROPERTY.

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(3) EXCEPT AS OTHERWISE PROVIDED IN SECTION 38-13-117.3 (2),
 C.R.S., UPON NOTIFICATION BY THE STATE TREASURER OF THE AMOUNTS
 OF UNCLAIMED PROPERTY HELD PURSUANT TO SECTION 38-13-117.7,
 C.R.S., THE DEPARTMENT SHALL APPLY SUCH AMOUNTS TO THE PERSON'S

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DELINQUENT STATE TAX LIABILITY.
(4) THE DEPARTMENT SHALL PROMULGATE RULES PURSUANT TO
ARTICLE 4 OF TITLE 24, C.R.S., ESTABLISHING PROCEDURES TO IMPLEMENT
THIS SECTION.
(5) FOR PURPOSES OF THIS SECTION, "CLAIM FOR UNCLAIMED
PROPERTY" MEANS A CASH CLAIM SUBMITTED IN ACCORDANCE WITH
SECTION 38-13-117, C.R.S.
SECTION 7. Appropriation. In addition to any other
appropriation, there is hereby appropriated, out of any moneys in the
unclaimed property trust fund created in section 38-13-116.5, Colorado
Revised Statutes, not otherwise appropriated, to the department of the
treasury, for allocation to the unclaimed property program, for the fiscal
year beginning July 1, 2005, the sum of dollars (\$), or so
much thereof as may be necessary, for the implementation of this act.
SECTION 8. Effective date. This act shall take effect at 12:01
a.m. on the day following the expiration of the ninety-day period after
final adjournment of the general assembly that is allowed for submitting
a referendum petition pursuant to article V, section 1 (3) of the state
constitution (August 10, 2005, if adjournment sine die is on May 11,
2005); except that, if a referendum petition is filed against this act or an
item, section, or part of this act within such period, then the act, item,
section, or part, if approved by the people, shall take effect on the date of
the official declaration of the vote thereon by proclamation of the
governor.