

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

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

Prime Sponsors: Representative Judd

JBC Analyst: Steve Allen

Phone: 303-866-2061

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Summary of Amendments Made to the Bill After the 03/18/05 Legislative Council Staff Revised Fiscal Note was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

This bill requires but does not currently include an appropriations clause. Staff has prepared amendment **J.001** (attached), which appropriates \$15,286 cash funds from the Unclaimed Property Trust Fund and 0.5 FTE to the Treasury Department, Unclaimed Property Program for FY 2005-06. This corresponds to the appropriation indicated in the Legislative Council Staff Revised Fiscal Note dated March 18, 2005.

The Department of Revenue does not require an appropriation of \$8,194 General Fund for the programming costs identified in the Legislative Council Staff Fiscal Note dated March 18, 2005. Bills with nominal programming costs adopted during the 2005 legislative session will be supported in the FY 2005-06 Long Bill under a line item entitled "Programming Costs for 2005 Session Legislation."

Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

1. Under the rules of S.B. 04-211, the unclaimed property recovered by the state in a given year generally does not count as TABOR revenue. An increase or decrease of \$1,000 in the total

amount paid to unclaimed property claimants will not alter the state's TABOR revenue and will not alter the TABOR refund that the March 2005 Legislative Council Staff revenue forecast projects will be paid in FY 2005-06. This bill will cause some unclaimed-property payments to claimants to be intercepted and redirected into taxes, which are General Fund revenues, into fines and court costs, which are cash fund revenues, and into child support and restitution payments to individuals. If this bill causes a \$1,000 unclaimed property payment to be redirected to the Department of Revenue to pay a delinquent income tax liability that would not otherwise be paid, the General Fund will receive an extra \$1,000 of revenue but the state will pay an extra \$1,000 of TABOR refunds from the General Fund, meaning that the amount of General Fund available for appropriation will not change. If this bill causes a \$1,000 unclaimed property payment to be redirected to the Judicial Department to pay fines, fees, and costs that would not otherwise be paid, then cash funds available for appropriation will rise \$1,000, but the state will pay an extra \$1,000 of TABOR refunds from the General Fund, meaning that the amount of General Fund available for appropriation will decline by \$1,000. Unclaimed property payments redirected to pay child support and restitution will not have a TABOR impact.

2. The costs of administering the unclaimed property program are appropriated from the Unclaimed Property Trust Fund and count as TABOR revenue. This bill requires an appropriation of \$15,286 cash funds for the unclaimed property program, which will increase state TABOR revenue by \$15,286. The March 2005 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus in FY 2005-06. The TABOR surplus must be refunded to the taxpayers out of the General Fund. If this bill is enacted, its \$15,286 appropriation to the unclaimed property program in FY 2005-06, other appropriations for existing programs will need to be reduced by an equal amount in order to maintain a balanced budget based on the March 2005, LCS forecast.