

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE SUBMISSION OF FINGERPRINTS BY PERSONS APPLYING FOR A REAL ESTATE BROKER LICENSE TO THE COLORADO BUREAU OF INVESTIGATION INSTEAD OF THE REAL ESTATE COMMISSION.

Prime Sponsors: Representative Balmer
Senator Takis

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Phone: 303-866-2061
Date Prepared: February 10, 2005

Summary of Amendments Made to the Bill After the 02/08/05 Legislative Council Staff Revised Fiscal Note was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

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

Reason for the Non-Concurrence / Update

Staff is updating the Legislative Council Staff Revised Fiscal Note, dated February 8, 2005, based on further information provided by the Department of Public Safety. The current fee for the fingerprint/background check is \$39.50. Of this amount \$17.50 is for the Colorado Bureau of Investigation (CBI) check, and \$22.00 is for the FBI check. The CBI collects the FBI fee as a cash funds exempt pass through for another government. The Legislative Council Staff Revised Fiscal Note, dated February 8, 2005, indicates the fiscal impacts for this bill are revenue and expenditure reductions of \$201,095 cash funds in the Division of Real Estate, and \$201,095 cash funds exempt in the Department of Public Safety; and revenue and expenditure increases of \$89,093 cash funds (for CBI checks), and \$112,022 cash funds exempt (for FBI checks) to the Department of Public Safety.

The Department of Public Safety has indicated it anticipates having sufficient cash funds exempt spending authority currently appropriated to the CBI, and does not need the additional \$112,022 cash funds exempt spending authority this bill would require in FY 2005-06. The Department indicates the cash funds exempt estimate can be reduced by \$89,093, as this amount will no longer be received from the Department of Regulatory Agencies, Division of Real Estate, as cash funds exempt, but will now be collected as cash funds by the CBI. Legislative Council Fiscal Note staff concurs with this update.

The fiscal impact of the bill is to reduce revenues to the state by \$112,022 cash funds in FY 2005-06.

Amendments/Appropriation Status

The bill, if enacted, would require appropriations changes to the Division of Real Estate in the Department of Regulatory Agencies, and to the CBI in the Department of Public Safety in the 2005 Long Bill. Staff has prepared an amendment (**J.001**) to include an appropriation clause for the provisions of this bill. The appropriation clause reduces the FY 2005-06 appropriation to the Department of Regulatory Agencies, Division of Real Estate, by \$201,095 cash funds, as indicated in the Legislative Council Staff Revised Fiscal Note, dated February 8, 2005. The appropriation clause also reduces the FY 2005-06 cash funds exempt appropriation to the CBI by \$89,093, which is the CBI share of the fees for the fingerprint/background checks anticipated. This amount will now be received directly as cash funds by the CBI, and no longer as a cash funds exempt transfer from the Division of Real Estate in the Department of Regulatory Agencies. Likewise, the appropriation clause appropriates \$89,093 cash funds to the CBI for the anticipated additional fees collected directly by the CBI for the CBI background check. No appropriation is needed for the additional cash funds exempt amount of \$112,022 collected as the pass through to the FBI.

H.B. 05-1040	FY 2005-06		FY 2006-07	
	Cash Funds	Cash Funds Exempt	Cash Funds	Cash Funds Exempt
Revenues:				
Department of Regulatory Agencies (8) Division Of Real Estate CBI/FBI Record Checks	(\$201,095)	\$0	(\$225,189)	\$0
Department of Public Safety (5) Colorado Bureau of Investigation (B) Colorado Crime Information Center (CCIC) (2) Identification Program Costs	89,093	(89,093)	99,768	(99,768)
NET REVENUE	(\$112,002)	(\$89,093)	(\$125,421)	(\$99,768)
Expenditures:				
Department of Regulatory Agencies (8) Division Of Real Estate CBI/FBI Record Checks	(\$201,095)	\$0	(\$225,189)	\$0
Department of Public Safety (5) Colorado Bureau of Investigation (B) Colorado Crime Information Center (CCIC) (2) Identification Program Costs	89,093	(89,093)	99,768	(99,768)
NET APPROPRIATION	(\$112,002)	(\$89,093)	(\$125,421)	(\$99,768)

Sponsor Amendments

Staff is not aware of any sponsor amendments.

Points to Consider

1. The December 2004 Legislative Council Staff (LCS) revenue forecast projects a TABOR surplus liability of \$446.3 million in FY 2005-06 and \$639.8 million in FY 2006-07. These sums must be refunded to taxpayers out of the General Fund. Legislation that decreases non-exempt revenue (such as cash funds) to the State will reduce the amount of the TABOR refund made out of the General Fund. Correspondingly, this will increase the amount of General Fund available for state operating expenditures. It is estimated that this bill would reduce non-exempt revenue by \$112,022 cash funds in FY 2005-06 and \$125,422 cash funds in FY 2006-07, which in turn will increase the available General Fund in each fiscal year by an equal amount.
2. The enactment of this bill will adjust appropriations in the 2005 Long Bill, which has not yet been written. While this bill requires all applicants for a real estate broker license to submit a set of fingerprints for a background check directly to the CBI, and no longer to the Real Estate Commission, the effective date of its enactment 90 days after final adjournment of the General Assembly, may require the Division of Real Estate to process applicant background check fees received in FY 2005-06 prior to the enactment date, as currently in law. The Division of Real Estate will need an estimated \$24,095 in cash fund spending authority to remain in the CBI/FBI Record Checks line item in the 2005 Long Bill, for these applicant background check fees received prior to the enactment of this bill.