



Colorado Legislative Council Staff
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 06B-2082
Prime Sponsor(s): Rep. Romanoff
 Sen. Fitz-Gerald

Date: July 7, 2006
Bill Status: House SVMA
Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING THE IMMEDIATE IMPLEMENTATION OF RESTRICTIONS ON PUBLIC BENEFITS AS DEFINED IN ARTICLE 8 OF THE UNITED STATES CODE FOR PERSONS EIGHTEEN YEARS OF AGE OR OLDER EFFECTIVE AUGUST 1, 2006.

Fiscal Impact Summary	FY 2006/07	FY 2007/08
State Revenues		
Cash Funds - Fines Collection Cash Fund	Less than \$5,000 annually.	
State Expenditures		
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor		
Appropriation Summary for FY 2006/07: None Required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Beginning August 1, 2006, this bill requires all state agencies and political subdivisions to verify the lawful presence in the United States of each person 18 years-of-age or older who applies for state and federal public benefits, using a definition of benefits contained in federal law. Verification is not required for obtaining the following public services:

- emergency medical care;
- short-term, emergency disaster relief;
- immunizations and treatment for communicable disease;
- services delivered at the local level such as alcohol and drug treatment, mental health treatment, short-term housing, crisis counseling, and soup kitchens not conditional upon income or necessary for life or safety as determined by the U. S. Attorney General; and
- prenatal care.

Applicants claiming lawful presence must execute an affidavit to be verified through the federal Systematic Alien Verification of Entitlement Program, also known as the SAVE Program. A person who knowingly makes a false, fictitious, or fraudulent statement or representation in an affidavit shall be guilty of perjury in the second degree which is a Class 1 misdemeanor. To improve efficiency and reduce delay, state agencies and local governments may adopt variations in the verification process.

Each state agency or local government that administers state benefits shall provide a report to the House and Senate State, Veterans, and Military Affairs committees outlining compliance with this legislation. Any errors or delays by the SAVE Program shall be reported to the Department of Homeland Security.

State Revenues

Per Section 18-1.3-501, C.R.S., the penalty for a class 1 misdemeanor is six to 18 months imprisonment in a county jail, a fine of \$500 to \$5,000, or both. Fine revenue not otherwise appropriated is deposited into the Fines Collection Cash Fund. Because the courts have the discretion of incarceration or imposing a fine, the revenue impact to the Fines Collection Cash Fund cannot be determined. However, a minimal amount of fine revenue (< \$5,000 per year) is assumed under the bill.

State Expenditures

It is unknown as to whether this legislation will result in a change in the number of persons receiving state or local government benefits. As such, potential cost savings for benefits cannot be identified. State agencies will be required to establish an identification verification system for certain benefits by August 1, 2006, although the cost of establishing this system is anticipated to be minimal.

All Departments. Each state agency will be required to subscribe to the federal SAVE Program. The fiscal note assumes that each department's human resources office will have one subscription to provide immigration and citizenship verification for the entire department. SAVE Program searches range in cost between \$0.20 and \$0.26 per search, depending computer access method. A minimum monthly search charge of \$25 is billed to users whose user volume does not exceed \$25.

Only those applicants who have executed an affidavit claiming lawful presence will require a search. The fiscal note assumes that if an applicant is willing to execute an affidavit, he or she is likely to be in this country lawfully. Further, searches will not be required for lawful or unlawful aliens applying for services not prohibited by this legislation. As such, the fiscal note estimates a minimum annual SAVE Program cost of \$300 per year (\$25 X 12 months) for each state agency. It is also anticipated that the maximum charge will not be considerably higher than the \$300 minimum.

Judicial Branch. Since this bill creates additional acts that fall within the definition of perjury in the second degree, the bill will create additional work for state trial courts. It estimated that approximately 200 new cases will be created annually by this legislation. However, since Class 1 misdemeanors typically take very little time to resolve, it is estimated that the increased caseload can be absorbed within existing resources.

Local Government Impact

Local government entities will also be required to subscribe to the SAVE Program. For most local governments, this cost will be minimal both in terms of total cost and as a percentage of their overall budgets.

The penalty for a class 1 misdemeanor is six to 18 months imprisonment in a county jail, a fine of \$500 to \$5,000, or both. Because the courts have the discretion of incarceration or imposing a fine, the impact at the local level cannot be determined. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. For the current fiscal year, the state reimburses county jails a daily rate of \$47.42 to house state inmates. It is assumed that the impact of this new misdemeanor will be minimal and will not create the need for additional county jail space.

State Appropriations

No new state appropriations are required in FY 2006-07 to implement the bill.

Departments Contacted

All Departments