



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

Drafting Number: LLS 06B-2054
Prime Sponsor(s): Sen. Williams

Date: July 5, 2006
Bill Status: Senate Judiciary
Fiscal Analyst: Todd Herreid (303-866-2633)

TITLE: CONCERNING A PROHIBITION AGAINST COERCION OF IMMIGRANTS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

| Fiscal Impact Summary | FY 2006/07 | FY 2007/08 |
|---|------------------------------|-------------------|
| State Revenues Cash Funds - Fines Collection Cash Fund | Potential additional revenue | |
| State Expenditures General Fund* | \$174,388 | \$228,014 |
| FTE Position Change | 0.0 FTE | 0.0 FTE |
| Effective Date: Upon signature of the Governor; applies to offenses committed on or after that date. | | |
| Appropriation Summary for FY 2006/07: Department of Corrections: See the five-year projected costs in Table 1. | | |
| Local Government Impact: Potential increase in county jail costs. | | |

* *In FY 2006-07, this amount is transferred from the General Fund to the Capital Construction Fund for prison bed construction costs. As such, it does not count against the 6 percent General Fund appropriations limit, but it does reduce General Fund diversions to the Highway Users Tax Fund.*

Summary of Legislation

This bill creates a new Class 3 felony for involuntary servitude. A person commits involuntary servitude if he or she coerces another person to perform labor or services by threatening to take actions that would result in that person's incarceration or deportation from the United States. A person can commit involuntary servitude even if they provide compensation to a coerced individual.

State Revenues

Under current law, individuals convicted of felonies may be required to pay fines of between \$1,000 and \$1,000,000, depending upon the class of offense committed. This bill creates a new Class 3 felony for involuntary servitude. For this type of crime, the court may impose a fine of between \$3,000 and \$750,000. To the degree that the court imposes additional fines, the bill will generate additional revenue for the state. Fine revenue is deposited into the Fines Collection Cash Fund.

State Expenditures

The Department of Corrections is expected to incur additional expenses of \$174,388 in FY 2006-07 and \$228,014 in FY 2007-08. The estimated five-year cost of the bill on the department is about \$1.4 million, as indicated in Table 1. The fiscal note assumes that the creation of a new crime for involuntary servitude will result in 2 new prison admissions annually. Each admission is expected to be incarcerated for 61 months.

Five-Year Fiscal Impact on Correctional Facilities

The adoption of this bill will result in a net increase in periods of imprisonment in a state correctional facility. Section 2-2-703, C.R.S., requires that such bills cannot be passed without five years of appropriations for prison bed construction and operating costs. Construction costs are estimated to be \$87,194 per inmate bed. Operating costs are \$73.46 per bed per day or \$26,813 per bed per year. It should be noted that the construction costs reflect the funding needed to construct inmate beds in the fiscal year prior to when additional offenders are expected to enter the system. This lag accounts for the estimated time for criminal filing, trial, disposition, and sentencing.

Prison bed construction is funded through a General Fund transfer to the Capital Construction Fund, which is then transferred to the Corrections Expansion Reserve Fund. These appropriations are not subject to the 6 percent statutory General Fund appropriations limit. General Fund appropriations for operating costs are subject to the 6 percent limit.

However, in the event state correctional facilities are at capacity, Sections 17-1-102, 104.9, and 105.5, C.R.S., authorize the Department of Corrections to permanently place state inmates classified as medium custody and below in private contract prisons. The state pays private prisons at a rate of \$50.28 per bed per day or \$18,352 per bed per year.

| Table 1. Five-Year Fiscal Impact On Correctional Facilities | | | | |
|--|--------------------------|--------------------------|-----------------------|--------------------|
| Fiscal Year | Inmate Bed Impact | Construction Cost | Operating Cost | Total Cost |
| FY 2006/07 | 0.0 | \$174,388 | \$0 | \$174,388 |
| FY 2007/08 | 2.0 | 174,388 | 53,626 | 228,014 |
| FY 2008/09 | 4.0 | 174,388 | 107,252 | 281,640 |
| FY 2009/10 | 6.0 | 174,388 | 160,878 | 335,266 |
| FY 2010/11 | 8.0 | 174,388 | 214,504 | 388,892 |
| Total | | \$871,940 | \$536,260 | \$1,408,200 |

Other State Impacts

Based on the June 2006 Legislative Council Staff revenue forecast, there is enough revenue to fund a partial diversion to the Highway Users Tax Fund (HUTF) under the provisions of SB 97-1 beginning in FY 2006-07. Construction costs for new prison beds are funded outside of the 6 percent appropriations limit. Therefore, the increased expenditure needed to fund this element of the bill would serve to reduce the amount of money available for diversion to the HUTF by an equal amount. In FY 2006-07, this amounts to \$174,388.

Local Government Impact

Because the bill increases the number of offenders who are sentenced to the Department of Corrections, the bill may result in some spillover of offenders into the county jail system. To the degree that this occurs, it will create additional costs for counties. The fiscal note did not estimate the amount of this spillover.

State Appropriations

For FY 2006-07, the Department of Corrections will require a \$174,388 General Fund transfer to the Capital Construction Fund, plus the five-year costs identified in Table 1.

Departments Contacted

Corrections Judicial Public Safety