

enforcement officer (chief of police, sheriff, the head of the state police, a state or local district attorney, or another person whose certification is acceptable to the Federal Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF)) who has jurisdiction in the prospective transferee's place of residence. This process is similar to obtaining a concealed carry handgun permit, except that the check of the National Instant Criminal Background Check System (NICS) is done by the ATF rather than the CBI.

Assumptions

The state revenue and state expenditures sections assume:

- the ATF will approve the director of the CBI to serve as a chief law enforcement officer and issue certificates;
- based on total certificates processed at the federal level and the state's population, it is assumed that about 3,936 certificates will be issued in FY 2015-16 and 4,689 will be issued in FY 2016-17 in Colorado;
- up to half of the certificate requests will be processed by the CBI (1,968 in the first year and 2,345 in the second year);
- applicants requesting a certificate from the CBI will also request fingerprint processing from the CBI;
- while it is possible that the CBI is currently processing fingerprint cards for existing requests, no data is available on the number of any such requests, and therefore, the fiscal note assumes all existing fingerprints are being processed by local police and sheriff departments;
- denial rates for the new certificates will be consistent with denials for other types of firearm transfers at 1.93 percent;
- consistent with current denials for other types of firearm transfers, 54 percent of denied prospective transferees will request an appeal; and
- the CBI is authorized to charge a fee for processing fingerprint cards, but not for processing certificates.

State Revenue

This bill will increase state cash fund revenue credited to the CBI Identification Unit Fund by \$77,736 in FY 2015-16 and by \$92,628 in FY 2016-17. Revenue increases assume a fee of \$39.50 per applicant for fingerprinting. Of this amount, \$22.25 is retained by the CBI and \$17.25 is passed through to the Federal Bureau of Investigation (FBI), as shown in the State Expenditures section.

TABOR Impact

This bill increases state revenue from fees, which will increase the amount required to be refunded under TABOR.

State Expenditures

This bill will increase state expenditures by \$323,797 and 0.8 FTE in FY 2015-16 and by \$166,128 and 1.0 FTE in FY 2016-17. The costs in the DPS are summarized in Table 1 and discussed below. Other state agencies that may be affected by the bill are also discussed.

Table 1. Expenditures Under HB15-1086		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$37,273	\$46,218
FTE	0.8	1.0
Operating Expenses and Capital Outlay Costs	5,463	950
Identification Unit Expenses	35,093	41,807
Fingerprint Scan Machine for CBI Pueblo	23,500	0
Information Technology Costs	174,989	20,000
Pass through to the FBI	33,948	40,451
Centrally Appropriated Costs*	13,531	16,702
TOTAL	\$323,797	\$166,128

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Public Safety. The CBI will require a total of 0.8 FTE in FY 2015-16 and 1.0 FTE in FY 2016-17 to process fingerprint checks, issue certificates, and process appeals for denials. One-time capital outlay and standard operating costs are included. A fingerprint scanning machine is required for the Pueblo CBI office. Information technology costs include ongoing access charges to the Colorado Crime Information Center and per-print costs to maintain the new and existing fingerprint scanning machines. One-time information technology costs of \$158,200 (of the total \$174,989 shown in the first year) are also required in the first year to capture and track certificate requests. Finally, costs of \$17.25 are included per fingerprint card as pass through costs to the FBI. Additional costs, not shown, may be required in the event that the CBI requires legal and technical guidance to address the concerns discussed in the Technical Note Section. The fiscal note assumes that should this occur, the DPS can request any additional appropriations required through the annual budget process.

Judicial Department. The bill is anticipated to increase costs and workload within the trial courts in response to any requests for judicial review. Assuming review constitutes a Rule 106 review, it takes approximately 15 minutes of the court's time per case. Based on the current assumptions of denials and appeals, the increase in workload can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB15-1086*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,415	\$8,018
Supplemental Employee Retirement Payments	2,889	3,955
Indirect Costs	4,227	4,729
TOTAL	\$13,531	\$16,702

*More information is available at: <http://colorado.gov/fiscalnotes>

Local Government

The fiscal note assumes that, as work is transferred to the CBI, this bill will reduce revenue and costs for local jurisdictions that are currently processing fingerprints and certificate requests. The amount of reduced revenue and costs will vary by jurisdiction and was not available as of this writing.

Technical Note

It should be noted that because the director of the CBI does not currently meet the federal definition of a chief law enforcement officer, the fiscal note assumes that ATF approval is required, but would be granted because of the director's peace officer status. The timing of the approval is unknown.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2015-16, the CBI in the DPS requires an appropriation of \$310,266, including \$203,543 General Fund and \$106,723 cash funds from the CBI Identification Unit Fund, and an allocation of 0.8 FTE.

State and Local Government Contacts

Judicial Public Safety