

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0467

Date: June 15, 2012

Prime Sponsor(s): Rep. Soper

Bill Status: Postponed Indefinitely

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TITLE: CONCERNING THE LEGAL CONSEQUENCES OF A CREDITOR'S REFUSAL TO ACCEPT UNITED STATES CURRENCY AS PAYMENT FOR DEBTS OF LESS THAN A CERTAIN AMOUNT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue	Minimal reduction; see State Revenue section.	
State Expenditures General Fund	\$108,332	\$124,192
FTE Position Change	2.3 FTE	3.0 FTE
Effective Date: The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on February 2, 2012.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

The bill specifies that for debts of less than \$5,000, the person owing the debt may, at his or her discretion, deduct a sum from the debt to cover the costs of obtaining a suitable medium of exchange if the person to whom the money is owed refuses to accept United States currency as the means of payment. Examples of "medium of exchange" include a cashier's check, certified check, bank check, money order, or other instrument required to be tendered in lieu of cash. Current law (Section 2-4-401, C.R.S.) defines "person" as "any individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, limited liability company, partnership, association, or other legal entity."

State Revenue

General Fund and cash fund revenues in selected state agencies could decline to the extent that persons owing debts to the state are not permitted to pay in cash, resulting in deductions from the amount owed to offset the cost of obtaining an acceptable medium of payment. This potential revenue impact is not estimated in this fiscal note.

State Expenditures

General Fund expenditures in the Department of Revenue will increase by \$108,332 and 2.3 FTE in FY 2012-13 and by \$124,192 and 3.0 FTE in FY 2013-14. The department will establish cashiering services at the Capitol Annex and at its four Taxpayer Service Regional Centers in Colorado Springs, Pueblo, Fort Collins, and Grand Junction. Table 1 provides details on the costs to implement these payment centers.

Table 1. Expenditures Under HB12-1020		
Cost Components	FY 2012-13	FY 2013-14
Personal Services	\$80,303	\$113,738
FTE	2.3	3.0
Operating Expenses and Capital Outlay	12,721	2,850
Network server	3,100	0
Armored security service	3,280	3,936
Cash register system (4 @ \$2,232 each; maintenance contract year 2)	8,928	3,668
TOTAL	\$108,332	\$124,192

The bill also affects other state agencies, as three departments identified the fiscal impact of the proposed bill as indeterminate. To the extent that any additional agencies incur costs, this analysis assumes that these costs would be addressed through the annual budget process.

Expenditures Not Included

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 summarized in Table 2.

Table 2. Expenditures Not Included Under HB12-1020*		
Cost Components	FY 2012-13	FY 2013-14
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$13,568	\$18,331
Supplemental Employee Retirement Payments	4,548	6,981
TOTAL	\$18,116	\$25,312

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

State Appropriations

The Department of Revenue requires a FY 2012-13 General Fund appropriation of \$108,332 and 2.3 FTE to implement the bill.

Departments Contacted

All departments