

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0286 **Date:** January 30, 2014
Prime Sponsor(s): Rep. Murray **Bill Status:** House Judiciary
 Sen. Johnston **Fiscal Analyst:** Kristen Koehler (303-866-4918)

SHORT TITLE: CHOP SHOP ACTIVITY

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue	<\$5,000	<\$5,000
Revenue Change		
Cash Funds	<\$5,000	<\$5,000
State Expenditures	\$0	\$21,484
General Fund	\$0	\$21,484
FTE Position Change		
Appropriation Required: \$259,652 - Department of Corrections (FY 2014-15 through FY 2018-19)		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill creates the crime of ownership or operation of a "chop shop" and makes the offense a class 3 felony. In addition, the bill increases the penalty from a class 5 felony to a class 3 felony for the act of transferring, purchasing, selling, trading, receiving, concealing, or altering a motor vehicle part, accessory, or equipment. The bill also repeals and relocates crimes related to motor vehicle identification numbers and identification numbers on major vehicle components.

Background

Under current law, a person who alters or removes a motor vehicle identification number or the identification number of a major motor vehicle component, except as necessary to make repairs, commits a class 5 felony. Since 2012, there have been 11 cases of altering or removing a motor vehicle or major motor vehicle component identification number; however, none of these offenders were sent to the Department of Corrections (DOC). This bill does not change the current class 5 penalty for this offense.

Current law also addresses the behaviors of transferring, purchasing, selling, trading, receiving, concealing, or altering a motor vehicle part, accessory, or equipment. This is a class 5 felony under current law, but a class 3 felony under the bill. Since 2012, there have been seven cases of this behavior, with one person being sentenced to the DOC.

State Revenue

Beginning in FY 2014-15, this bill is anticipated to increase state revenue by up to \$5,000 per year, credited to the Fines Collection Cash Fund in the Judicial Branch. The fine penalty for a class 3 felony is \$3,000 to \$750,000. Because the courts have the discretion of incarceration, imposing a fine, or both, the impact to state revenue cannot be determined.

By creating a new crime of owning or operating a chop shop, and by increasing the penalty for crimes related to the transfer, purchase, selling, trading, receiving, concealing, or altering a motor vehicle part, accessory, or equipment, fine revenue may also increase. Under current law, persons convicted of such behavior may receive a fine penalty of \$1,000 to \$100,000. Since 2012, there are been seven cases of this behavior. The fine penalty for a class 3 felony is \$3,000 to \$750,000. Because the court has the discretion to impose a fine and the amount of any such fines varies by offender, the exact increase in fine revenue cannot be determined. Fines are credited to the Fines Collection Cash Fund in the Judicial Department.

State Expenditures

This bill is expected to increase state expenditures by \$21,484 in FY 2015-16 and \$44,812 in FY 2016-17.

Assumptions. The fiscal note assumes that one new offender per year will be sentenced to the DOC for the behavior of owning or operating a chop shop; or for transferring, purchasing, selling, trading, receiving, concealing, or altering a motor vehicle part, accessory, or equipment. These offenses are a class 3 felony under the bill. The penalty for altering or removing an identification number from a motor vehicle or major motor vehicle component is unchanged by the bill, and the fiscal note assumes no change in the rate of these offenses.

Workload may increase for other state agencies, but no increases in appropriations are required for any of these other state agencies.

Department of Corrections. For the DOC, this bill is anticipated to increase state General Fund expenditures by an estimated \$259,652 over the 5-year period between FY 2014-15 and FY 2018-19. This increase assumes one new offender per year will be convicted of class 3 felony and have an average length of stay in the DOC of 64.6 months. One new offender will also be convicted of a class 3 felony instead of a class 5 felony every five years, serving 41.6 additional months in the DOC.

Current law prohibits the General Assembly from passing any bill to increase periods of imprisonment in state correctional facilities without appropriating an amount sufficient to cover the increased capital construction and operating costs of the bill in each of the first five fiscal years. However, current law also allows the DOC to place offenders classified as medium custody and below in private contract prisons, for which no state capital construction costs are incurred.

Offenders sentenced under this bill to DOC may be placed in either a state-run or a private contract prison, depending on several factors. Any offenders that *must* be housed in a state-run prison will likely require a shift of other inmates in that facility to private contract prisons. Therefore, this fiscal note assumes that the impact of this bill will be accommodated through the use of private contract prisons, and that no new capital construction funds are necessary.

Offenders placed in a private contract prison cost the state about \$58.86 per offender per day, including the current daily rate of \$53.74 and an estimated \$5.12 per offender per day for medical care provided by the DOC. No impact is expected in the first year because of the estimated time for criminal filing, trial, disposition, and sentencing. Table 1 shows the estimated cost of the bill over the next five fiscal years.

Fiscal Year	Inmate Bed Impact	Construction Cost	Operating Cost	Total Cost
FY 2014-15	0.0	\$0	\$0	\$0
FY 2015-16	1.0	\$0	\$21,484	\$21,484
FY 2016-17	2.1	\$0	\$44,812	\$44,812
FY 2017-18	4.0	\$0	\$85,936	\$85,936
FY 2018-19	5.0	\$0	\$107,420	\$107,420
Total		\$0	\$259,652	\$259,652

Judicial Department. This bill is expected to increase felony filings for the Judicial Department; however, based on the current charging rate for these behaviors, it is anticipated that the increase will be minimal.

Office of the State Public Defender (OSPD). If a person is indigent, the OSPD may experience an increase in workload as a result of this bill; however, any increase in workload is expected to be minimal.

Office of the Alternative Defense Counsel (ADC). The ADC represents clients when the OSPD has a conflict, and therefore may incur costs associated with the bill. On average, the class 3 felony cost to the ADC is \$2,407 per case. Costs to the ADC under this bill have not been estimated, but are anticipated to be minimal.

Department of Revenue (DOR). The DOR's title and registration records include vehicle identification numbers. The bill may result in an increase in the number of paid and free record search requests. The number of anticipated inquiries has not been estimated, but is anticipated to be minimal.

Comparable Crimes

Pursuant to Section 2-2-322 (2.5), C.R.S., Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or changes an element of the existing crime that creates a new factual basis for the offense.

Under current law, a person who alters or removes a motor vehicle identification number or the identification number of a major motor vehicle component, except as necessary to make repairs, commits a class 5 felony. Since 2012, there have been 11 cases of altering or removing a motor vehicle or major motor vehicle component identification number; however, none of these offenders were sentenced to the Department of Corrections (DOC).

Current law also addresses the behaviors of transferring, purchasing, selling, trading, receiving, concealing, or altering a motor vehicle part, accessory, or equipment. This behavior is a class 5 felony under current law, but a class 3 felony under the bill. Since 2012, there has been seven cases of this behavior, with one person being sentenced to the DOC. It is anticipated that one person each year will be sentenced to DOC for a class 3 felony; and one person every five years will be sentenced to the DOC as a class 3 felony. No gender or minority data is available.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State Appropriations

The Department of Corrections requires the five-year appropriations shown in Table 1.

State and Local Government Contacts

Judicial	Corrections	Alternative Defense Counsel
Public Defenders	Revenue	Counties
District Attorneys	Local Affairs	Law