


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 08-1001
Prime Sponsor(s): Sen. Veiga
 Rep. Judd

Date: July 7, 2008
Bill Status: Signed into Law
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE EXPANSION OF PROHIBITIONS AGAINST DISCRIMINATION, AND MAKING AN APPROPRIATION THEREFOR.

| Fiscal Impact Summary | FY 2008-2009 | FY 2009-2010 |
|---|-------------------|--------------|
| State Revenue General Fund | Possible Increase | |
| State Expenditures General Fund | \$83,485 | \$82,258 |
| FTE Position Change | 0.4 FTE | 0.4 FTE |
| Effective Date: The bill was signed by the Governor and became law May 29, 2008. | | |
| Appropriation Summary for FY 2008-2009: See State Appropriations section of fiscal note. | | |
| Local Government Impact: See Local Government section of fiscal note. | | |

Summary of Legislation

This bill adds the prohibition of discrimination based on sexual orientation to non-discrimination statutes for a number of areas, including housing, employment not covered by SB07-025, education, public accommodations and health care. It also allows for the appointment of people who have been, or might be discriminated against because of sexual orientation, to the Civil Rights Commission. Prohibitions against discrimination on the basis of sex, marital status, disability, age, national origin, ancestry, and religion, are added as necessary for consistency in most non-discrimination statutes including consumer credit transactions, jury service, issuance of a license to practice law, and public accommodations. Violations of anti-discrimination laws are misdemeanors subject to fines up to \$5,000, two years imprisonment in a county jail, or both.

State Revenue

Many anti-discrimination statutes include provisions for misdemeanor penalties up to \$5,000, 2 years imprisonment in county jail, 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 impact to state revenue cannot be determined so the fiscal note shows only a possible increase in General Fund revenue.

State Expenditures

The bill has an estimated General Fund fiscal impact of \$83,485 and 0.4 FTE for FY 2008-09 and \$82,258 and 0.4 FTE for FY 2009-10 for the Department of Regulatory Agencies.

Department of Regulatory Agencies, Colorado Civil Rights Division — will address increases in telephone calls and outreach efforts with existing staff. Additional staff and legal expenses will be required for an expected increase of 30 cases of discrimination based on sexual orientation each fiscal year. An estimated 3 court cases are expected.

| Table 1. Expenditures Under SB08-200 for the Department of Regulatory Agencies | | |
|---|-------------------|-------------------|
| Cost Components | FY 2008-09 | FY 2009-10 |
| Personal Services | \$19,970 | \$19,970 |
| FTE | 0.4 | 0.4 |
| Operating Expenses | 2,060 | 2,215 |
| Capital Outlay (one-time cost) | 1,382 | |
| Legal Services* | 60,073 | 60,073 |
| TOTAL | \$83,485 | \$82,258 |

*Provided by the Department of Law.

Judicial Branch — will see an increase in cases filed in district courts for discrimination on the basis of sexual orientation, but expects to address these within current appropriations.

Other State Agencies — State Personnel Board rules already prohibit the types of discrimination addressed in the bill, so no fiscal impact is expected for state agency operations.

Local Government Impact

Depending on the applicable statute, the penalty for a misdemeanor violation of anti-discrimination law ranges from fines of \$10 and 6 months imprisonment in a county jail to \$5,000 or up to 2 years imprisonment in a county jail, 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 \$49.69 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.

Counties may also incur administrative and legal costs to review and revise merit systems in accordance with SB08-200, but these costs cannot be determined.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates. However, indirect costs are calculated to reflect the total direct and indirect costs required to support a particular program. These total \$8,014 for SB08-200.

- group health, life and dental insurance (\$2,520)
- short-term disability (\$23)
- amortization equalization disbursements (\$286)
- indirect costs (\$4,968)
- supplemental amortization equalization disbursements (\$89)
- risk management (\$54)
- worker's compensation (\$74)

State Appropriations

To implement the bill, the Department of Regulatory Agencies requires a General Fund appropriation of \$83,485 for FY 2008-09 and 0.4 FTE. Of this, the Department of Law requires \$60,073 and 0.5 FTE (reappropriated funds).

Differences with Appropriations Clause

Funding of \$1,680 for leased space was excluded from the total fiscal impact by JBC staff who follow a general rule not to include leased space in the fiscal note but to address funding through the annual budget and supplemental process. Fiscal note staff, in consultation with the Department of Regulatory Agencies, agreed to include the leased space figures in the fiscal analysis due to the specific occupancy limitations of that department. The \$83,485 figure includes leased space costs of \$1,680 for 0.4 FTE appropriated to the division.

Departments Contacted

All Departments