


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 10-0824
Prime Sponsor(s): Rep. Casso
 Sen. Tochtrop

Date: June 21, 2010
Bill Status: Signed into Law
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING REQUIRED REGISTRATION FOR PERSONS WHO WORK ON FIRE SUPPRESSION SYSTEMS, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
Cash Funds		
Fines Collection Cash Fund		< \$5,000
Fire Suppression Cash Fund*		100,000
State Expenditures		
Cash Funds		
Fire Suppression Cash Fund	\$15,000	\$75,695
FTE Position Change	0.0 FTE	1.0 FTE
Effective Date: The Governor signed the bill into law on June 7, 2010, and unless a referendum petition is filed, the bill will take effect July 1, 2010.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

* *State revenue from fees exceeds state expenditures in order to pay for costs noted in the Expenditures Not Included section of this fiscal note. Registration fees for sprinkler fitters will be collected beginning in FY 2011-12 to cover costs of the bill in both FY 2010-11 and FY 2011-12.*

Summary of Legislation

This bill creates a registration program for sprinkler fitters in the Division of Fire Safety, Colorado Department of Public Safety. A sprinkler fitter is a person authorized to work on fire suppression systems. Beginning July 1, 2011, sprinkler fitters are required to register with the division. Registered persons are extended title protection. In order to register with the state, a person must pay a fee, provide evidence of successful completion of a sprinkler fitter apprenticeship program, and pass an examination. Other competency criteria may be determined by the department by rule. Sprinkler fitters may apply for state registration by reciprocity. Registrations must be renewed annually.

State Revenue

In FY 2011-12, this bill will increase revenue from fees by an estimated \$100,000. Fees will be credited to the Fire Suppression Cash Fund.

Fee Impact on Sprinkler Fitters. Section 2-2-322, C.R.S., requires legislative service agency review of measures that create or increase any fee collected by a state agency. Fee calculations are based on the estimated costs of the program distributed across the estimated number of registrations. The estimated number of sprinkler fitters is based on data from the Division of Fire Safety and from the Colorado Fire Protection Association. The cost for initial license and renewal fees beginning in FY 2011-12 is anticipated to be \$20. Table 1 displays the fee impact.

Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
Sprinkler Fitter Registration	\$20	5,000	\$100,000

Fines. The bill may increase state revenue from fines beginning in FY 2011-12, although less than \$5,000 in new state revenue is expected. The bill extends limited title protection to sprinkler fitters and the department has the authority to enforce this protection against unregistered persons acting as a sprinkler fitter. Fine revenue that is not otherwise appropriated is deposited in the Fines Collection Cash Fund.

State Expenditures

This bill will result in total state expenditures of \$15,000 in FY 2010-11. Total expenditures for FY 2011-12 are \$75,695 and 1.0 FTE. All expenses are in the Division of Fire Safety in the Department of Public Safety.

In order to begin registrations on July 1, 2011, the division will incur costs in FY 2010-11 to develop a qualifying examination and to modify the division's licensing software. The combined cost for these expenses is \$15,000. In the event that moneys in the Fire Suppression Cash Fund are insufficient to cover FY 2010-11 costs, this fiscal note assumes that the General Fund will offset the amount of any deficiency. Any amounts "loaned" to the fund will be reimbursed to the General Fund when available.

Beginning in FY 2011-12, the division requires the addition of 1.0 FTE to manage the registration program, process applications, communicate with regulated professionals, and coordinate qualifying examinations and assessment results. There will be an immediate and large demand for registrations beginning in FY 2011-12 and the division will also require temporary contract assistance to process initial applications and to administer the qualifying test. Total expenditures under HB10-1241 are displayed in Table 2.

Table 2. Expenditures Under HB10-1241		
Cost Components	FY 2010-11	FY 2011-12
Personal Services		\$38,797
<i>FTE</i>		1.0
Contract Personal Services		17,378
Operating Expenses and Capital Outlay		5,620
Certificate Printing & Postage		13,900
Software Upgrades	\$5,000	-
Test Development	10,000	-
TOTAL	\$15,000	\$75,695

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 3.

Table 3. Expenditures Not Included Under HB10-1241*		
Cost Components	FY 2010-11	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$0	\$7,100
Supplemental Employee Retirement Payments	0	1,756
TOTAL		\$8,856

*More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>

State Appropriations

Consistent with this fiscal note, the final bill appropriates \$15,000 from the Fire Suppression Cash Fund to the Department of Public Safety.

Departments Contacted

Local Affairs Public Safety