

An Act

SENATE BILL 14-063

BY SENATOR(S) Marble, Balmer, Baumgardner, Cadman, Crowder, Grantham, Harvey, Herpin, King, Lambert, Lundberg, Renfroe, Rivera, Scheffel, Steadman, Todd, Ulibarri, Aguilar, Brophy, Heath, Hill, Kefalas, Kerr, Newell, Nicholson, Carroll;
also REPRESENTATIVE(S) Saine and Williams, Moreno, Everett, Nordberg, Pabon, Conti, Hullinghorst, Mitsch Bush, Priola, Rankin, Ryden, Salazar, Singer, Tyler, Young.

CONCERNING THE MANDATORY REVIEW OF EXISTING EXECUTIVE BRANCH AGENCY RULES CONDUCTED BY EACH PRINCIPAL DEPARTMENT.

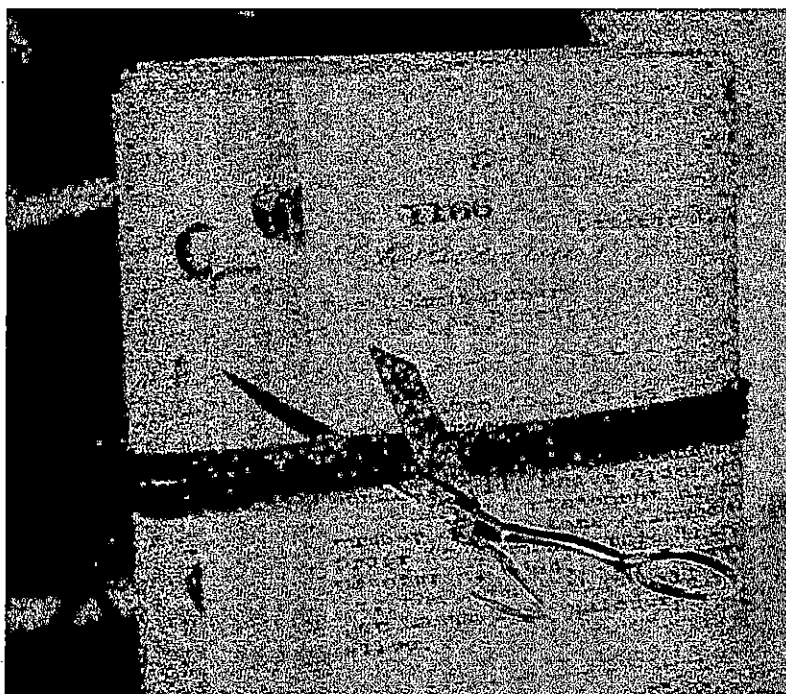
Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, add 24-4-103.3 as follows:

24-4-103.3. Mandatory review of rules by agencies - report on results of review in departmental regulatory agendas. (1) THE DEPARTMENT OF REGULATORY AGENCIES SHALL ESTABLISH A SCHEDULE, IN CONSULTATION WITH EACH PRINCIPAL DEPARTMENT, FOR THE REVIEW OF ALL OF THE RULES FOR EACH PRINCIPAL DEPARTMENT. EACH PRINCIPAL DEPARTMENT SHALL CONDUCT A REVIEW OF ALL OF ITS RULES TO ASSESS THE CONTINUING NEED FOR AND THE APPROPRIATENESS AND

CUTTING RED TAPE IN COLORADO STATE GOVERNMENT

**"MAKING GOVERNMENT MORE EFFICIENT,
EFFECTIVE AND ELEGANT"**



DEPARTMENT OF REGULATORY AGENCIES

OMNIBUS REPORT TO THE GOVERNOR

ON THE

"PITS AND PEEVES" ROUNDTABLES INITIATIVE

DECEMBER, 2011

**Executive Director's Office**Barbara J. Kelley
Executive DirectorJohn W. Hickenlooper
GovernorGovernor John W. Hickenlooper
Colorado State Capitol
Denver, Colorado 80202

Dear Governor Hickenlooper:

It is my pleasure to submit to you this *Omnibus Report on the Pits and Peeves Roundtables Initiative*. On your behalf, the Department of Regulatory Agencies, together with Executive Directors and senior staff representing your Administration, have been engaged in a series of roundtable discussions across the State with a broad and diverse group of representatives of approximately 100 business organizations, local governments, advocacy and community groups on the important issue of red tape and regulatory inefficiencies in Colorado State government.

The principal objective of the Initiative was to provide a forum for senior government officials to listen to the problems and experiences of businesses and the community at large with respect to governmental red tape, and to understand, as fully as possible, what we heard. In this Report, we have tried to relate, accurately and in context, the voices and perspectives of the Roundtable participants, without editing, screening or injecting our own views and judgments.

The challenge for the Administration going forward is to craft the variable courses of action needed to address not only the individual "peeves" experienced by citizens, but more importantly, the structural and systemic impediments to eliminating red tape and streamlining the State's broad array of regulatory regimes. While immediate one-time fixes are important, and can certainly provide limited relief, the longer term goal must be to address the root causes of the problem of red tape, and to avoid persistent and recurring governmental inefficiencies.

Notwithstanding the obstacles, it is a challenge which we in your Administration have begun to take on, and will continue to address with resolve, and the commitment to succeed in providing a government to serve the people of Colorado which embodies the three "Es" of good government—effectiveness, efficiency and elegance in customer service.

Sincerely,

Barbara J. Kelley
Executive Director, Department of Regulatory Agencies

March 2, 2015

Representative G. Klingenschmitt

Re: HB 15-1044, Periodic Legislative Review of Executive Branch Agency Rules.

Dear Representative Klingenschmitt,

On behalf of over 7,000 NFIB members in Colorado I am pleased to inform you of NFIB's support for HB 1044.

In a 2010 study released by the Small Business Administration the cost of regulatory compliance to American industry was \$1.78 trillion dollars. In 2014 a new study was released by the National Association of Manufactures by the same outside consulting source utilized by the SBA in their study that stated the updated cost of regulatory compliance to American industry was at \$2.2 trillion dollars. Regulatory reform has become a top three priority for NFIB in addition for continued healthcare reform and tax reform geared to small businesses and individuals instead of corporate America.

The uncertainty caused by outdated and duplicative regulation negatively affects a small business's ability to plan for future growth. While regulation is necessary, it must be pragmatic and sensible. Agencies need to carefully analyze how their regulations affect small businesses. At the same time, regulators should work with small businesses to help ensure compliance with the spirit of the law, rather than aggressively impose fines and penalties for violations that result from confusion.

It is not unreasonable for state government to review its index of regulations on a regular basis. This would assist the state in determining if those regulations are still necessary in line with regulations at the Federal level. In addition it would save the state dollars in eliminating duplicative regulations that are no longer serving their intended purpose. It would also be a benefit to Colorado's small businesses since an over burdensome regulatory environment slows down reinvestment, expansion, and the creation of new jobs.

NFIB congratulates you for proposing HB 1044 and appreciates the courage shown by you in addressing this complicated but most important issue.

Sincerely,

A.F. Tony Gagliardi
NFIB/CO State Director

The Impact of Regulatory Costs on Small Firms

by

Nicole V. Crain and W. Mark Crain
Lafayette College
Easton, PA

for



under contract number SBAHQ-08-M-0466

Release Date: September 2010

This report was developed under a contract with the Small Business Administration, Office of Advocacy, and contains information and analysis that was reviewed and edited by officials of the Office of Advocacy. However, the final conclusions of the report do not necessarily reflect the views of the Office of Advocacy.

Executive Summary

The annual cost of federal regulations in the United States increased to more than \$1.75 trillion in 2008. Had every U.S. household paid an equal share of the federal regulatory burden, each would have owed \$15,586 in 2008. By comparison, the federal regulatory burden exceeds by 50 percent private spending on health care, which equaled \$10,500 per household in 2008. While all citizens and businesses pay some portion of these costs, the distribution of the burden of regulations is quite uneven. The portion of regulatory costs that falls initially on businesses was \$8,086 per employee in 2008. Small businesses, defined as firms employing fewer than 20 employees, bear the largest burden of federal regulations. As of 2008, small businesses face an annual regulatory cost of \$10,585 per employee, which is 36 percent higher than the regulatory cost facing large firms (defined as firms with 500 or more employees).

The regulatory landscape highlighted above and detailed in this report emerges from an updated analysis of the regulatory record explored in three previous studies for the Office of the Chief Counsel for Advocacy of the U.S. Small Business Administration (Hopkins, 1995; Crain and Hopkins, 2001; and Crain, 2005). Direct comparisons to the results in these prior studies should be made with caution, however. The present study introduces some new methodological techniques, which may account for some of the differences in the cost estimates for 2008 versus those for prior years.