

Any person who does not fall into one of these three water conditioning categories may not advertise that they are.

Background

While the State Plumbing Board had previously interpreted state law to include water conditioning appliances and enforced the law on a complaint-driven basis, Senate Bill 13-162 formally codified "all water conditioning appliances connected to the potable water system" into the definition of plumbing. As such, water treatment companies were formally required to be registered as plumbing contractors with the DPO by July 1, 2013. Initial registration fees for plumbing contractors are currently set at \$210, and the biennial renewal fee is \$130.

State Revenue

This bill is expected to increase the population of registered water conditioners, which will increase fee revenue to the DPO Cash Fund.

Assumptions. Based on information provided by DORA and industry representatives, the fiscal note assumes there are:

- 50 independently-owned water treatment companies are currently operating in the state, or 50 water conditioning contractors;
- 250 water conditioning installers; and
- 50 water conditioning principals.

The fiscal note also assumes that there is a 10 percent attrition rate in the industry, so that there will be approximately 35 new registrants per year. In addition, it is assumed that there will be 3,000 permits issued annually, based on 5 permits per contractor per month.

Division of Professions and Occupations—DORA. Fee revenue to the DPO in DORA is expected to increase by an estimated **\$150,000 annually** to cover administration costs for the program.

TABOR Impact

The bill increases state cash fund revenue from fees in FY 2015-16, which will increase the amount required to be refunded under TABOR. TABOR refunds are paid from the General Fund.

State Expenditures

The bill increases expenditures in DORA by **\$158,494 in FY 2015-16**, and by **\$143,758 in FY 2016-17**. Because the bill increases the population of registered water conditioners, DORA will personal services for an investigator and program administrator. DORA will also require temporary employees to address the initial workload impacts the new registrations will have. DORA will also require legal services to conduct rulemaking. The DPO will also be required to update its outreach materials and website to reflect changes to the water conditioning registration program.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Personnel and Administration

Regulatory Agencies