



Colorado Legislative Council Staff Fiscal Note
FINAL FISCAL NOTE

Drafting Number: LLS 09-0030**Date:** May 7, 2009**Prime Sponsor(s):** Rep. Balmer
Sen. Newell**Bill Status:** Signed into Law**Fiscal Analyst:** Chris Ward (303-866-5834)

TITLE: CONCERNING CERTIFICATION OF PUBLIC BENEFIT NONPROFIT ENTITIES AS LOCAL PUBLIC PROCUREMENT UNITS.

Summary of Legislation

As amended, this bill allows the executive director of the Department of Personnel and Administration to certify certain private nonprofit entities as local public procurement units. To be certified, the nonprofit entity must use any procured supplies, services, or construction in the furtherance of its stated nonprofit purpose. Eligibility is limited to nonprofit entities that:

- are exempt from federal taxation under section 501 (c) (3) of the federal internal revenue code;
- do not possess 501 (c) (4) status under the federal internal revenue code; and
- receive federal, or state, or local governmental funds.

The bill also requires the Department of Personnel and Administration to report to the legislature by February 1, 2011 on the number of entities that were certified under the bill and the total spending by those entities under state cooperative purchasing agreements between July 1, 2009, and November 1, 2010.

The Governor signed the bill into law on March 13, 2009, and unless a referendum petition is filed, the bill will take effect August 5, 2009.

Assessment

The bill is assessed at having no fiscal impact. It allows private nonprofit entities that receive government funds to purchase goods at the price negotiated by the State Purchasing Office in the Department of Personnel and Administration. Because these prices are negotiated through cooperative agreements with several other state and local governments, they can sometimes be as much as 40 percent below the retail price.

Departments Contacted

Personnel and Administration