

Colorado Legislative Council Staff Fiscal Note

STATE
FISCAL IMPACT

This fiscal note is prepared pursuant to Joint Rule 22. (b) (2)

Drafting Number: LLS 10-0283
Prime Sponsor(s): Rep. Ferrandino

Date: February 26, 2010
Bill Status: House Transportation and Energy
Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING THE DELIVERY OF PAPER DOCUMENTS TO A PERSON'S PROPERTY.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
Cash Funds		
Recycling Resources Economic Opportunity Fund	< \$5,000	< \$5,000
State Expenditures		
FTE Position Change		
Effective Date: The bill takes effect July 1, 2010 and applies to offenses committed on or after this date.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: None.		

Summary of Legislation

With Amendment HB 10-1068_L.001, this bill creates the Colorado No-Deliver List Program, for the purpose of establishing a database of residences in the state that have given notice of objection to receiving telephone directories. The bill requires the Colorado Public Utilities Commission (PUC) to administer the program and create and maintain a database and a website containing information on list members. However, the PUC, at its discretion, may contract with a private agent to implement the program.

The bill requires that the opportunity to sign up for the list be provided both via the internet and mail. With certain exceptions, the bill prohibits signing up an address for the list by anyone other than the person that resides at that address. The bill also requires persons who deliver telephone directories to register with the PUC, and the PUC must establish a registration fee to cover the administration costs of the program. The no-deliver list must be made electronically and physically available to all registrants.

Finally, the bill specifies that negligent violation of these provisions is a misdemeanor, punishable by a fine of \$50 per recipient for the first 100 deliveries, and \$1,000 per recipient for subsequent deliveries. The bill caps total fines for any one person at \$100,000 per year. All fine revenue is to be credited to the Recycling Resources Economic Opportunity Fund.

Background

During the 2001 legislative session, the General Assembly passed HB 01-1405, which established the Colorado No-Call List Program. That bill requires the PUC to administer the program, and to contract with a designated agent to create and maintain a database and website containing the no-call list. The PUC is also responsible for promulgating rules and establishing a registration fee for telemarketing entities. These fees are paid directly to the designated agent in order to cover the administrative costs incurred in developing and maintaining the database and website. In 2009, the designated agent collected \$127,830 in registration fees from 411 registered telemarketing entities. The no-call program is currently contracted to an agent for \$81,500 a year, and the contract has been renewed annually for several years. Fees over and above the contract amount are sent to the Department of Law to cover enforcement costs, as they are responsible for violation of the Colorado Consumer Protection Act.

State Revenue

Fee Revenue. The bill requires the PUC to establish an annual registration fee to cover program administrative costs. The number of entities that will be required to pay the fee is not known. This fiscal note assumes that fees will be paid directly to the designated agent and are not considered state revenues.

Fine Revenue. The bill establishes a new misdemeanor. It is anticipated that less than \$5,000 in new state revenue will be collected annually as a result of this bill. Fine revenue is to be credited to the Recycling Resources Economic Opportunity Fund.

State Expenditures

Colorado Public Utilities Commission (PUC). While the bill specifies several requirements of the PUC related to program administration, it also authorizes the PUC, at its discretion, to contract with an agent to implement the program, and this fiscal note assumes the PUC will do so. While administrative costs are currently unknown, based on the no-call program, they may be in the range of \$80,000 annually.

The bill also requires the PUC to promulgate administrative rules for the program and set a registration fee to cover the administrative costs incurred by the agent. The PUC routinely promulgates rules and monitors service contracts and has a well-established set of rules for the Colorado No-Call List program. Assuming the Colorado No-Deliver program will be modeled on that program, the required rule promulgation can be done within existing resources.

Department of Law. Because of its responsibility for enforcing the Colorado Consumer Protection Act, the department will enforce complaints of violations received by the contractor. The number of complaints and the future need for enforcement is unknown. This fiscal note assumes that if additional workload is required, the department will seek spending authority for fee revenue through the annual budget process.

Departments Contacted

Regulatory Agencies

Judicial

Law