


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 10-0325

Date: February 22, 2010

Prime Sponsor(s): Rep. Curry
Sen. Schwartz

Bill Status: House Agriculture

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TITLE: CONCERNING THE CONTINUATION OF THE LICENSING OF RIVER OUTFITTERS BY THE BOARD OF PARKS AND OUTDOOR RECREATION, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE SUNSET REVIEW RECOMMENDATIONS OF THE DEPARTMENT OF REGULATORY AGENCIES.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012	FY 2012-13
State Revenue			
Cash Funds			
Parks and Outdoor Recreation Cash Fund	\$48,000	\$26,000	\$4,000
State Expenditures			
FTE Position Change			
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.			
Appropriation Summary for FY 2010-2011: None.			
Local Government Impact: None.			

Summary of Legislation

HB10-1221 extends the River Outfitter Licensing Program until September 1, 2019, as recommended by the Department of Regulatory Agency's 2009 Sunset Review, with some modifications.

Trip leader and guide qualifications. The bill changes the qualification requirements for trip leaders and guides as follows:

- of the 500 river miles currently required to be qualified as a trip leader, at least 250 miles must be from trips regulated under the River Outfitter Licensing Program and no more than 250 miles may be from non-regulated trips;
- guides must be trained in CPR; and
- college and university faculty members must be qualified as guides to teach water sport activity courses.

Additional requirements. HB10-1221 will make the following changes to the River Outfitter Licensing Program:

- directs the Board of Parks and Outdoor Recreation to adopt a license renewal schedule with terms not to exceed 3 years;
- makes a river outfitter that operates without a valid license liable for an administrative penalty of 5 times the annual licensing fee;
- recreates the River-Outfitter Advisory Committee to make recommendations on regulations relating to river outfitters;
- broadens the definition of "advertise" to include electronic media in the marketing and messaging of river outfitter operations; and
- requires the board to send an e-mail notice to each licensee regarding proposed rules.

State Revenue

Revenue to the Parks and Outdoor Recreation Cash Fund will increase by \$48,000 in FY 2010-11, \$26,000 in FY 2011-12, and \$4,000 in 2012-13.

This fiscal note assumes that the transition to a 3-year license system will take place over a 3-year period, with a third of the licensees receiving a 3-year license each year. As a result, revenue is shifted forward as shown in Table 1. Currently, a regular annual license is \$400. The estimated revenue is based on the assumption that a 3-year license will be \$1,200 and the net impact assumes that \$66,000 in revenue would be generated from the sale of 165 annual licenses a year (the average sales from the past five years).

Table 1. Estimated Revenue During Transition to a 3-year License				
Fiscal Year	3-year License Sales	Annual License Sales	Total Revenue	Net Impact
2010-11	\$66,000	\$44,000	\$110,000	\$44,000
2011-12	\$66,000	\$22,000	\$88,000	\$22,000
2012-13	\$66,000	\$0	\$66,000	\$0

If there are two violations a year for operating a river-outfitting business without a license, the bill will result in an additional \$4,000 in revenue from administrative fines. This fiscal note assumes that citations will be issued by a Division of Parks and Outdoor Recreation officer, in which case the fine revenue will be credited to the Parks and Outdoor Recreation Cash Fund.

State Expenditures

There will be no net change in expenditures, however HB10-1221 will result in up-front computer programing costs which will be offset by a future reduction in staff workload. The Division of Parks and Outdoor Recreation in the Department of Natural Resources will require 10 hours of computer programming (at \$74 per hour) to update the licensing database to be compatible with the new 3-year licensing time frame. This cost will be offset by a savings of approximately 60 hours of staff time as a result of processing fewer licenses each year.

This bill will also lead to a slight increase in workload for the division, however the associated costs can be absorbed with existing resources. Additional work will include the following:

- notifying licensees of proposed rules;
- creating a multi-year license structure;
- updating publications relating to the change in license terms and fee structure; and
- coordinating, participating in, and traveling to advisory committee meetings.

Departments Contacted

Natural Resources