


 Colorado *Legislative Council Staff Fiscal Note*
STATE
FISCAL IMPACT

Note: This fiscal note is provided pursuant to Joint Rule 22(b)(2), and reflects strike-below amendment L.003.

Drafting Number: LLS 11-0392	Date: February 3, 2011
Prime Sponsor(s): Rep. Gerou Sen. Roberts	Bill Status: House Economic & Business Development Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING THE REPEAL OF REQUIRED REGISTRATION OF PERSONS WHO WORK ON FIRE SUPPRESSION SYSTEMS.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Fines Collection Cash Fund	(< \$5,000)	
Fire Suppression Cash Fund*	(100,000)	
State Expenditures		
Cash Funds		
Fire Suppression Cash Fund	(\$75,695)	(\$39,747)
FTE Position Change	(1.0 FTE)	(1.0 FTE)
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None		

Summary of Legislation

House Bill 10-1241, a bill passed during the 2010 legislative session, created a registration program for sprinkler fitters in the Division of Fire Safety in the Colorado Department of Public Safety (DPS). A sprinkler fitter is a person authorized to work on fire suppression systems. Beginning July 1, 2011, sprinkler fitters are required to register with the division. This bill repeals the registration requirement and program.

State Revenue

In FY 2011-12, this bill will decrease revenue from fees by an estimated \$100,000. In the absence of this bill, the Division of Fire Safety will collect fee revenue beginning in FY 2011-12, in order to pay for the direct and indirect costs of the sprinkler fitter registration program. If this bill is adopted, the program will not be implemented, and the division will not collect these fees.

Similarly, current law authorizes the division to levy fines against unregistered sprinkler fitters. By eliminating the registration program, this bill also removes the division's authority to collect fines. Therefore, this bill decreases state revenue from fines; however, in FY 2011-12, less than \$5,000 in new state revenue is anticipated.

State Expenditures

This bill will decrease total state expenditures by \$75,695 and 1.0 FTE in FY 2011-12. Decreased expenditures in FY 2012-13 are \$39,747 and 1.0 FTE. All cost savings are in the Division of Fire Safety in the Department of Public Safety.

In order to implement the program beginning July 1, 2011, the division requires the addition of 1.0 FTE and temporary contract labor. There are also costs to the division for printing and mailing certificates to regulated professionals. This bill removes all of these costs for FY 2011-12 and FY 2012-13. The total cost savings under this bill are displayed in Table 1.

Table 1. Reduced Expenditures under HB 11-1120		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	(\$38,797)	(\$39,747)
<i>FTE</i>	<i>(1.0)</i>	<i>(1.0)</i>
Contract Personal Services	(17,378)	
Operating Expenses and Capital	(5,620)	
Outlay	(13,900)	
Certificate Printing & Postage		
TOTAL	(\$75,695)	(\$39,747)

Expenditures Not Included

Certain indirect costs associated with HB 10-1241 were estimated for the purpose of calculating fees necessary to cover both direct and indirect costs. Pursuant to a Joint Budget Committee policy, these indirect costs are normally addressed through the annual budget process, and then centrally appropriated in the Long Bill or supplemental appropriations bills. For information purposes, the centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under HB 11-1120*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	(\$7,100)	(\$7,100)
Supplemental Employee Retirement Payments	(1,756)	(1,756)
TOTAL	(\$8,856)	\$8,856

*More information is available at: <http://colorado.gov/fiscalnotes>

State Appropriations

In FY 2011-12, this bill reduces appropriations by (\$75,695) and (1.0 FTE) from the Fire Suppression Cash Fund in the Department of Public Safety.

Departments Contacted

Law

Public Safety

Regulatory Agencies