

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 12-0508.01 Bart Miller x2173

SENATE BILL 12-086

SENATE SPONSORSHIP

Cadman, Shaffer B.

HOUSE SPONSORSHIP

(None),

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING A STUDY OF THE COST OF REGULATORY COMPLIANCE**
102 **FOR BUSINESSES IN COLORADO.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

This bill creates a legislatively appointed task force to study the cost of regulatory compliance for businesses in Colorado subject to Colorado's regulatory system.

The task force consists of 9 members: 2 of the members are appointed by the president of the senate; 2 by the minority leader of the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unamended
May 1, 2012

senate; 2 by the speaker of the house of representatives; and 2 by the minority leader of the house of representatives, respectively. The president of the senate and the speaker of the house of representatives jointly appoint one member of the task force. The bill establishes the qualifications required for each of the members of the task force.

The duration of the study is 2 years with an interim report and a final report to the general assembly of the results of the study at its conclusion. The bill establishes the general guidelines for the contents of the study and authorizes the task force to consult similar studies, including studies that have been carried out for the federal government.

The bill requires the task force to be funded privately by gifts, grants, and donations and adequate funding for the study must be tracked by the legislative council staff as provided by law. The bill authorizes the directors of the legislative council staff and the office of legislative legal services and the state auditor to provide staff to the task force if adequate funding is received. The task force may also accept staff support from the private sector.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 2-2-326 as
3 follows:

4 **2-2-326. Task force on the cost of state regulatory compliance**
5 **- appointment - notice of funding through gifts, grants, and donations**
6 **- definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (a) "COST OF REGULATORY COMPLIANCE" MEANS THE MONEY
9 SPENT BY BUSINESSES IN COLORADO TO COMPLY WITH RULES THAT ARE
10 PART OF THE REGULATORY SYSTEM OF THIS STATE.

11 (b) "EXECUTIVE BRANCH DEPARTMENTS" MEANS ALL PRINCIPAL
12 DEPARTMENTS OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT AS
13 SPECIFIED IN SECTION 24-1-110, C.R.S., INCLUDING ANY DIVISION, OFFICE,
14 AGENCY, OR OTHER UNIT CREATED WITHIN A PRINCIPAL DEPARTMENT.

15 (c) "INDUSTRY LEADER" MEANS AN EXECUTIVE-LEVEL EMPLOYEE
16 OR RETIREE OF A LARGE SUCCESSFUL INDUSTRY.

1 (d) "REGULATORY SYSTEM" MEANS THE SYSTEM OF RULES
2 PROMULGATED BY EXECUTIVE BRANCH DEPARTMENTS UNDER ARTICLE 4
3 OF TITLE 24, C.R.S., INCLUDING ALL RULES CURRENTLY PROMULGATED
4 AND PUBLISHED IN THE CODE OF COLORADO REGULATIONS.

5 (e) "SMALL OR MEDIUM BUSINESS LEADER" MEANS A SUCCESSFUL
6 BUSINESS OWNER GENERALLY RECOGNIZED IN THE BUSINESS COMMUNITY
7 WITH UP TO FIVE HUNDRED EMPLOYEES.

8 (f) "TASK FORCE" MEANS THE TASK FORCE CREATED IN
9 SUBSECTION (2) OF THIS SECTION.

10 (2) NO LATER THAN JULY 1, 2012, THE PRESIDENT OF THE SENATE,
11 THE MINORITY LEADER OF THE SENATE, THE SPEAKER OF THE HOUSE OF
12 REPRESENTATIVES, AND THE MINORITY LEADER OF THE HOUSE OF
13 REPRESENTATIVES SHALL APPOINT A TASK FORCE TO STUDY THE IMPACTS
14 OF THE COST OF REGULATORY COMPLIANCE ON BUSINESSES IN COLORADO.
15 THE TASK FORCE CONSISTS OF NINE MEMBERS APPOINTED AS FOLLOWS:

16 (a) THE PRESIDENT OF THE SENATE SHALL APPOINT TWO MEMBERS,
17 ONE OF WHOM MUST BE A PRIVATE INDUSTRY LEADER AND ONE OF WHOM
18 MUST BE AN ACADEMIC FROM THE ECONOMICS OR BUSINESS SCHOOL
19 FACULTY OF ANY PUBLIC OR PRIVATE INSTITUTION OF HIGHER EDUCATION
20 IN THIS STATE WHO HAS DEMONSTRATED EXPERTISE RELATED TO THE COST
21 OF REGULATORY COMPLIANCE;

22 (b) THE MINORITY LEADER OF THE SENATE SHALL APPOINT TWO
23 MEMBERS, ONE OF WHOM MUST BE A PRIVATE INDUSTRY LEADER AND ONE
24 OF WHOM MUST BE A SMALL OR MEDIUM BUSINESS LEADER OR
25 REPRESENTATIVE OF A BUSINESS ASSOCIATION WHOSE MEMBERSHIP IS
26 MAINLY SMALL OR MEDIUM BUSINESSES;

27 (c) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL

1 APPOINT TWO MEMBERS, ONE OF WHOM MUST BE FROM AN ORGANIZATION,
2 INSTITUTE, OR NONPROFIT GROUP THAT CONDUCTS RESEARCH AND
3 ENGAGES IN ADVOCACY IN AREAS SUCH AS BUSINESS POLICY OR THE
4 ECONOMY AND ONE OF WHOM MUST BE A SMALL OR MEDIUM BUSINESS
5 LEADER OR REPRESENTATIVE OF A BUSINESS ASSOCIATION WHOSE
6 MEMBERSHIP IS MAINLY SMALL OR MEDIUM BUSINESSES;

7 (d) THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES
8 SHALL APPOINT TWO MEMBERS, ONE OF WHOM MUST BE AN ACADEMIC
9 FROM THE ECONOMICS OR BUSINESS SCHOOL FACULTY OF ANY PUBLIC OR
10 PRIVATE INSTITUTION OF HIGHER EDUCATION IN THIS STATE WHO HAS
11 DEMONSTRATED EXPERTISE RELATED TO THE COST OF REGULATORY
12 COMPLIANCE AND ONE OF WHOM MUST BE A FORMER EMPLOYEE OF A
13 STATE REGULATORY BODY; AND

14 (e) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE
15 HOUSE OF REPRESENTATIVES SHALL JOINTLY APPOINT A CITIZEN OF THE
16 STATE OF COLORADO.

17 (3) THE TASK FORCE SHALL DESIGNATE ONE OF THE ACADEMIC
18 MEMBERS AND ONE OF THE SMALL OR MEDIUM BUSINESS LEADERS AS
19 CHAIR AND VICE-CHAIR.

20 (4) SUBJECT TO SUBSECTION (7) OF THIS SECTION, THE TASK FORCE
21 SHALL MEET WITHIN THIRTY DAYS AFTER THE MEMBERS ARE APPOINTED
22 AND MUST MEET ADDITIONALLY AS CONVENED BY THE CHAIR.

23 (5) THE DUTIES OF THE TASK FORCE ARE TO REVIEW THE STATE'S
24 REGULATORY SYSTEM AND DETERMINE THE ESTIMATED ANNUAL COST OF
25 REGULATORY COMPLIANCE ON BUSINESSES IN COLORADO. THE STUDY
26 MUST BREAK DOWN THE ANNUAL COST OF REGULATORY COMPLIANCE
27 BASED ON THE TYPE OF REGULATION; THE COST PER EMPLOYEE FOR ALL

1 FIRMS; AND THE COST OF COMPLIANCE PER EMPLOYEE FOR FIRMS, BROKEN
2 DOWN IN INCREMENTS BASED ON SIZE OF THE FIRM, FROM FEWER THAN
3 TWENTY EMPLOYEES TO UP TO FIVE HUNDRED OR MORE EMPLOYEES. IN
4 CONDUCTING THIS STUDY, THE TASK FORCE MAY CONSULT SIMILAR
5 STUDIES OF THE COST OF REGULATORY COMPLIANCE, INCLUDING STUDIES
6 DONE BY ACADEMIC GROUPS FOR THE FEDERAL GOVERNMENT.

7 (6) THE TASK FORCE MUST MAKE AN INTERIM REPORT IN WRITING
8 TO THE GENERAL ASSEMBLY NO LATER THAN AUGUST 5, 2013. THE TASK
9 FORCE MUST REPORT IN WRITING TO THE GENERAL ASSEMBLY NO LATER
10 THAN AUGUST 6, 2014, REGARDING ITS FINAL FINDINGS.

11 (7) (a) THE TASK FORCE IS AUTHORIZED TO SEEK AND ACCEPT
12 GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR
13 THE PURPOSES OF THIS SECTION; EXCEPT THAT THE TASK FORCE MAY NOT
14 ACCEPT A GIFT, GRANT, OR DONATION THAT IS SUBJECT TO CONDITIONS
15 THAT ARE INCONSISTENT WITH THIS SECTION OR ANY OTHER LAW OF THE
16 STATE. THE LEGISLATIVE COUNCIL STAFF, ON BEHALF OF THE TASK FORCE,
17 IS AUTHORIZED TO RECEIVE MONEYS UNDER THIS SUBSECTION (7) AND
18 SHALL TRANSFER ANY MONEYS RECEIVED UNDER THIS SUBSECTION (7) TO
19 THE STATE TREASURER, WHO SHALL CREDIT THE MONEYS TO THE
20 LEGISLATIVE DEPARTMENT CASH FUND CREATED IN SECTION 2-2-1601 FOR
21 USE IN IMPLEMENTING THIS SECTION.

22 (b) (I) IN SEEKING OR ACCEPTING A GIFT, GRANT, OR DONATION,
23 THE LEGISLATIVE COUNCIL STAFF SHALL TRACK WHETHER THE TASK FORCE
24 HAS RECEIVED ADEQUATE FUNDING THROUGH GIFTS, GRANTS, OR
25 DONATIONS FOR THE STUDY REQUIRED BY THIS SECTION AND SHALL
26 INCLUDE THIS INFORMATION IN THE NOTIFICATION SPECIFIED IN SECTION
27 24-75-1303 (3), C.R.S.

1 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE AUGUST 6,
2 2015.

3 (c) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL,
4 THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE
5 STATE AUDITOR MAY SUPPLY STAFF ASSISTANCE TO THE TASK FORCE AS
6 DEEMED APPROPRIATE WITHIN EXISTING APPROPRIATIONS. IF STAFF
7 ASSISTANCE IS NOT AVAILABLE WITHIN EXISTING APPROPRIATIONS, THEN
8 THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL, THE DIRECTOR
9 OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE STATE AUDITOR
10 MAY SUPPLY STAFF ASSISTANCE TO THE TASK FORCE ONLY IF MONEYS ARE
11 CREDITED TO THE LEGISLATIVE DEPARTMENT CASH FUND PURSUANT TO
12 PARAGRAPH (a) OF THIS SUBSECTION (7) IN AN AMOUNT SUFFICIENT TO
13 FUND STAFF ASSISTANCE. THE TASK FORCE MAY ALSO ACCEPT STAFF
14 SUPPORT FROM THE PRIVATE SECTOR.

15 (d) THE COSTS OF PROVIDING STAFF ASSISTANCE TO THE TASK
16 FORCE BY THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL, THE
17 DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE
18 STATE AUDITOR SHALL BE APPROVED BY THE CHAIR OF THE LEGISLATIVE
19 COUNCIL AND PAID BY VOUCHERS AND WARRANTS DRAWN AS PROVIDED
20 BY LAW FROM MONEYS CONTINUOUSLY APPROPRIATED FROM THE
21 LEGISLATIVE DEPARTMENT CASH FUND.

22 (8) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2015.

23 **SECTION 2. Safety clause.** The general assembly hereby finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, and safety.