

**STATE
FISCAL IMPACT**

Note: This fiscal note is provided pursuant to Joint Rule 22 (b) (2) and reflects strike-below Amendment L.001.

Drafting Number: LLS 13-0440	Date: February 4, 2013
Prime Sponsor(s): Rep. Szabo Sen. Tochtrop	Bill Status: House SVMA Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING STATE AGENCY REQUIREMENTS FOR THE ENFORCEMENT OF NEW REGULATORY REQUIREMENTS ON SMALL BUSINESSES, AND, IN CONNECTION THEREWITH, ENACTING THE "REGULATORY REFORM ACT OF 2013".

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue	See State Revenue section.	
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

With amendment L.001, this bill requires that state agencies issue written warnings for any first-time violation of a new rule by a business of 500 or fewer employees in lieu of a fine or penalty. In addition to the written warning, state agencies are required to provide educational outreach to inform the business on how to comply with the new rule. State agencies are also required to develop fact sheets when new rules are adopted that apply to businesses with 500 or fewer employees and make these available in hard copy or electronically.

A minor violation involves record-keeping and issues that do not affect the life safety of the public or workers. A new rule is defined as a regulatory requirement not required before its adoption, put into place by an agency less than one year prior to its enforcement by the agency, against a business with 500 or fewer employees. The definition of minor violation excludes rules related to state issued permits, licenses, or registrations, bidding on state contracts, activities required by federal law, and the enforcement activities of the Administrator of the Uniform Consumer Credit Code in the Office of the Attorney General.

State Revenue

A number of agencies currently provide warnings to businesses for first and/or minor regulatory violations regardless of the age of the rule. An agency where that is not standard procedure may collect fewer monetary penalties and see a corresponding reduction in revenue either to the General Fund or an agency-specific cash fund. These reductions in revenue are not expected to be significant.

State Expenditures

It is standard procedure for some agencies to provide fact sheets and educational outreach to businesses. Agencies that will begin this activity as a result of this bill will see a minimal increase in workload. Given that much of the information required for a fact sheet is typically collected during the promulgation of a rule, the fiscal note assumes that agencies can develop fact sheets within existing appropriations.

Departments Contacted

Agriculture	Governor's Office	Labor and Employment
Law	Natural Resources	Personnel and Administration
Regulatory Agencies	Revenue	Secretary of State
Transportation		