

*Colorado Legislative Council Staff Fiscal Note*

**FINAL  
FISCAL NOTE**

**Drafting Number:** LLS 14-0239  
**Prime Sponsor(s):** Rep. Szabo  
 Sen. Tochtrop

**Date:** June 3, 2014  
**Bill Status:** Postponed Indefinitely  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**SHORT TITLE:** REGULATORY REFORM ACT 2014

<b>Fiscal Impact Summary*</b>	<b>FY 2014-2015</b>	<b>FY 2015-2016</b>
<b>State Revenue</b>	Possible decrease.	
<b>State Expenditures</b>	Workload increase.	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

This bill requires that state agencies issue written warnings for any first-time violation of a new rule by a business of 100 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 100 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 100 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. Agencies that do not currently have procedures for issuing warnings may collect fewer monetary penalties under the bill 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 must begin this activity as a result of this bill will see an 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.

Most agencies do not currently maintain information on the size of the businesses they regulate. To implement this bill, those agencies will need to modify their systems and forms to collect information on business size. The fiscal note assumes that these modifications can be made within existing appropriations.

### **Effective Date**

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on March 5, 2014.

### **State and Local Government Contacts**

All state agencies