

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0739
Prime Sponsor(s): Rep. Dore

Date: February 18, 2014
Bill Status: House SVMA
Fiscal Analyst: Bill Zepernick (303-866-4777)

SHORT TITLE: CREATE SMALL BUSINESS REGULATORY REVIEW COMMISSION

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	\$94,354	\$106,689
General Fund	75,805	84,057
Centrally Appropriated Costs**	18,549	22,632
FTE Position Change	1.1 FTE	1.3 FTE
Appropriation Required: \$75,805 - Dept. of Regulatory Agencies (FY 2014-15)		

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

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The bill creates the Small Business Regulatory Review Commission in the Department of Regulatory Agencies (DORA). The commission is tasked with reviewing rules adopted by state agencies and identifying rules that it finds as unduly burdensome. The commission is required to submit an annual report to the Committee on Legal Services (COLS) report by August 1 of each year, outlining any rules identified by the commission as burdensome. The seven-person commission is appointed by the Governor and must include two representatives from chambers of commerce in Colorado and five members who are owners of small businesses of various sizes.

The commission shall meet as often as it deems necessary and DORA is to provide staff support for the commission. The COLS is required to consider the annual report of the commission and vote on whether or not to include any rules or portion of rules identified by the commission in the annual rule review bill. Rules that receive a majority vote from COLS may be included in the rule review bill. The commission must hold its first meeting by October 1, 2014, and is scheduled for repeal on September 1, 2028.

State Expenditures

The bill increases costs in DORA by \$94,354 and 1.1 FTE in FY 2014-15 and \$106,689 and 1.3 FTE in FY 2015-16. These costs are summarized in Table 1 and discussed below.

Assumptions. The fiscal note assumes the following:

- the commission will meet once a month;
- each member will be reimbursed \$100 per meeting for necessary expenses;

- the commission will review 10 rules per meeting, with the commission analyzing both new and existing rules based on public input and the interests of the committee members.

Cost Components	FY 2014-15	FY 2015-16
Personal Services	\$61,661	\$74,422
FTE	1.1 FTE	1.3 FTE
Operating Expenses and Capital Outlay Costs	7,144	1,235
Meeting Costs	7,000	8,400
Centrally Appropriated Costs*	18,549	22,632
TOTAL	\$94,354	\$106,689

* Centrally appropriated costs are not included in the bill's appropriation.

Staff assistance. The committee will require 1.3 FTE for staff assistance for the commission, including 1.0 FTE for staff to assist in the analysis of rules examined by the committee and to prepare the annual report and 0.3 FTE for administrative staff to handle meeting logistics, assist commission members, and other tasks. These staff will result in personal service costs of \$74,422 and operating costs of \$1,235. These costs are prorated in the first year to reflect 10 months of operations. First-year capital outlay costs for furniture and computers for these staff are estimated to be \$6,114.

Meeting costs. Based on the assumptions above, member expense reimbursement are estimated to be \$7,000 in the first year (10 meetings) and \$8,400 in the second year (12 meetings).

Other agencies. Agencies whose rules are being reviewed by the commission may have additional workload to provide information to the commission, attend meetings, and other tasks. This workload is assumed to be minimal and can be accomplished by agencies within existing resources.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,729	\$7,955
Supplemental Employee Retirement Payments	4,282	5,768
Indirect Costs	7,538	8,909
TOTAL	\$18,549	\$22,632

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

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State Appropriations

The bill requires a General Fund appropriation of \$75,805 to DORA in FY 2014-15.

State and Local Government Contacts

Regulatory Agencies