



**Colorado  
Legislative  
Council  
Staff**

**HB17-1305**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

<b>Drafting Number:</b> LLS 17-0776	<b>Date:</b> July 11, 2017
<b>Prime Sponsor(s):</b> Rep. Foote; Melton Sen. Guzman	<b>Bill Status:</b> Postponed Indefinitely
	<b>Fiscal Analyst:</b> Amanda Hayden (303-866-4918)

**BILL TOPIC:** LIMITS ON JOB APPLICANT CRIMINAL HISTORY INQUIRIES

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
<b>State Revenue</b>		<b>at least \$5,000</b>
Cash Funds		at least 5,000
<b>State Expenditures</b>		<b>\$38,364</b>
Cash Funds		32,149
Centrally Appropriated Costs		6,215
<b>FTE Position Change</b>		0.5 FTE
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> Ongoing increase in state revenue and expenditures.		

**NOTE:** This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Summary of Legislation**

This bill prohibits an employer from stating in a job posting or on any form of application that a person with a criminal history may not apply or from inquiring into or requiring disclosure of an applicant's criminal history on an initial application. These rules do not apply if an employer is advertising a position that federal, state, or local law prohibits individuals with specific criminal convictions from holding. The bill also exempts any employer hiring as part of a program to encourage the employment of people with criminal histories. An employer may obtain a criminal background report during any stage of the hiring process.

Individuals may file complaints alleging a violation of these rules with the Colorado Department of Labor and Employment (CDLE). CDLE must investigate any complaint received within six months of the alleged violation, unless the department deems the complaint without merit. An employer who violates the law is subject to an order requiring compliance within 30 days and the following penalties:

- for a first violation: a warning;
- for a second violation: a civil penalty of up to \$500 for employers with 14 or fewer employees and \$1,000 for employers with more than 14 employees; and

- for a third or subsequent violation: a civil penalty of up to \$1,000 for employers with 14 or fewer employees and \$2,500 for employers with more than 14 employees.

CDLE must adopt rules regarding procedures for handling complaints filed against employers, including rules for providing notice to employers and requirements for retaining and maintaining relevant employment records during an investigation.

**State Revenue**

Beginning in FY 2018-19, this bill is anticipated to increase state cash fund revenue from fines by at least \$5,000 per year, credited to the Employment Support Cash Fund. Fines will be collected by CDLE from employers who violate the provisions of House Bill 17-1305.

**State Expenditures**

This bill increases state cash fund expenditures in CDLE by \$38,364 and 0.5 FTE beginning in FY 2018-19 and each year thereafter from the Employment Support Cash Fund. These costs are shown in Table 1 and explained below.

<b>Table 1. Expenditures Under HB17-1305</b>		
<b>Cost Components</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Personal Services		\$26,971
FTE		0.5 FTE
Operating Expenses and Capital Outlay Costs		5,178
Centrally Appropriated Costs*		6,215
<b>TOTAL</b>		<b>\$38,364</b>

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

**Assumptions.** Costs assume that beginning in FY 2018-19, there will be an estimated 2,500 inquiries and that CDLE will conduct follow-up investigations for 250 cases per year. This workload increase requires 0.5 FTE Compliance Investigator I, paid from the Employment Support Cash Fund. The estimate includes standard operating and first-year capital outlay costs.

**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.

<b>Table 2. Centrally Appropriated Costs Under HB17-1305</b>		
<b>Cost Components</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)		\$3,798
Supplemental Employee Retirement Payments		2,417
<b>TOTAL</b>		<b>\$6,215</b>

## Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 1, 2017.

## State and Local Government Contacts

Information Technology

Labor

Law