

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 7, 2012)

Drafting Number: LLS 12-0508

Date: May 4, 2012

Prime Sponsor(s): Sen. Cadman
Rep. Szabo

Bill Status: House Appropriations

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TITLE: CONCERNING A STUDY OF THE COST OF REGULATORY COMPLIANCE FOR BUSINESSES IN COLORADO.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds		
Legislative Department Cash Fund	Gifts, Grants or Donations	
State Expenditures		
Cash Funds		
Legislative Department Cash Fund	\$20,288	\$20,288
FTE Position Change	0.4 FTE	0.4 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2012-2013: See the State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill creates a legislatively appointed task force to study the cost of regulatory compliance for businesses in Colorado. The task force will consist of nine members appointed by leadership of the Senate and the House of Representatives. Task force membership will include representation from private industry, academia, small or medium business, research and advocacy groups, individuals with expertise in the cost of regulatory compliance, and a citizen of the State of Colorado. No legislative members will be appointed to the task force.

The task force will review the state's regulatory system and determine the annual cost of compliance by businesses in the state, including: the annual cost of regulatory compliance based on the type of regulation; the cost per employee for all firms; and the cost of compliance per employee based on the size of the firm. The task force must make a written interim report to the General Assembly by August 5, 2013, and issue a final report by August 6, 2014.

The directors of the Legislative Council, the Office of Legislative Legal Services, and the State Auditor may supply staff assistance as deemed appropriate within existing appropriations. If staff assistance is not available within existing appropriations, the staff assistance may only be supplied if moneys become available to the Legislative Department Cash Fund through gifts, grants, or donations from private or public sources. The task force may also accept staff support from the private sector.

State Revenue

The bill authorizes the Regulatory Compliance Task Force to seek and accept gifts, grants, or donations from private or public sources to cover the cost of staff support for the task force. Any moneys collected will be credited to the Legislative Department Cash Fund, which is continuously appropriated to the Legislative Department. No known source of private or alternative public funding has been identified.

State Expenditures

SB12-086 is designated by the Legislative Council to be one of the prioritized committees. Therefore, no additional appropriation will be required. The legislature is budgeted each year with resources to support a limited number of interim committees of the General Assembly. Funding is available for five committees during the 2012 interim, however, two interim studies authorized during the 2011 legislative session will carry on through FY 2012-13. These multi-year studies were authorized by Senate Bill 11-111 (the task force to address the provision of educational services to support students' academic success) and Senate Bill 11-200 (the Colorado Health Benefit Exchange Act). As a result, current funding is available in FY 2012-13 for only three additional interim committees or task forces that require legislative staff support.

Within its existing resources, the Legislative Branch will incur costs of \$20,288 and 0.4 FTE in FY 2012-13 and FY 2013-14. Similar to staff requirements for an interim committee, legislative task force support will include 0.3 FTE Senior Researcher and 0.1 FTE Staff Attorney. In addition, any staff assistance required from the State Auditor will be charged at the current billing rate of \$69 per hour.

Expenditures Not Included

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 summarized in Table 1.

Table 1. Expenditures Not Included Under SB12-086*		
Cost Components	FY 2012-13	FY 2013-14
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,452	\$2,452
Supplemental Employee Retirement Payments	1,082	1,245
TOTAL	\$3,534	\$3,697

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

State Appropriations

Moneys in the Legislative Department Cash Fund are continuously appropriated to the Legislative Department. Due to the Legislative Council's approval of this task force, no separate appropriations are required for FY 2012-13. The Legislature is budgeted each year with resources to support a limited number of interim committees of the General Assembly. While this committee is anticipated to extend through FY 2013-14, its costs will be paid from the portion of the budget reserved for interim committees.

Departments Contacted

Legislative Council Staff

Office of Legislative Legal Services

State Auditor