



**Colorado  
Legislative  
Council  
Staff**

**HB17-1228**

**FISCAL NOTE**

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

**Drafting Number:** LLS 17-0997  
**Prime Sponsor(s):** Rep. Pabon; Landgraf

**Date:** March 22, 2017  
**Bill Status:** House Business  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**BILL TOPIC:** PET ANIMAL CARE TECHNOLOGY PLATFORM REGULATION

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b>	<b><u>\$285,780</u></b>	<b><u>\$216,000</u></b>
Cash Funds	285,780	216,000
<b>State Expenditures</b>	<b><u>\$285,778</u></b>	<b><u>\$215,471</u></b>
General Fund	232,726	
Cash Funds		166,549
Centrally Appropriated Costs	53,052	48,922
<b>TABOR Impact</b>	\$285,780	\$216,000
<b>FTE Position Change</b>	1.8 FTE	2.0 FTE
<b>Appropriation Required:</b> \$232,726 - Department of Agriculture (FY 2017-18).		
<b>Future Year Impacts:</b> Ongoing revenue and expenditure increase.		

**Summary of Legislation**

This bill creates the Home-based Pet Animal Care Technology Platform Act under the Colorado Department of Agriculture. The bill requires that a corporation that uses a digital network to connect pet animal caregivers to pet animal owners for providing home-based pet animal services, obtain a permit from the department, and carry specified insurance coverages. The department may promulgate rules as necessary regarding the administration, fees, and safety requirements for these home-based pet animal care technology platforms (pet platform).

A pet platform is required to confirm that a person acting as a pet animal caregiver on the pet platform is at least 18 years of age and has never been convicted of or pled guilty or nolo contendere to any felony offense involving animals. The pet platform must provide pet animal caregivers with access to on-call veterinarians or other pet care professionals. A pet animal caregiver is prohibited from providing home-based pet animal services unless he or she is connected to a pet animal owner through a pet platform and is limited to providing services to no more than three pet animals in his or her home at any one time. A pet animal caregiver does not need to be an employee of the pet platform.

The bill creates the Pet Animal Care Technology Platform Fund which is continuously appropriated to the department for its costs to administer the program.

**State Revenue**

***This bill increases cash fund revenue by \$285,780 in FY 2017-18 and \$216,000 in FY 2018-19 to the Pet Animal Care Technology Platform Fund.***

***Assumptions.*** The fiscal note assumes that initially, three platforms will register with the state: Rover, PetVacay, and Wag!

***Fee impact on pet platforms.*** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, based on the estimated annual costs described below. Actual fee calculations will be set administratively by the Colorado Department of Agriculture based on cash fund balance, estimated program costs, and the estimated number of permits subject to the fee. Table 1 below identifies the fee impact of this bill.

<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
Pet platform permit - FY 2017-18	\$95,260	3	\$285,780
Pet platform permit - FY 2018-19	72,000	3	216,000

**TABOR Impact**

This bill increases state cash fund revenue from fees, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

**State Expenditures**

***This bill increases expenditures for the Department of Agriculture by \$285,778 and 1.8 FTE in FY 2017-18 from the General Fund and \$215,471 and 2.0 FTE in FY 2018-19 from the Pet Animal Care Technology Platform Fund.*** These costs are shown in Table 2 and described below.

***Assumptions.*** The department will be responsible for investigating complaints and conducting compliance checks on animal caregivers on the pet platform. The fiscal note assumes that the department will investigate an additional 1,575 complaints per year. Staff and program costs will begin July 1, 2017.

<b>Table 2. Expenditures Under HB17-1228</b>		
<b>Cost Components</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Personal Services	\$98,895	\$107,886
FTE	1.8 FTE	2.0 FTE
Operating Expenses and Capital Outlay Costs	11,306	1,900
Computer Programming	46,000	0
Legal Services	47,525	23,763
Travel	29,000	33,000
Centrally Appropriated Costs*	53,052	48,922
<b>TOTAL</b>	<b>\$285,778</b>	<b>\$215,471</b>

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

**Personal services.** To investigate the increased number of complaints, the department requires an additional 2.0 FTE of compliance investigators. The FTE are prorated to 1.8 FTE in FY 2017-18 to account for the General Fund paydate shift. General Fund is assumed in FY 2017-18 because fee revenue will not be collected until after the start of the program.

**Operating expenses and capital outlay costs.** The department will have operating, computer, phone, and furniture expenses of \$11,306 in FY 2016-17 and basic operating expenses of \$1,900 in FY 2018-19.

**Computer programming.** To add functionality to the department's licensing system, the department's vendor will require \$46,000 for 400 hours of computer programming at the vendor's rate of \$115 per hour.

**Legal services.** The department will have legal services expenses of \$47,525 in FY 2017-18 and \$23,763 in FY 2018-19. In FY 2017-18, the Department of Law will provide 500 hours of legal services at a rate of \$95.05 per hour for rulemaking, general counsel, and complaints that result in cease and desist orders against animal caregivers. The 250 hours for complaint handling will continue in FY 2018-19.

**Travel.** The compliance investigators will travel to inspect locations when investigating complaints. This requires \$12,000 in mileage costs for 25,000 miles per year. Vehicle leases for two vehicles are prorated to \$2,000 in FY 2017-18 and total \$6,000 in FY 2018-19. Additional travel expenses of \$15,000 per year cover food and lodging costs for investigators.

**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 3.

<b>Table 3. Centrally Appropriated Costs Under HB17-1228</b>		
<b>Cost Components</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$15,162	\$16,844
Supplemental Employee Retirement Payments	8,862	9,667
Indirect Costs	23,272	16,655
Leased Space	5,756	5,756
<b>TOTAL</b>	<b>\$53,052</b>	<b>\$48,922</b>

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State Appropriations**

For FY 2017-18, the Department of Agriculture requires a General Fund appropriation of \$232,726 and an allocation of 1.8 FTE. Of this amount, the Department of Law requires \$47,525 in reappropriated funds.

**State and Local Government Contacts**

Agriculture

Information Technology

Law