



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

# FISCAL NOTE

<b>Drafting Number:</b>	LLS 20-0855	<b>Date:</b>	February 10, 2020
<b>Prime Sponsors:</b>	Sen. Holbert Rep. Van Winkle	<b>Bill Status:</b>	Senate Business
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**Bill Topic:** UNEMPLOYMENT INSURANCE MARIJUANA-LICENSED BUSINESS

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates an exception for certain marijuana licensee-owned businesses to be considered an employing unit rather than a common paymaster for the purposes of the Colorado Employment Security Act. It may increase state revenue and workload on an ongoing basis.

**Appropriation  
Summary:** No appropriation is required.

**Fiscal Note  
Status:** The fiscal note reflects the introduced bill.

## Summary of Legislation

The bill creates an exception for an employee leasing company, or other employing entity, to be considered an employing unit rather than a common paymaster for purposes of the Colorado Employment Security Act, if they meet certain criteria. The employee leasing company must be owned by one or more persons who have a medical or retail marijuana license and who own 50 percent of an entity that shares the employee leasing company's services.

## State Revenue

The bill may increase revenue to the Unemployment Insurance Trust Fund for certification fees for firms that choose to restructure as employee leasing companies. Because the Unemployment Insurance Fund is an enterprise, any increase in revenue is not subject to TABOR.

## State Expenditures

This bill may increase workload for the Unemployment Insurance Division in the Department of Labor and Employment to respond to inquiries about the law change and to process new employee leasing company certifications. This workload increase can be accomplished within existing appropriations.

**Effective Date**

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

**State and Local Government Contacts**

Information Technology

Labor

Personnel

Revenue