



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 21-0621	Date:	June 16, 2021
Prime Sponsors:	Rep. Snyder Sen. Holbert; Ginal	Bill Status:	Signed into Law
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Bill Topic: **UNEMPLOYMENT INSURANCE MARIJUANA-LICENSED BUSINESS**

Summary of Fiscal Impact:

<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 enacted bill.

Summary of Legislation

The bill creates an exception in the Colorado Employment Security Act (i.e., unemployment insurance) for an employee leasing company or other employing entity to be considered an employing unit rather than a common paymaster. The employee leasing company or other entity must be owned by one or more persons who have a medical or retail marijuana license and who own at least 50 percent of an entity that shares the employee leasing company's or other employing entity's services.

State Revenue

The bill may increase revenue to the Unemployment Insurance Trust Fund from certification fees from 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. Similarly, workload may increase in the Marijuana Enforcement Division of the Department of Revenue to respond to inquiries. No change in appropriations is required for either agency.

Effective Date

The bill was signed into law by the Governor and took effect on April 29, 2021

State and Local Government Contacts

Information Technology
Personnel

Labor
Revenue

Law