

HB1237\_L.001

## SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business, Labor, & Technology.HB18-1237 be amended as follows:

1 Amend reengrossed bill, page 2, strike lines 10 and 11 and substitute:

2           **"SECTION 2.** In Colorado Revised Statutes, 24-4-103, **amend**  
3 (2.5)(a) and (2.5)(b); **repeal** (2.5)(f); and **add** (2.5)(g), (2.5)(h), and  
4 (2.5)(i) as follows:".

5 Page 2, strike line 13 and substitute "**citation correction - reporting**  
6 **-repeal.** (2.5) (a) (I) At the time of filing a notice of proposed  
7 rule-making with the secretary of state as the secretary may require, an  
8 agency shall submit a draft of the proposed rule or the proposed  
9 amendment to an existing rule and a statement, in plain language,  
10 concerning the subject matter or purpose of the proposed rule or  
11 amendment to ~~the office of~~ the executive director in the department of  
12 regulatory agencies. The executive director, or his or her designee, shall  
13 distribute the proposed rule or amendment, the agency's statement  
14 concerning the subject matter or purpose of the proposed rule or  
15 amendment, and any cost-benefit analysis prepared pursuant to this  
16 section to all persons who have submitted a request to receive notices  
17 from the department of regulatory agencies about proposed rule-making.

18           (II) WITHIN FIVE DAYS AFTER RECEIVING A DRAFT OF AN AGENCY'S  
19 PROPOSED RULE OR PROPOSED AMENDMENT PURSUANT TO SUBSECTION  
20 (2.5)(a)(I) OF THIS SECTION, THE EXECUTIVE DIRECTOR OF THE  
21 DEPARTMENT OF REGULATORY AGENCIES, OR THE EXECUTIVE DIRECTOR'S  
22 DESIGNEE, SHALL REVIEW THE PROPOSED RULE OR PROPOSED AMENDMENT  
23 TO DETERMINE IF ANY PORTION OF IT CONSTITUTES A SIGNIFICANT  
24 REGULATORY ACTION. IF THE EXECUTIVE DIRECTOR OR THE EXECUTIVE  
25 DIRECTOR'S DESIGNEE DETERMINES THAT ANY PORTION OF THE PROPOSED  
26 RULE OR PROPOSED AMENDMENT CONSTITUTES A SIGNIFICANT  
27 REGULATORY ACTION, HE OR SHE SHALL SEND A COPY OF THE PROPOSED  
28 RULE OR PROPOSED AMENDMENT, ALONG WITH AN EXPLANATION WHY IT  
29 CONSTITUTES A SIGNIFICANT REGULATORY ACTION, TO THE OFFICE. AT  
30 LEAST TEN BUSINESS DAYS BEFORE THE AGENCY'S HEARING ON THE  
31 PROPOSED RULE OR PROPOSED AMENDMENT, THE DIRECTOR OF THE OFFICE  
32 OR THE DIRECTOR'S DESIGNEE, IN COLLABORATION WITH THE AGENCY,  
33 SHALL CONDUCT A COST-BENEFIT ANALYSIS OF THE PROPOSED RULE OR  
34 PROPOSED AMENDMENT PURSUANT TO SUBSECTION (2.5)(a)(V) OF THIS  
35 SECTION AND SHALL SEND THE COST-BENEFIT ANALYSIS TO THE  
36 EXECUTIVE DIRECTOR AND TO THE AGENCY. THE AGENCY SHALL MAKE  
37 THE COST-BENEFIT ANALYSIS AVAILABLE TO THE PUBLIC BY POSTING IT ON  
38 THE AGENCY'S OFFICIAL WEBSITE. THE EXECUTIVE DIRECTOR, OR THE

1 EXECUTIVE DIRECTOR'S DESIGNEE, SHALL POST THE ANALYSIS ON THE  
2 DEPARTMENT OF REGULATORY AGENCIES' OFFICIAL WEBSITE.

3 (III) Any person may, within five BUSINESS days after publication  
4 of the notice of proposed rule-making in the Colorado register, request  
5 that the department of regulatory agencies require the agency submitting  
6 the proposed rule or amendment to prepare a cost-benefit analysis. ~~The~~  
7 ~~executive director, or his or her designee, shall determine, after~~  
8 ~~consultation with the agency proposing the rule or amendment, whether~~  
9 ~~to require the agency to prepare a cost-benefit analysis. If the executive~~  
10 ~~director, or his or her designee, determines that a cost-benefit analysis is~~  
11 ~~required,~~ THE DEPARTMENT SHALL REQUIRE the agency ~~shall~~ TO complete  
12 a cost-benefit analysis at least ten BUSINESS days before the hearing on the  
13 rule or amendment, ~~shall~~ make the analysis available to the public by  
14 posting the analysis on the agency's official website, and ~~shall~~ submit a  
15 copy to the executive director OF THE DEPARTMENT or his or her designee.  
16 The executive director, or his or her designee, shall post the analysis on  
17 the department of regulatory agencies' official website.

18 (IV) By filing an additional notice published in the Colorado  
19 register, the agency may postpone the hearing on the rule or amendment  
20 to comply with the requirement ~~to complete the~~ THAT ANY cost-benefit  
21 analysis REQUIRED PURSUANT TO SUBSECTION (2)(a)(II) OR (2)(a)(III) OF  
22 THIS SECTION BE COMPLETED at least ten days before the hearing. ~~Failure~~  
23 ~~to complete a requested~~ IF A cost-benefit analysis IS REQUIRED FOR A  
24 PROPOSED RULE OR AMENDMENT pursuant to this subsection (2.5), ~~shall~~  
25 ~~preclude the adoption of such~~ THE AGENCY SHALL NOT ADOPT THE rule or  
26 amendment ~~Such~~ UNTIL THE COST-BENEFIT ANALYSIS HAS BEEN  
27 COMPLETED.

28 (V) A cost-benefit analysis, ~~shall~~ WHETHER CONDUCTED BY THE  
29 OFFICE IN COLLABORATION WITH AN AGENCY, OR SOLELY BY THE AGENCY,  
30 MUST include the following:

31 (I) (A) The reason for the rule or amendment;

32 (II) (B) The anticipated economic benefits of the rule or  
33 amendment, ~~which shall include~~ INCLUDING economic growth, the  
34 creation of new jobs, and increased economic competitiveness;

35 (III) (C) The anticipated costs of the rule or amendment, ~~which~~  
36 ~~shall include~~ INCLUDING the direct costs to the government to administer  
37 the rule or amendment and the direct and indirect costs to business and  
38 other entities required to comply with the rule or amendment;

39 (IV) (D) Any adverse effects on the economy, consumers, private  
40 markets, small businesses, job creation, and economic competitiveness;  
41 and

42 (V) (E) At least two alternatives to the proposed rule or  
43 amendment that can be identified by the submitting agency, THE OFFICE,  
44 or a member of the public, including the costs and benefits of pursuing  
45 each of the alternatives identified.

1 (b) The executive director OF THE DEPARTMENT OF REGULATORY  
2 AGENCIES, or his or her designee, OR, FOR A COST-BENEFIT ANALYSIS  
3 CONDUCTED PURSUANT TO SUBSECTION (2.5)(a)(II), THE DIRECTOR OR THE  
4 DIRECTOR'S DESIGNEE, shall study the cost-benefit analysis and may urge  
5 the agency to revise the rule or amendment to eliminate or reduce the  
6 negative economic impact. The executive director, or his or her designee,  
7 may inform the public about the negative impact of the proposed rule or  
8 the proposed amendment to an existing rule.

9 (f) ~~(f) This subsection (2.5) is~~".

10 Page 3, after line 7 insert:

11 "(h) (I) NOTWITHSTANDING SECTION 24-1-136 (11), THE  
12 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REGULATORY AGENCIES OR  
13 THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL, ON AN ANNUAL BASIS,  
14 PREPARE A REPORT SUMMARIZING THE COST-BENEFIT ANALYSES  
15 CONDUCTED IN THE PREVIOUS TWELVE-MONTH PERIOD, INCLUDING:

16 (A) THE NUMBER OF COST-BENEFIT ANALYSES PREPARED;

17 (B) THE AGENCIES FOR WHICH ONE OR MORE COST-BENEFIT  
18 ANALYSES WERE PREPARED;

19 (C) A SUMMARY OF ANY PROPOSED RULE OR PROPOSED  
20 AMENDMENT TO AN EXISTING RULE THAT WAS MODIFIED IN RESPONSE TO  
21 A COST-BENEFIT ANALYSIS CONDUCTED AND THE MANNER IN WHICH IT  
22 WAS MODIFIED; AND

23 (D) FOR COST-BENEFIT ANALYSES THAT WERE PREPARED AS A  
24 RESULT OF A DETERMINATION THAT THE PROPOSED RULE OR PROPOSED  
25 AMENDMENT TO AN EXISTING RULE CONSTITUTED A SIGNIFICANT  
26 REGULATORY ACTION, THE BASIS FOR THE SIGNIFICANT REGULATORY  
27 ACTION DETERMINATION.

28 (II) ON OR BEFORE OCTOBER 31, 2019, AND ON OR BEFORE  
29 OCTOBER 31 OF EACH YEAR THEREAFTER, THE EXECUTIVE DIRECTOR OR  
30 THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL SEND COPIES OF THE REPORT  
31 TO THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE IN THE SENATE,  
32 THE BUSINESS AFFAIRS AND LABOR COMMITTEE IN THE HOUSE OF  
33 REPRESENTATIVES, AND THE LEGISLATIVE AUDIT COMMITTEE, OR THEIR  
34 SUCCESSOR COMMITTEES.

35 (i) AS USED IN THIS SUBSECTION (2.5):

36 (I) "OFFICE" MEANS THE OFFICE OF STATE PLANNING AND  
37 BUDGETING CREATED IN SECTION 24-37-102.

38 (II) "SIGNIFICANT REGULATORY ACTION" MEANS A PROPOSED RULE  
39 THAT, IF ADOPTED, IS LIKELY TO RESULT IN ONE OR MORE OF THE  
40 FOLLOWING:

41 (A) A COST OF TEN MILLION DOLLARS OR MORE OVER A FIVE-YEAR  
42 PERIOD TO THE REGULATED INDUSTRY OR OTHER PRIVATE ENTITIES TO  
43 COMPLY WITH THE RULE; OR

1 (B) A SERIOUS INCONSISTENCY OR OTHER FORM OF INTERFERENCE  
2 WITH AN ACTION TAKEN OR PLANNED BY ANOTHER AGENCY."

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