



**Colorado
Legislative
Council
Staff**

HB16-1312

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-0999
Prime Sponsor(s): Rep. Wist
Sen. Tate

Date: May 24, 2016
Bill Status: Postponed Indefinitely
Fiscal Analyst: Erin Reynolds (303-866-4146)

BILL TOPIC: LICENSED PROFESSIONAL REDUNDANT DISCIPLINARY ACTION

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	<u>\$50,947</u>	<u>\$23,073</u>
Cash Funds	50,947	23,073
State Expenditures	<u>\$50,947</u>	<u>\$23,073</u>
Cash Funds	47,068	18,983
Centrally Appropriated Costs	3,879	4,090
TABOR Impact		\$23,073
FTE Position Change	0.5 FTE	0.3 FTE
Appropriation Required: \$47,068 – Department of Regulatory Agencies (FY 2016-17).		
Future Year Impacts: Ongoing revenue and expenditure increase.		

Note: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

The introduced bill requires that, in the event of a redundant disciplinary action for a professional licensed under Title 12 of the Colorado Revised Statutes (C.R.S.) who holds more than one professional license, a secondary or other disciplinary authority must take disciplinary action within 160 days after the conclusion of the first disciplinary authority's action, or be barred from taking action on that same act or transaction.

Background

The professions and occupations licensed under Title 12, C.R.S, are primarily regulated by the Department of Regulatory Agencies (DORA), and also by the Department of Agriculture (CDA), the Judicial Department, the Department of Law, the Department of Public Health and Environment (CDPHE), the Department of Public Safety (DPS), the Department of Revenue (DOR), and the Secretary of State's Office (SOS).

State Revenue

The bill will increase state cash fund revenue in DORA by **\$53,987 in FY 2016-17 and \$23,073 in FY 2017-18** to the Division of Professions and Occupations (DPO) Cash Fund. The DPO in DORA may be required to nominally raise fees on the individuals it licenses in order to recoup the costs to implement the bill. Fee increases have not been estimated for this fiscal note, but are expected to be minimal across the 89 license types for the 50 professions the DPO regulates.

TABOR Impact

This bill will increase state revenue from fees, which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. No TABOR refund is expected in FY 2016-17.

State Expenditures

The bill increases state cash fund expenditures in DORA by **\$53,987 in FY 2016-17 and \$23,073 in FY 2017-18** from the DPO Cash Fund, as shown in Table 1 and discussed below. The bill will also potentially increase workload in the Department of Law and the other state agencies that regulate occupations under Title 12, C.R.S., beginning in FY 2016-17, as discussed below.

Assumptions and data. In the DPO, about 5 percent of licensees hold multiple licenses, and there are about 700 investigations per year; therefore, the fiscal note assumes that 35 investigations per year in DPO relate to individuals who hold multiple licensees and will require expedited investigation schedules.

Department of Regulatory Agencies. Based on the assumptions above, beginning in FY 2016-17, DORA will require 0.3 FTE Criminal Investigator I to accelerate about 35 investigations in the DPO at a rate of about 20 hours per investigation, prorated for the bill's effective date in FY 2016-17. In addition, each of the DPO's 39 programs will require 8 hours in legal services related to rulemaking at a cost of \$95.01 per hour. The Department of Law will also require an allocation of 0.2 FTE associated with these costs.

Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$17,140	\$18,698
FTE	0.3 FTE	0.3 FTE
Operating Expenses and Capital Outlay Costs	285	285
Legal Services	29,643	
FTE	0.2 FTE	
Centrally Appropriated Costs*	3,879	4,090
TOTAL	\$50,947	\$23,073

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

Department of Law. Under Title 12, C.R.S., the Department of Law contains the Peace Officer Standards and Training Board, which certifies peace officers, and the Consumer Credit Unit, which licenses lenders who make high-rate loans. The Department of Law also provides legal services to the departments that license professions and may be impacted by the bill. To the extent that disciplinary action arises that cannot be accomplished within existing appropriations, departments are expected to address increased legal services costs during the annual budget process.

Other state agencies. The CDA, the Judicial Department, CDPHE, DPS, DOR, and the SOS license a minimal number of professions under Title 12, C.R.S. It is therefore expected that the shorter investigation timeframe can be accomplished within existing appropriations of these departments. The following list highlights the professions licensed by these departments under Title 12, C.R.S.:

- **Department of Agriculture.** The CDA licenses commodity handlers.
- **Judicial Department.** The Colorado Supreme Court licenses attorneys.
- **Department of Public Health and Environment.** The CDPHE licenses four levels of emergency medical services providers.
- **Department of Public Safety.** The DPS licenses firework retailers.
- **Department of Revenue.** The DOR licenses limited gaming and racing personnel, motor vehicle dealers, and medical marijuana professions.
- **Secretary of State's Office.** The SOS licenses landlords, certain durable medical equipment suppliers, and notaries.

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 2.

Table 2. Centrally Appropriated Costs Under HB16-1312		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,412	\$2,415
Supplemental Employee Retirement Payments	1,467	1,675
TOTAL	\$3,879	\$4,090

Effective Date

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs on May 4, 2016.

State Appropriations

For FY 2016-17, the Department of Regulatory Agencies required a cash fund appropriation of \$47,068 and an allocation of 0.3 FTE from the Division of Professions and Occupations Cash Fund. Of this amount, the Department of Law required \$29,643 in reappropriated funds and an additional allocation of 0.2 FTE.

State and Local Government Contacts

Agriculture
Public Health and Environment
Revenue

Judicial
Public Safety
Secretary of State

Law
Regulatory Agencies