



**Colorado
Legislative
Council
Staff**

SB17-040

FISCAL NOTE

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

Drafting Number: LLS 17-0153
Prime Sponsor(s): Sen. Kefalas
Rep. Pabon

Date: February 1, 2017
Bill Status: Senate SVMA
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BILL TOPIC: PUBLIC ACCESS TO GOVERNMENT FILES

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Increase. See State Revenue section.	
State Expenditures General Fund Cash Funds	Increase. See State Expenditures section.	
TABOR Impact	Increase. See TABOR Impact section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing increase in state revenue and expenditures.		

Summary of Legislation

This bill modifies the Colorado Open Records Act (CORA) with respect to digital or electronic records. It requires custodians of public records to provide records in a structured data format, when requested. Structured data means digital data capable of being automatically read, processed, or manipulated by a computer, and it includes data in relational databases and spreadsheets. If digital records are searchable, custodians must provide them in that format, when requested. Nothing in the bill requires custodians to provide digital records in their native format, meaning the format in which they were created or are stored on the custodian's computer or server.

Exceptions. A custodian does not have to provide records in a searchable or structured data format if:

- it is not technologically or practically feasible to do so;
- the custodian would be required to purchase software or hardware or to create additional programming or functionality in the existing software or hardware;
- producing the data in the requested format would violate a copyright agreement or result in the release of a third party's proprietary information; or
- it is not technologically feasible to permanently remove information that the custodian is required or allowed to withhold.

Civil remedies. If the custodian cannot provide records in the requested format, he or she must provide them in an alternate format and document in writing the reasons for not being able to comply with the request. Any person who alleges a violation of the provisions of the bill may seek a court order requiring the custodian to show cause for why the request was denied. If a court rules that the custodian should have provided the records in the requested format but that the custodian reasonably believed that he or she could not comply, attorneys fees may be awarded to the plaintiff only if the custodian's action was found to be arbitrary or capricious.

Fees. Altering an existing record to remove information that the custodian is allowed or required to withhold does not constitute the creation of a new public record. Altering or excising a record in response to a request may be subject to a research and retrieval fee. The bill adds that programming, coding, or custom search queries required to convert a record into a structured data or searchable format may be subject to a reasonable fee, not to exceed the actual cost of generating the record as requested. If a governmental entity has to perform programming, coding, or custom search queries to create a record, the fee for a paper or electronic copy of that record may be based on recovery of the actual or incremental costs of performing the programming, coding, or custom search queries, together with a reasonable portion of the costs associated with building and maintaining the information systems. When a person has made a request to inspect or make copies or images of original public records, the custodian may charge a fee for the time required to supervise the handling of the records, when necessary, in accordance with other current provisions of CORA.

Repeal of violation. The bill repeals the class 2 misdemeanor for knowingly and willfully violating the section of CORA on inspection, copying, or photographing a record.

Background

CORA creates a presumption in favor of public access to government documents. Statute defines public records to include all writings made, maintained, or kept by the state, any agency, institution, political subdivision of the state, local government-financed entity, or nonprofit corporation incorporated by a state supported higher education institution's governing board.

In the last three years, there have been no criminal charges filed or convictions entered for a violation of the class 2 misdemeanor repealed by the bill.

State Revenue

Beginning in FY 2017-18, this bill may increase or decrease state cash fund revenue from fees. The bill allows state agencies to charge additional fees to fulfill CORA requests for records in structured data or searchable formats if programming, coding, or custom search queries are necessary to fulfill the request. To the extent that agencies fulfill requests by sending electronic files rather than charging for printed copies, revenue may also decrease. The amount of revenue generated or lost will depend on the number of CORA requests, the complexity of those requests, the services rendered, and the specific fee charged by the agency.

TABOR Impact

This bill increases state 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. TABOR refund obligations are not expected for FY 2016-17. 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

Beginning in FY 2017-18, the bill will increase workload for state agencies that respond to CORA requests that require the agency to program, code, or perform custom search queries. The bill allows agencies to deny requests for records in certain formats if they are deemed too onerous to fulfill, provided the agency fulfills the request in an alternative format. If the bill increases workload significantly, some state agencies may require increased and permanent FTE to accommodate CORA requests that cannot be paid for with fee revenue and will require state appropriations to backfill insufficient resources. Agencies may also be ordered to pay attorneys fees in any court proceeding where their actions are deemed arbitrary or capricious. The fiscal note assumes that if this occurs at all, it will be rare. Since new costs and workload cannot be predicted in advance, this analysis assumes that agencies will address the need for additional appropriations through the annual budget process.

Department of Law (DOL). The bill will increase workload and expenditures in the DOL to provide assistance and review for legal matters related to CORA requests for state agencies. The bill may lead to an increase in lawsuits filed against state agencies that deny requests for records in data formats. The fiscal note assumes that state agencies will follow the law and the requirements of the bill when denying requests. If a client agency of the DOL requires additional legal support on an annual basis, the DOL will coordinate with the client agency through the annual budget process.

Local Government and Statutory Public Entity Impact

The bill increases revenue and workload for any local government or statutory public entity that responds to CORA requests that require them to program, code, or perform custom search queries. Entities may also be ordered to pay attorneys fees in any court proceeding where their actions are deemed arbitrary or capricious. The fiscal note assumes that if this occurs at all, it will be rare. The amount of additional revenue that the bill will generate or workload required to fulfill its requirements for local governments or statutory public entities will vary depending on the number of CORA requests received, the complexity of those requests, and the fee charged. The exact impact to local governments and statutory public entities has not been estimated.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

Departmental Difference

Higher Education. The Department of Higher Education (DHE) estimates that the bill requires a one-time expenditure of \$80,000 to enhance, modify, and strengthen its current database and database security. The DHE received 32 CORA requests and about 250 data requests last year. The department also estimates that CORA requests will increase as a result of the bill and that it will require \$79,962 and one additional FTE to accommodate the increase. Several institutions of higher education have made similar estimates. The fiscal note acknowledges that workload and expenditures will increase as a result of the bill; however, the increase will depend on the number of structured data requests, the exact nature of those requests, and the technology issues associated with fulfilling the requests, none of which can be predicted in advance accurately enough to calculate an appropriation.

Colorado Department of Public Health and Environment (CDPHE). CDPHE estimates that the bill may result in an increase in CORA requests, specifically for structured data. Currently the department receives about 5,000 CORA requests per year. CDPHE estimates that the average structured data request will require 29 hours and will cost approximately \$1,500 to fulfill. The department also estimates that it will face increased litigation, increasing costs by at least \$200,000 for instances when CDPHE is ordered to pay attorney's fees for not meeting statutory timelines, as well as \$12,067 for staff time and legal services to provide written declarations for the denials. The fiscal note acknowledges that the bill will increase workload for the department; however, any associated increase in expenditures will depend upon the number of structured data requests, the exact nature of those requests, the technology issues associated with fulfilling the requests, and the behavior of the requesters, none of which can be predicted in advance accurately enough to calculate an appropriation.

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