



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number:	LLS 18-1079	Date:	August 23, 2018
Prime Sponsors:	Rep. Wist; Garnett Sen. Tate	Bill Status:	Signed into Law
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Bill Topic: YOUTH SPORTS COACH EXEMPT EMPLOYMENT SECURITY ACT

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

This bill exempts a coach for a nonprofit youth organization from unemployment insurance coverage if the coach has a written agreement with the organization stating that the coach is an independent contractor. The bill reduces state revenue and expenditures, and increases workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under HB 18-1303**

		FY 2018-19	FY 2019-20
Revenue	Cash Funds	(\$137,000)	(\$137,000)
Expenditures		-	-
Transfers		-	-

Summary of Legislation

This bill exempts a coach for a nonprofit youth organization from unemployment insurance (UI) coverage if:

- the coach has a written agreement with the organization stating that the coach is an independent contractor;
- the organization does not control the means or methods by which the coach provides coaching services;
- the coach is not economically dependent on income from part-time youth sports coaching; and
- the organization can only terminate the coach for breach of contract or noncompliance with the requirements of the youth sports governing body or industry standards.

If it is demonstrated to the Department of Labor and Employment (CDLE) that the above requirements are met, the coach will be considered an independent contractor and not exempt from UI coverage.

Background

There are currently 96 youth sports organizations registered with UI accounts. Each organization has an average of 28 coaches covered by UI for a total of 2,688 coaches statewide. Nonprofit youth sports organizations pay approximately \$137,000 in premiums per year to the UI Trust Fund, plus minimal amounts to the Employment Support Fund and Employment Training Fund.

State Revenue

This bill will reduce state revenue by approximately \$137,000 per year to the UI Trust Fund in the Department of Labor and Employment (CDLE). The fund is a TABOR-exempt enterprise so this reduction is not subject to TABOR.

State Expenditures

Because the bill reduces the number of individuals covered by UI, the CDLE may see a reduction in the amount of UI benefits paid. This amount has not been estimated. The CDLE may have an increase in workload to incorporate the bill's requirements in its UI publications and to respond to questions from employers and coaches. This workload can be accomplished within existing appropriations.

Effective Date

The bill was signed into law by the Governor on June 6, 2018, and took effect August 8, 2018.

State and Local Government Contacts

Information Technology

Judicial

Labor