



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

REVISED FISCAL NOTE

(replaces fiscal note dated January 24, 2018)

Drafting Number:	LLS 18-0565	Date:	February 20, 2018
Prime Sponsors:	Sen. Donovan Rep. Roberts	Bill Status:	House Agriculture
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Bill Topic: RURAL ECONOMIC ADVANCEMENT OF COLORADO TOWNS

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Department of Local Affairs (DOLA) to coordinate nonmonetary services to rural communities that experience a significant economic event. Between FY 2018-19 and a portion of FY 2021-22, the bill may increase workload for multiple state agencies.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** This fiscal note reflects the introduced bill, as amended by the Senate State, Veterans, and Military Affairs Committee.

Summary of Legislation

This bill requires the Department of Local Affairs (DOLA) to act as the designated agency for coordinating the state's response to significant economic events in rural communities, including a plant closure or substantial layoff. The bill defines a rural community as a county with a population of less than 50,000 residents or a municipality with a population of less than 20,000 if it is not adjacent to another municipality with a population of greater than 20,000.

Applications for assistance. Nonmonetary resources and assistance must be applied for using an application and guidelines developed by DOLA using criteria specified in the bill. If DOLA determines that the community is eligible for assistance, it is required to coordinate resources and assistance with the Colorado Department of Labor and Employment (CDLE) and the Office of Economic Development and International Trade (OEDIT), as well as other relevant state agencies. Nonmonetary assistance is to be provided within an agency's existing staffing. This assistance may be provided through the program's repeal on September 1, 2021.

Background

According to DOLA, there are 214 municipalities and 49 counties that meet the definition of a rural community as described by the bill.

According to the CDLE, there were 12 substantial layoffs in rural communities during calendar year 2017. These layoffs, 9 of which were seasonal, affected 1,650 employees. As of this writing, it is unknown how many other types of significant economic events occurred in 2017.

The DOLA currently manages the 4R (Rural Response Recovery and Resilience) program, which began in FY 2016-17 and aligns with the functions proposed in this bill. The department can accommodate the increased workload for Senate Bill 18-005 within its existing staffing structure.

State Expenditures

From FY 2018-19 through a portion of FY 2021-22, workload will increase for DOLA and other state agencies, including CDLE and OEDIT, to provide technical assistance and other nonmonetary resources to affected rural communities. Since the bill requires that this workload be accomplished within existing appropriations and staff, the fiscal note assumes that responding to significant economic events may result in the shifting of other existing priorities.

Local Government Impact

The bill allows eligible rural communities to seek nonmonetary resources and assistance to respond to significant economic events. The exact impact to any particular community has not been estimated.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties	Economic Development	Governor
Labor	Local Affairs	Municipalities
Personnel	Public Safety	Special Districts