



Legislative
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SB 19-156

FINAL FISCAL NOTE

Drafting Number: LLS 19-0347
Prime Sponsors: Sen. Rodriguez
 Rep. Sullivan
Date: July 22, 2019
Bill Status: Signed into Law
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Bill Topic: SUNSET STATE ELECTRICAL BOARD

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

Sunset bill. SB 19-156 continues the State Electrical Board and the regulation of electricians and electrical contractors in the Department of Regulatory Agencies, which is scheduled to repeal on September 1, 2019. State fiscal impacts include minimal new workload increases as well as the continuation of current program revenue and expenditures. Local governments may see ongoing revenue increases. The program is continued through September 1, 2032.

Appropriation Summary: No appropriation is required.

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

**Table 1
State Fiscal Impacts Under SB 19-156***

New Impacts		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures		-	-
TABOR Refund		-	-
Continuing Program Impacts		FY 2019-20	FY 2020-21
Revenue	Cash Funds	-	\$4.3 million
Expenditures	Cash Funds	-	\$4.3 million
	FTE	-	35.4 FTE
TABOR Refund		-	-

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

This bill continues the activities of the State Electrical Board and the regulation of electricians and electrical contractors through September 1, 2032. The bill implements the recommendations contained in the sunset review in the following ways:

- clarifies that communications systems, data systems, and security systems are subject to regulation if they are part of a building's electrical system;
- defines the difference between supervision and direct supervision as it applies to apprentices;
- directs the Governor to consider appointing an electrician who primarily works in the residential sector to at least one of the four seats on the board;
- repeals the requirement that the board notify an applicant that he or she is qualified to take a licensing exam;
- clarifies that traffic signals are not subject to regulation;
- specifies that alterations of existing facilities are not exempt from regulation; and
- specifies that the bill's requirements do not apply to the installation, maintenance, repair, or alternation of power-limited circuits and other systems for conveying power that are hard-wired into a building's electrical system

Under current law any electrical inspection performed by the state, a local government, or qualified state institution of higher education to include a review of electricians and apprentices compliance with state electrical laws. The bill preserves an inspector's ability to conduct a review at any time and allows for occasional on-site inspections of large commercial or multi-family residential projects while the work is being conducted. The bill requires that the state, local building departments, and institutions of higher education develop standard procedures for electrical inspectors conducting reviews; post these procedures on a public website; and provide the website link or standard procedures to the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA).

In addition, the board, as a result of a formal complaint, may require an inspecting entity to show cause as to why the board should not issue a final cease and desist order to the inspecting entity for not complying with inspection procedures. If a final cease and desist order is issued and state electrical inspectors are needed to conduct inspections, the inspecting entity must reimburse the board for any expenses in addition to required permit fees.

Finally, the bill makes several technical changes.

Continuing Program Impacts

Based on the most recent budget projections, DORA is expected to have revenue and expenditures of \$4.3 million to administer the State Electrical Board for the period from September 1, 2020, to June 30, 2021. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2020-21. This continuing revenue is subject to the state TABOR limits and is currently included in the Legislative Council Staff revenue forecast. The state is not expected to collect a TABOR surplus in FY 2020-21. If this bill is not enacted, the program will end on September 1, 2020, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2020-21 by the amounts shown in Table 1, which reflect the remaining ten months of the fiscal year. The changes to the program that increase board workload are discussed below in the State Expenditures section.

State Revenue and Expenditures

To the extent that state electrical inspectors are used to conduct additional inspections after a final cease and desist order, state revenue will increase. This increase is expected to be minimal. The changes in the bill may also result in a minimal increase in workload for the board to conduct rulemaking, outreach, and education. This increase can be accomplished within existing resources.

Effective Date

The bill was signed into law by the Governor on May 29, 2019, and it took effect July 1, 2019, except that sections 10 through 17 take effect October 1, 2019.

State and Local Government Contacts

Higher Education

Regulatory Agencies