



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

HB 19-1117

# FISCAL NOTE

**Drafting Number:** LLS 19-0749  
**Prime Sponsors:** Rep. Sandridge

**Date:** February 8, 2019  
**Bill Status:** House Business  
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**Bill Topic:** REGULATION OF PROFESSIONS & OCCUPATIONS REFORM

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**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input checked="" 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

The bill adds additional criteria that the Department of Regulatory Agencies must consider when conducting a sunrise or sunset analysis. The bill potentially decreases state revenue and expenditures on an ongoing basis.

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

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

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## Summary of Legislation

Under current law, the Department of Regulatory Agencies (DORA) analyzes and makes a recommendation whether to begin (sunrise review) or continue (sunset review) the regulation of a profession or occupation based on several factors.

This bill requires DORA, when conducting a sunrise or sunset review, to presume that consumers are sufficiently protected by market forces. It allows DORA to rebut this presumption only if there is credible evidence of a present, significant, and substantiated harm to consumers that warrants government regulation. The bill creates guidelines that the department may use in making the recommendations to address the harm. The bill further requires DORA, when new regulation is necessary, to recommend the least restrictive regulation to address the harm.

## Assumptions

The fiscal note assumes that if an existing regulatory program is recommended for repeal due to the new criteria laid out in the bill, state revenue and expenditures for the program will be reduced through the regular sunset bill and fiscal notes process.

## **State Revenue**

To the extent that the bill results in the elimination of existing regulatory programs or does not allow regulation of certain professions that may have qualified for regulation under current law, state cash fund revenue from related fees will be reduced. The potential reduction has not been estimated.

## **State Expenditures**

Starting in FY 2019-20, the bill will minimally increase workload to the Division of Professions and Occupations in DORA to incorporate the bill's expanded criteria into the current review process and to conduct education and outreach. The increase in workload is expected to be minimal and can be accomplished within existing appropriations. In addition, to the extent that industry proponents or state agencies disagree with DORA's findings, legal costs the Department of Law will increase.

To the extent that the bill results in the elimination of existing regulatory programs and the denial of other regulatory programs that would have been able to be regulated under current law, cash fund expenditures and workload related to regulation will be reduced. The potential reduction has not been estimated.

**TABOR refunds.** To the extent the bill results in the elimination of existing regulatory programs, the bill is expected to decrease state General Fund obligations for TABOR refunds in FY 2019-20. Under current law and the December 2018 forecast, the bill will correspondingly reduce the amount refunded to taxpayers via sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21.

## **Effective Date**

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed and applies to analyses done on or after that date.

## **State and Local Government Contacts**

Information Technology  
Regulatory Agencies

Law  
Secretary of State