



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number: LLS 20-0767 Date: April 29, 2020
Prime Sponsors: Sen. Woodward Bill Status: Postponed Indefinitely
Rep. Kraft-Tharp; Fiscal Analyst: Clare Pramuk | 303-866-2677
Williams D. clare.pramuk@state.co.us

Bill Topic: BUSINESS FISCAL IMPACT NOTES

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill would have required Legislative Council Staff to prepare business fiscal impact statements to analyze the potential direct economic effects of legislation on Colorado businesses. This would have increased state expenditures on an ongoing basis.

Appropriation Summary: For FY 2020-21, the bill would have required an appropriation of \$82,229 to the Legislative Department.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1 State Fiscal Impacts Under SB 20-133

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

This bill requires Legislative Council Staff (LCS) to develop a process for requesting, completing, and updating business fiscal impact notes (business notes) by December 1, 2020. Beginning in the 2021 legislative session, staff will prepare up to eight business notes. Requests for business notes are made by House and Senate leadership. LCS will meet with the member of leadership and the bill sponsor to discuss whether a business note can be completed for the bill. If not, the member of leadership can request a business note for a different bill.

LCS is authorized to request data and information directly from the business community, nonpartisan organizations, academic institutions, state agencies or other sources. Colorado businesses will have a designated five-day period to provide comments regarding the potential business fiscal impact of a bill. LCS will include any comments received in the note. Finally, the bill requires state agencies to provide information for a business fiscal impact note upon request.

State Expenditures

This bill will increase state General Fund expenditures for the Legislative Department by \$96,563 and 0.8 FTE in FY 2020-21 and \$39,680 and 0.4 FTE in FY 2021-22 and ongoing. These costs are shown in Table 2 and explained below.

Table 2
Expenditures Under SB 20-133

	FY 2020-21	FY 2021-22
Legislative Department		
Personal Services	\$74,814	\$32,919
Operating Expenses	\$1,215	-
Capital Outlay Costs	\$6,200	-
Centrally Appropriated Costs*	\$14,334	\$6,761
Total Cost	\$96,563	\$39,680
Total FTE	0.8 FTE	0.4 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Legislative Council Staff. LCS requires 0.8 FTE for FY 2020-21 and 0.4 FTE in FY 2021-22 and ongoing to implement the bill. The first year amount is prorated to reflect the General Fund paydate shift and the August effective date. Beginning in August 2020, LCS will begin conducting a stakeholder process to develop the components and style of business notes and select staff to conduct the analysis. The LCS bill tracking system, CLICS, will be modified to incorporate business notes. Beginning in the 2021 legislative session, LCS workload will increase to collect data and business comments, conduct the analysis, and prepare the business notes. Staff time is also required during the interim to maintain databases and adjust the business note process as needed.

State agency workload. State agencies will have increased workload to respond to data and information requests from LCS. Workload will vary depending on the number of business notes requested that affect a given agency, and the complexity of the measure under consideration. This workload, assuming it is spread across agencies in a roughly even manner, is expected to be minimal and not require a change in appropriation for any state agency. Should an agency regularly experience a high volume of business note requests or require additional resources associated with data collection or preparation, additional funding will be requested through the annual budget process.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$14,334 in FY 2020-21 and \$6,761 in FY 2021-22.

Local Government

To the extent that local governments are surveyed for input on business impacts, their workload will increase.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on February 3, 2020.

State Appropriations

For FY 2020-21, the bill requires a General Fund appropriation of \$82,229 and 0.8 FTE to Legislative Council Staff in the Legislative Department.

State and Local Government Contacts

All State Agencies