



**Colorado
Legislative
Council
Staff**

HB17-1202

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0679 **Date:** March 8, 2017
Prime Sponsor(s): Rep. Herod; Covarrubias **Bill Status:** House Business
 Sen. Smallwood **Fiscal Analyst:** Erin Reynolds (303-866-4146)

BILL TOPIC: PLUMBER QUALIFICATIONS SUPERVISION

| Fiscal Impact Summary | FY 2017-2018 | FY 2018-2019 |
|--|-----------------------------|---------------------|
| State Revenue General Fund | Potential minimal increase. | |
| State Expenditures | Minimal workload increase. | |
| TABOR Impact | Potential minimal increase. | |
| Appropriation Required: None. | | |
| Future Year Impacts: Ongoing minimal revenue and workload increase. | | |

Summary of Legislation

The bill requires any plumbing inspection performed by the state, a local government, or a qualified state higher education institute to include a review of the licensed plumbers and apprentices working on the inspected job site to ensure that plumbers are licensed and that apprentices are supervised by licensed plumbers. State, local building departments, and higher education institutions are required to develop standard procedures for plumbing inspectors conducting these reviews and to post these procedures on the agency's website. An inspector may file a complaint with the State Plumbing Board for any violation uncovered during an inspection.

State Revenue

Beginning in FY 2017-18, to the extent that the bill generates additional complaints related to unlicensed plumbers or unsupervised apprentices and fines are assessed, state General Fund revenue will increase. Half of any fine assessed by the State Plumbing Board is credited to the General Fund and the other half to the appropriate local government. The fiscal note assumes that professionals comply with the law, so any revenue increase is expected to be minimal.

TABOR Impact

This bill potentially increases state General Fund revenue from fines, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. Since the bill potentially increases both revenue

to the General Fund and the refund obligation by equal amounts, there is no net impact on the amount of money available in the General Fund for the budget. However, the bill will increase money available for the General Fund budget in the future during years when the state does not collect money above the TABOR limit.

State Expenditures

Beginning in FY 2017-18, workload for the State Plumbing Board under the Division of Professions and Occupations in the Department of Regulatory Agencies will increase in the following ways. The board will complete one-time work in FY 2017-18 to develop review procedures and post these to its website. On an ongoing basis, state plumbing inspectors will conduct the reviews required by the bill. The fiscal note assumes these reviews will be conducted during regular inspections. There are approximately 10 state plumbing inspectors who conduct approximately 12,000 inspections per year. Finally, to the extent that these reviews generate complaints with the board, workload will increase to assess penalties. The fiscal note assumes that these workload increases can be accomplished within existing appropriations.

Local Government Impact

Local government revenue from fines will potentially increase to the extent that the bill generates additional complaints. Similar to the state, this fine revenue is expected to be minimal. Some local government entities conduct their own plumbing inspections, while the state conducts the rest. In these local governments, workload will increase to develop standards for and perform the reviews required under the bill. Similar to the state, this workload increase is expected to be minimal as the fiscal note assumes that local government inspectors will perform reviews as part of their regular inspection-related workload.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Municipalities
School Districts

Higher Education
Public Safety
Special Districts

Local Affairs
Regulatory Agencies