



**Legislative Council Staff**  
*Research Note*

Version: Final

Date: 5/10/2017

**Bill Number**

**House Bill 17-1270**

**Sponsors**

***Representatives Kraft-Tharp &  
Lawrence  
Senators Williams & Coram***

**Short Title**

***Agency Discretion Enforcing  
Rules Small Business***

**Research Analyst**

**Luisa Altmann (x3518)**

**Status**

This research note reflects the final version of the bill, which was postponed indefinitely by the Senate Appropriations Committee.

**Background**

While there are various ways to define a small business, the bill only applies to small businesses with 50 or fewer employees.

According to the U.S. Census Bureau, in 2014:

- 78.6 percent of Colorado businesses had fewer than 10 employees;
- 9.1 percent of Colorado businesses had between 10 and 19 employees;
- 7.8 percent of Colorado businesses had between 20 and 99 employees;
- 2.1 percent of Colorado businesses had between 100 and 499 employees; and
- 2.5 percent of Colorado businesses had 500 or more employees.

*This research note was prepared by Legislative Council Staff, the nonpartisan research staff for the Colorado General Assembly. The research note is provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly. Legislative Council Staff are not attorneys, and the research note is not a legal opinion. If you have legal questions about the bill, including questions about the meaning of the bill language or amendments, please contact the drafter.*

## House Action

**House Business Affairs and Labor Committee (March 28, 2017).** At the hearing, representatives from Conservation Colorado, the Colorado Motor Carriers Association, Hispanic Contractors of Colorado, Electrical Contractors, Green Industries of Colorado, Colorado AFL-CIO, the Colorado and Wyoming Petroleum Marketers Association, the Jefferson County Business Lobby, the Colorado Competitive Council, the Denver Metro Chamber of Commerce, and the Colorado Association of Commerce and Industry testified in support of the bill. A representative from the National Federation of Independent Business testified in opposition to the bill.

The committee adopted amendments L.003 and L.013 and referred the bill, as amended, to the House Committee of the Whole. Amendment L.003 added that a violation may be considered minor if the violation relates to a rule promulgated within the 12 months immediately preceding the alleged violation or if the violation relates to any rule and the business has been operating for less than one year prior to committing the violation. Amendment L.013 specified that the agency shall waive the penalties, fines, or both if the business cures the minor violation within 30 days, or that the agency may reduce the penalties or fines in full or in part if the business cures the minor violation after the 30-day cure period.

**House second reading (March 31, 2017).** The House adopted the House Business Affairs and Labor Committee report and amendment L.017, and passed the bill on second reading. Amendment L.017 removed the reporting requirements from the bill and instead requires each department to forward the department's analysis of noncompliance with its rules to the Department of Regulatory Agencies (DORA). DORA is then required to compile and summarize this information into one analysis and present this information to the Joint Business Committee during DORA's SMART Government Act Hearing.

**House third reading (April 3, 2017).** The House passed the bill on third reading with no amendments.

## Senate Action

**Senate Appropriations Committee (May 9, 2017).** The committee postponed the bill indefinitely.