A BILL FOR AN ACT

CONCERNING STATE AGENCY REQUIREMENTS FOR THE ENFORCEMENT
OF NEW REGULATORY REQUIREMENTS ON SMALL BUSINESSES,
AND, IN CONNECTION THEREWITH, ENACTING THE
"REGULATORY REFORM ACT OF 2018".

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill enacts the "Regulatory Reform Act of 2018". Section 2 of the bill makes legislative declarations about the importance of businesses with 100 or fewer employees to the Colorado economy and the difficulty
these types of businesses have in complying with new administrative rules that are not known or understood by these businesses.

Section 3 defines "new rule" as any regulatory requirement in existence for less than one year prior to its enforcement by a state agency, and "minor violation" as any violation of a new rule by a business with 100 or fewer employees where the violation is minor in nature, involving record-keeping or other issues that do not affect the safety of the public. Section 3 provides exceptions from the definition of "minor violation" for certain types of rules.

For the first minor violation of a new rule by a business of 100 or fewer employees, section 4 requires a state agency to issue a written warning and engage the business in educational outreach as to the methods of complying with the new rule. Section 3 requires state agencies to make information on new rules available and allows this information to be made available in electronic form.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Short title. The short title of this act is the "Regulatory Reform Act of 2018".

SECTION 2. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) Colorado's business community consists overwhelmingly of small businesses that employ one hundred or fewer employees;

(b) These businesses make up the majority of the business activity in Colorado and employ tens of thousands of Coloradans; and

(c) There is a disconnect between the promulgation of new rules and the education and awareness of small business owners about new requirements. Most often, a small business owner may not be aware of new rules until someone from a state agency audits the business and determines it has not complied with new regulatory directives.

(2) The general assembly, therefore, declares that it would benefit businesses with one hundred or fewer employees in this state if the enforcement activities of state agencies for first-time minor violations of
new rules were focused on educating and training small businesses to comply with new rules rather than on punishing first-time violators for noncompliance.

SECTION 3. In Colorado Revised Statutes, 24-4-102, amend the introductory portion; and add (8.5) and (8.7) as follows:

24-4-102. Definitions. As used in this article ARTICLE 4, unless the context otherwise requires:

(8.5) (a) "MINOR VIOLATION" MEANS A VIOLATION OF A NEW RULE BY A BUSINESS OF ONE HUNDRED OR FEWER EMPLOYEES, WHICH VIOLATION IS MINOR IN NATURE, INCLUDING OPERATIONAL OR ADMINISTRATIVE MATTERS SUCH AS RECORD-KEEPING, RETENTION OF DATA, OR FILING OF REPORTS, THAT DOES NOT AFFECT PUBLIC SAFETY AND THAT CARRIES A FINANCIAL PENALTY FOR NONCOMPLIANCE.

(b) "MINOR VIOLATION" DOES NOT INCLUDE ANY MATTER THAT PLACES THE SAFETY OF THE PUBLIC, WORKERS, OR OTHERS AT RISK AND DOES NOT APPLY TO:

(I) STATE-ISSUED PERMITS, LICENSES, OR REGISTRATIONS;

(II) MATTERS RELATED TO BIDDING ON STATE CONTRACTS;

(III) ACTIVITIES REQUIRED BY FEDERAL LAW;

(IV) THE ENFORCEMENT ACTIVITIES OF THE ADMINISTRATOR OF THE "UNIFORM CONSUMER CREDIT CODE", ARTICLES 1 TO 9 OF TITLE 5, DESIGNATED BY THE ATTORNEY GENERAL UNDER SECTION 5-6-103;

(V) RULES ADOPTED BY THE COLORADO CIVIL RIGHTS DIVISION, CREATED IN PART 3 OF ARTICLE 34 OF THIS TITLE 24; OR

(VI) RULES ADOPTED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, CREATED IN PART 1 OF ARTICLE 1 OF TITLE 25.

(8.7) "NEW RULE" MEANS A REGULATORY REQUIREMENT THAT
AFFECTS A BUSINESS WITH ONE HUNDRED OR FEWER EMPLOYEES ENFORCED BY AN AGENCY LESS THAN ONE YEAR PRIOR TO ITS EFFECTIVE DATE.

SECTION 4. In Colorado Revised Statutes, add 24-4-104.7 as follows:

24-4-104.7. Special enforcement provisions - new requirements - minor violations - written warnings - educational outreach. (1) Each state agency that regulates businesses employing one hundred or fewer employees shall, in the course of normal operations, develop fact sheets for new rules adopted in each fiscal year and make these fact sheets available to businesses with one hundred or fewer employees that have been found to be in violation of new rules in order to accelerate the agency's educational process and aid in compliance with new rules. Each agency may make this information available in electronic form so long as the agency makes efforts to inform businesses with one hundred or fewer employees of the location on the internet where the businesses can find the information.

(2) For any first-time minor violation of a new rule by a business with one hundred or fewer employees, a state agency shall issue a written warning to the business and conduct educational outreach to inform the business of the methods of complying with the new rule.

SECTION 5. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9,
2018); except that, if a referendum petition is filed pursuant to section 1
(3) of article V of the state constitution against this act or an item, section,
or part of this act within such period, then the act, item, section, or part
will not take effect unless approved by the people at the general election
to be held in November 2018 and, in such case, will take effect on the
date of the official declaration of the vote thereon by the governor.

(2) This act applies to offenses committed on or after the
applicable effective date of this act.