



**Legislative
Council Staff**

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 18-1079
Prime Sponsors: Rep. Wist; Garnett

Date: April 4, 2018
Bill Status: House Judiciary
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Bill Topic: YOUTH SPORTS COACH EXEMPT EMPLOYMENT SECURITY ACT

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

This bill exempts a coach for a nonprofit youth organization from unemployment insurance coverage if the coach has a written agreement with the organization stating that the coach is an independent contractor. The bill reduces state revenue and expenditures, and increases workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

**Table 1
State Fiscal Impacts Under HB 18-1303**

		FY 2018-19	FY 2019-20
Revenue	Cash Funds	(\$137,000)	(\$137,000)
Expenditures		-	-
Transfers		-	-

Summary of Legislation

This bill exempts a coach for a nonprofit youth organization from unemployment insurance (UI) coverage if the coach has a written agreement with the organization stating that the coach is an independent contractor. A written agreement meeting the requirements of the bill is conclusive evidence of an independent contractor relationship for purposes of UI but not for purposes of any civil action instituted by a third party.

Background

There are currently 96 youth sports organizations registered with UI accounts. Each organization has an average of 28 coaches covered by UI for a total of 2,688 coaches statewide. Nonprofit youth sports organizations pay approximately \$137,000 in premiums per year to the UI Trust Fund, plus minimal amounts to the Employment Support Fund and Employment Training Fund.

State Revenue

This bill will reduce state revenue by approximately \$137,000 per year to the UI Trust Fund in the Department of Labor and Employment (CDLE). The fund is a TABOR-exempt enterprise so this reduction is not subject to TABOR.

State Expenditures

Because the bill reduces the number of individuals covered by UI, the CDLE may see a reduction in the amount of UI benefits paid. This amount has not been estimated. The CDLE may have an increase in workload to incorporate the bill's requirements in its UI publications and to respond to questions from employers and coaches. This workload can be accomplished within existing appropriations.

Technical Note

The bill may conflict with federal requirements for determining whether a person is an employee or independent contractor. This could affect federal funding to the CDLE if the bill is passed in its current form.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology

Judicial

Labor