



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**SB 18-054**

**REVISED  
FISCAL NOTE**

(replaces fiscal note dated January 22, 2018)

**Drafting Number:** LLS 18-0339  
**Prime Sponsors:** Sen. Crowder  
Rep. Liston

**Date:** February 7, 2018  
**Bill Status:** House Public Health Care and  
Human Services

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**Bill Topic:** CAP FEE INCREASES ASSISTED LIVING RESIDENCES

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue <i>(potential)</i>	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure <i>(potential)</i>	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill specifies that assisted living residence licensing fees set by the Department of Public Health and Environment cannot increase faster than the inflation rate starting on August 1, 2019. This potentially reduces future state revenue and expenditures on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the reengrossed bill.

**Summary of Legislation**

The bill specifies that any licensing fee set by the Department of Public Health and Environment (CDPHE) for assisted living residences cannot be increased by an amount greater than the inflation rate for the Denver-Boulder-Greeley statistical area, as determined by the Bureau of Labor Statistics in the United States Department of Labor. The bill applies to any increase to the schedule of fees that is in effect as of August 1, 2019.

**Background**

The CDPHE licenses and inspects health facilities, including assisted living residences. Under current law, the State Board of Health has statutory authority to set fees for assisted living residence licenses to cover the direct and indirect costs of the licensing program. The CDPHE has published draft rules to increase the license fee for these facilities starting on July 1, 2018. These updated rules and fees will be considered by the State Board of Health later in 2018. The CDPHE plans to engage stakeholders concerning a second fee increase that could start on July 1, 2019. Licensing fees are deposited into the Assisted Living Residence Cash Fund, which is projected to have revenue of \$1.4 million in FY 2018-19 and \$1.5 million in FY 2019-20, under the current fee schedule.

**State Revenue and Expenditures**

To the extent the State Board of Health would have increased assisted living residence licensing fees more than the inflation rate after August 1, 2019, this bill will decrease state revenue and expenditures in the CDPHE starting in FY 2019-20. This future impact cannot be estimated as it is unknown how fees would have been adjusted relative to inflation after August 1, 2019, without passage of this bill. This bill will not limit the CDPHE's ability to implement the proposed fee increase currently under consideration by the State Board of Health.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

Counties  
Human Services  
Public Health and Environment

Health Care Policy and Financing  
Information Technology