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REVISED FISCAL NOTE

(replaces fiscal note dated February 4, 2020)

Drafting Number: LLS 20-0492
Prime Sponsors: Sen. Danielson, Rep. Sullivan

Date: March 4, 2020
Bill Status: House Business
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Bill Topic: APPRENTICE EXAMINATIONS AND PROFESSIONAL LICENSES

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

The bill creates examination and reporting requirements for electrician and plumber apprenticeships. The bill may minimally increase state revenue on an ongoing basis and increases state expenditures in FY 2020-21 only.

Appropriation Summary: In FY 2020-21, the bill requires an appropriation of \$20,000 to the Department of Regulatory Agencies.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under SB 20-120

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (Cash Funds), Transfers, and TABOR Refund.

Summary of Legislation

The bill requires that electrician and plumber apprentices take a license examination every three years for electricians and two years for plumbers if they have been registered for at least six years with either the State Electrical Board or the State Plumbing Board. The bill also requires that an employer, an apprenticeship program registered with the U.S. Department of Labor, and a state apprenticeship council recognized by the U.S. Department of Labor which employs an electrician and plumber apprentice to report to either the State Electrical Board or the State Plumbing Board on the number of practical training and classroom hours of each apprentice, as well as the name and contact information of each apprentice in the apprenticeship program. Both boards must provide the information to the Department of Regulatory Agencies' (DORA) online apprenticeship directory. If an apprentice fails to pass the license examination in two consecutive periods, the apprentice may request an exemption.

In addition, DORA and the Department of Labor and Employment, in consultation with either the State Electrical Board or the State Plumbing Board, must conduct research to determine what barriers exist in the preparation and taking of the licensing examinations for apprentices for whom English is a second language. DORA must report any findings to the General Assembly by January 1, 2021.

State Revenue

The bill may minimally increase revenue in DORA from disciplinary actions related to apprenticeships. However, this fiscal note assumes that apprentices will comply with the provisions of this bill. Disciplinary fines and fees are subject to TABOR.

State Expenditures

The bill increases state cash fund expenditures in DORA by \$20,000 in FY 2020-21 only. The bill also increases workload for the Department of Labor and Employment. These impacts are discussed below.

Department of Regulatory Agencies. In FY 2020-21, one-time computer programming costs of \$20,000 are required to update the licensing systems for electrical and plumbing contractors to manage timelines for renewal and licensure examination. Development costs are calculated at 72 hours at a rate of \$150 per hour. The department also requires deployment-related and project management costs estimated at \$10,000.

In addition, workload will increase for the State Electrical Board or the State Plumbing Board to promulgate rules related to the examination exemptions. Workload will also increase in DORA to conduct research to determine the examination barriers for apprentices for whom English is a second language and report any findings to the General Assembly. This workload can be accomplished within existing appropriations.

Department of Labor and Employment. Workload will increase for the Department of Labor and Employment to work with DORA to conduct research to determine the examination barriers for apprentices for whom English is a second language. This workload increase can be accomplished within existing appropriations.

TABOR refunds. The bill may minimally increase state General Fund obligations for TABOR refunds in FY 2020-21 and FY 2021-22. Under current law and the December 2019 Legislative Council Staff forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds made available on income tax returns for tax years 2021 and 2022, respectively. A forecast of state revenue subject to TABOR is not available beyond FY 2021-22.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

In FY 2020-21, the bill requires an appropriation of \$20,000 to the Department of Regulatory Agencies from the Division of Professions and Occupations Cash Fund.

State and Local Government Contacts

Higher Education
Labor

Information Technology
Regulatory Agencies