



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 10, 2021)

Drafting Number: LLS 21-0647 Date: April 16, 2021
Prime Sponsors: Rep. Bacon; Ricks Bill Status: House Finance
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Bill Topic: HISTORICALLY UNDERUTILIZED BUS LOCAL GOVT PROCUREMENT

Summary of Fiscal Impact:
State Revenue [] TABOR Refund []
State Expenditure [x] Local Government [x]
State Transfer [] Statutory Public Entity []

This bill creates a pilot program in the Department of Local Affairs for five local governments to identify perceptual and substantial barriers to entry for historically underutilized businesses in local government procurement. The bill will increase state and local government workload in FY 2021-22 and FY 2022-23.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as amended by the House Transportation and Local Government Committee.

Summary of Legislation

The bill requires the Department of Local Affairs (DOLA) to establish a pilot program no later than August 13, 2021, to help local governments identify perceptual and substantial barriers to entry for historically underutilized businesses in local government procurement.

"Historically underutilized business" is defined to mean a business that is at least 51 percent owned and controlled, in both the management and day-to-day business decisions, by one or more individuals who are United States citizens or permanent residents and one or more of the following:

- members of a racial or ethnic minority group;
non-Hispanic Caucasian women;
persons with physical or mental disabilities;
members of the lesbian, gay, bisexual, and transgender community; or
veterans.

DOLA is required to ensure that at least five local governments opt-in to the pilot program and are representative of rural, urban, and suburban areas of the state. Local governments participating in the pilot program are required to identify implementation needs, as outlined in the bill.

DOLA is required to report on the progress of the pilot project in its 2022 SMART Act hearing, and provide a findings report in its 2023 SMART Act hearing.

State Expenditures

The bill increases workload in the Department of Local Affairs in FY 2021-22 and FY 2022-23. DOLA will collaborate with local government organizations to recruit five diverse local governments to perform the work of the pilot program; prepare a survey or form for data collection; meet with local participants; provide technical assistance as necessary; collect status updates; and prepare SMART Act final report. No change in appropriations is required.

Assumptions. This state expenditure estimate assumes that DOLA will act as a facilitator and reporting authority in the pilot program; however, if DOLA is required to build a model and options for local governments to use in their efforts, it would require the expertise of consultant services to support this level of work, costs for which would range upwards of \$250,000, and require an appropriation.

Local Governments

Local governments opting in to the pilot program will have regular duties to identify implementation needs and options, help collaborate and provide input on the required program elements outlined in the bill.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties
School Districts

Local Affairs
Secretary of State

Municipalities
Special Districts