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Final Fiscal Note

Drafting Number: LLS 23-0063
Prime Sponsors: Sen. Danielson; Jaquez Lewis
Rep. Willford; Young
Date: July 12, 2023
Bill Status: Signed into Law
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Bill Topic: **JOB APPLICATION FAIRNESS ACT**

Summary of Fiscal Impact:

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

The bill prohibits employers from inquiring about a prospective employee's age on an employment application. It will increase state expenditures and may increase state revenue on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$56,468 to the Department of Labor and Employment.

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

Table 1
State Fiscal Impacts Under SB 23-058

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$56,468	\$135,775
	Centrally Appropriated	\$18,805	\$52,046
	Total Expenditures	\$75,273	\$187,821
	Total FTE	0.5 FTE	1.5 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$8,470	\$20,366

Summary of Legislation

The bill prohibits employers from inquiring about a prospective employee’s age, date of birth, and dates of attendance at or date of graduation from an educational institution on an employment application beginning July 1, 2024. An employer may request additional application materials that include this information if the employer notifies the individual that they may redact this information. The Department of Labor and Employment (CDLE) will enforce the requirement, issue warnings, and impose civil penalties upon second or subsequent violations.

State Revenue

The bill may increase revenue from fines by a minimal amount. The fiscal note assumes that employers will comply with the law. Fines are credited to the General Fund, and subject to TABOR.

State Expenditures

The bill increases state General Fund expenditures in CDLE by \$75,273 in FY 2023-24 and \$187,821 in FY 2024-25. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-058

	FY 2023-24	FY 2024-25
Department of Labor and Employment		
Personal Services	\$46,420	\$128,544
Operating Expenses	\$3,473	\$7,231
Capital Outlay Costs	\$6,670	-
Centrally Appropriated Costs ¹	\$18,805	\$52,046
Total Cost	\$75,273	\$187,821
Total FTE	0.5 FTE	1.5 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Labor and Employment. CDE requires 0.5 FTE in FY 2023-24 and 1.5 FTE each year thereafter for rulemaking and complaint investigation, as discussed below. Standard operating and capital outlay costs are included, plus \$2,903 per employee each fiscal year for software licenses. First-year costs are prorated for the General Fund pay date shift, and a September 1 start date.

- **Policy.** CDLE requires 0.6 FTE in FY 2023-24 and 0.5 FTE per year thereafter to conduct rulemaking, establish procedures for receiving and investigating complaints, provide notice to employers, review compliance investigator’s determinations, and handle other management and policy-related duties.

- **Complaints.** CDLE requires 1.0 FTE beginning in FY 2024-25 for a compliance investigator to investigate complaints and confirm employer compliance. This fiscal note assumes CDLE will receive approximately 100 complaints related to the bill each year and that each complaint will require a compliance officer approximately 20 hours to process, investigate, make determinations, issue orders, and confirm employer compliance.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Effective Date

The bill was signed into law by the Governor on June 2, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires and includes a General Fund appropriation of \$56,468 to the Department of Labor and Employment and 0.5 FTE.

State and Local Government Contacts

Information Technology
Personnel

Judicial
Regulatory Agencies

Labor