



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 24-0445 Date: June 27, 2024
Prime Sponsors: Rep. Bacon; Bird Bill Status: Signed into Law
Sen. Coleman Fiscal Analyst: Clayton Mayfield | 303-866-5851
clayton.mayfield@coleg.gov

Bill Topic: EX-OFFENDERS PRACTICE IN REGULATED OCCUPATIONS

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

The bill establishes a uniform process for the consideration of criminal records in occupational licensure applications. Starting in FY 2024-25, the bill increases state revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill includes an appropriation of \$133,216 to the Department of Regulatory Agencies.

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

Table 1
State Fiscal Impacts Under HB 24-1004

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (TABOR Impact).

Summary of Legislation

The bill establishes a uniform process for the consideration of criminal records in occupational registration, certification, and licensure applications to professional regulators in the Department of Regulatory Agencies (DORA).

Consideration of criminal records. A conviction for a crime does not automatically disqualify applicants, and if a regulator considering an applicant's criminal record, an applicant may only be denied if the regulator determines an applicant has not been rehabilitated and is unable to perform professional duties without creating an unreasonable risk to public safety. Regulators may only consider a conviction for three years from the date of conviction or end of incarceration, whichever date is later. An exception is provided if a conviction is for a crime that directly relates to a particular profession

Pre-application determination. Applicants with a criminal record may petition regulators for a pre-application determination of whether their criminal record would disqualify them from a license. Petitions must include certain information about criminal records, and responses from regulators must advise petitioners of any remedies for disqualification. Initial determinations do not prohibit regulators from a new determination at the time of application.

Other regulatory provisions. The bill does not negate other regulatory provisions regarding professional applications, federal law, or create a liability for an employer that fails to hire an individual with a registration, certification, or license.

State Revenue

The bill increases state revenue to the Division of Professions and Occupations Cash Fund in DORA by about \$170,000 each year starting in FY 2024-25. This revenue is from increased fees on regulated professions to cover the estimated costs of this bill. It is assumed that half of this revenue is from fees charged to new professional applicants, and half of revenue is from fees charged to currently licensed professionals regulated by DORA. The exact amount of revenue may vary year-to-year based on the timing of renewals and new applications.

Fee impact on regulated professions. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by DORA based on cash fund balance, program costs, and the number of licensed individuals or applicants subject to the fee. The table below identifies the fee impact of this bill.

**Table 2
Fee Impact on Regulated Professions**

Fiscal Year	Population	Proposed Fee	Total Fee Impact
FY 2024-25	Existing Professionals	\$0.30	\$85,000
	New Applicants	\$2.90	\$85,000
FY 2024-25 Total			\$170,000
FY 2025-26	Existing Professionals	\$0.30	\$85,000
	New Applicants	\$2.90	\$85,000
FY 2025-26 Total			\$170,000

State Expenditures

The bill increases state expenditures in DORA by about \$155,000 in FY 2024-25, and by about \$170,000 beginning in FY 2025-26, paid from the Divisions of Professions and Occupations Cash Fund. Expenditures are detailed in Table 2 below.

**Table 3
Expenditures Under HB 24-1004**

	FY 2024-25	FY 2025-26
Department of Regulatory Agencies		
Personal Services	\$80,203	\$101,465
Operating Expenses	\$1,536	\$1,920
Capital Outlay Costs	\$6,670	-
Legal Services	\$44,807	\$38,406
Centrally Appropriated Costs ¹	\$21,903	\$27,492
FTE – Personal Services	1.2 FTE	1.5 FTE
FTE – Legal Services	0.2 FTE	0.2 FTE
Total Cost	\$155,118	\$169,283
Total FTE	1.4 FTE	1.7 FTE

DORA. DORA requires 1.5 FTE to process pre-application determination of criminal record petitions, of which 1.1 FTE is a technician responsible for intake of petitions, follow-up with applicants, preparation of materials for regulator review, and final correspondence to applicants. The remaining 0.4 FTE is program management staff who will review the final correspondence to applicants. These staffing amounts are based on an assumption that approximately 3,000 professional applicants will have a criminal record and submit a petition. The staff costs in FY 2024-25 are prorated for a September 1, 2024 start date, and include standard operating costs.

Legal services. DORA will require 300 hours of legal services each year for applicant appeals starting in FY 2024-25, assuming one license denial per year will be appealed and need to be litigated. In FY 2024-25 only, an additional 50 hours is also needed for rulemaking. Legal services are provided by the Department of Law at a rate of \$128.02 per hour.

Department of Personnel and Administration. The Office of Administrative Courts in the Department of Personnel and Administration (DPA) may have an increase in referred cases based on licensure denials. Any increase is expected to be minimal, and any change will be accounted for through the annual budget process.

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.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill was signed into law by the Governor on June 4, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill includes an appropriation of \$133,216 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies, and 1.2 FTE. Of this amount, \$44,807 is reappropriated to the Department of Law, with an additional 0.2 FTE.

State and Local Government Contacts

Corrections
Personnel

Judicial
Regulatory Agencies

Law

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).