



Legislative
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FISCAL NOTE

Drafting Number:	LLS 18-0455	Date:	February 20, 2018
Prime Sponsors:	Rep. Kraft-Tharp; Van Winkle Sen. Neville T.	Bill Status:	House Business
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Bill Topic: SUNSET CONTINUE COST-BENEFIT ANALYSIS FOR RULES

Summary of Fiscal Impact:

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

Sunset bill. This bill continues the provision of the Administrative Procedures Act allowing any person to request a cost-benefit analysis of proposed state agency rules, scheduled to repeal on September 1, 2018. State fiscal impacts include both a new minimal workload increase under the bill, as well as the continuing workload impact of conducting a cost-benefit analysis upon request. The bill continues the program indefinitely.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

Under current law, the Administrative Procedure Act (APA) allows anyone to request that any agency proposing a new rule or revising an existing rule conduct a cost-benefit analysis of the rule. This request must be made within five days after the notice of proposed rulemaking is published. When a request is received by the Office of Policy, Research, and Regulatory Reform within the Department of Regulatory Agencies (DORA), the office contacts the agency that proposed the new or amended rule to determine whether an analysis is needed. Analyses must be completed 10 days before the rulemaking hearing. The cost-benefit analysis must: include the reason for the new or amended rule; identify the anticipated economic costs and benefits of the rule; identify any adverse effects on consumers, small businesses, or the economy; and provide two alternatives to the proposed new or amended rule.

This bill continues the cost-benefit analysis process under the APA indefinitely. It also requires each state agency with rulemaking authority to post the following information on its website:

- information about the cost-benefit analysis process; and
- a link to the online regulatory notice enrollment form on the DORA website.

Background

Senate Bill 03-121 required state agencies to submit new or amended rule proposals to DORA for the purpose of determining if the rule may have a negative impact on economic competitiveness or small business in Colorado. Initially, it was at the discretion of the executive director of DORA to determine whether the proposed rule or amendment required a cost-benefit study be prepared by the submitting agency. Senate Bill 13-158 modified the requirement so that a cost-benefit analysis must only be prepared when a person requests one from the affected agency.

Continuing Program Impacts

The Office of Policy, Research, and Regulatory Reform within DORA and affected state agencies currently coordinate cost-benefit analyses within existing appropriations. If this bill is enacted, this workload impact will continue indefinitely. If this bill is not enacted, this workload will end on September 1, 2018.

State Expenditures

All state agencies that perform rulemaking will have one-time workload increases in FY 2018-19 to update their websites to include information about the cost-benefit analysis process; which can be accomplished within the existing appropriations of all state agencies.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

All State Agencies