



Legislative
Council Staff

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FISCAL NOTE

Drafting Number: LLS 19-0347	Date: March 7, 2019
Prime Sponsors: Sen. Rodriguez	Bill Status: Senate Business
Rep. Sullivan	Fiscal Analyst: Todd Herreid 303-866-3522 Todd.Herreid@state.co.us

Bill Topic: SUNSET STATE ELECTRICAL BOARD

Summary of Fiscal Impact:

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

Sunset bill. SB 19-156 continues the State Electrical Board and the regulation of electricians and electrical contractors in the Department of Regulatory Agencies, which is scheduled to repeal on September 1, 2019. State fiscal impacts include minimal new workload increases as well as the continuation of current program revenue and expenditures. Local governments may see ongoing revenue increases. The program is continued through September 1, 2032.

Appropriation Summary: No appropriation is required.

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

**Table 1
State Fiscal Impacts Under SB 19-156***

New Impacts		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures		-	-
TABOR Refund		-	-
Continuing Program Impacts		FY 2019-20	FY 2020-21
Revenue	Cash Funds	-	\$4.3 million
Expenditures	Cash Funds	-	\$4.3 million
	FTE	-	35.4 FTE
TABOR Refund		-	-

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

This bill continues the activities of the State Electrical Board and the regulation of electricians and electrical contractors through September 1, 2032. The bill implements the recommendations contained in the sunset review in the following ways:

- repeals the limits on the fees that local governments may charge for permitting and inspection services;
- clarifies that communications systems, data systems, and security systems are subject to regulation if they are part of a building's electrical system;
- defines the difference between supervision and direct supervision as it applies to apprentices;
- directs the Governor to consider appointing an electrician who primarily works in the residential sector to at least one of the four seats on the board;
- repeals the requirement that the board notify an applicant that he or she is qualified to take a licensing exam;
- clarifies that traffic signals are not subject to regulation;
- specifies that alterations of existing facilities are not exempt from regulation; and
- makes several minor technical changes.

Continuing Program Impacts

Based on the most recent budget projections, the Department of Regulatory Agencies (DORA) is expected to have revenue and expenditures of \$4.3 million to administer the State Electrical Board for the period from September 1, 2020, to June 30, 2021. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2020-21. This continuing revenue is subject to the state TABOR limits and is currently included in the Legislative Council Staff revenue forecast. The state is not expected to collect a TABOR surplus in FY 2020-21. If this bill is not enacted, the program will end on September 1, 2020, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2020-21 by the amounts shown in Table 1, which reflect the remaining ten months of the fiscal year. The changes to the program that increase board workload are discussed below in the State Expenditures section.

State Expenditures

The changes in the bill may result in a minimal increase in workload for the board to conduct rulemaking, outreach, and education. This increase can be accomplished within existing resources.

Local Government

The bill removes the limit on fees that local governments may charge for permitting and inspecting services. Currently, the fees local governments are allowed to charge for these services is capped at either a specific dollar amount or a percentage above those published by DORA. As a result, the bill may result in local governments imposing higher fees and generating additional revenue. The fiscal note has not estimated this potential revenue increase.

Effective Date

The bill takes effect July 1, 2019, except that sections 10-17 take effect only if House Bill 19-1172 becomes law, in which case those sections take effect October 1, 2019.

State and Local Government Contacts

Regulatory Agencies Cities Counties Higher Education