



Legislative
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HB 20-1218

**REVISED
FISCAL NOTE**

(replaces fiscal note dated February 24, 2020)

Drafting Number: LLS 20-0520
Prime Sponsors: Rep. Buckner
Sen. Danielson

Date: May 25, 2020
Bill Status: House Appropriations
Fiscal Analyst: Matt Bishop | 303-866-4796
Matt.Bishop@state.co.us

Bill Topic: **SUNSET CONTINUE HEARING AID PROVIDERS**

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

Sunset bill. HB 20-1218 continues the regulation of hearing aid providers by the Department of Regulatory Agencies, which is scheduled to repeal on September 1, 2020. State fiscal impacts include both a minimal impact on workload from changes to the program under the bill, as well as the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2031.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the bill as amended by the House Health and Insurance Committee.

**Table 1
State Fiscal Impacts Under HB 20-1218***

New Impacts		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures		-	-
TABOR Refund		-	-
Continuing Program Impacts		FY 2020-21	FY 2021-22
Revenue	Cash Funds	-	\$85,000
Expenditures	Cash Funds	-	\$30,000
	FTE	-	0.3 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

The bill continues the licensing of hearing aid providers by the Department of Regulatory Agencies (DORA) for 11 years, until September 1, 2031. It also makes several changes to how hearing aid providers are regulated, including:

- requiring final agency actions to be appealed directly to the Court of Appeals;
- broadening the scope of title protection for licensed hearing aid providers;
- requiring a hearing aid provider to obtain licensure before selling or negotiating to sell a hearing aid;
- requiring an applicant for licensure or a licensee to post a surety bond, maintain a professional liability policy, or comply with an acceptable alternative;
- adding failure to practice according to professional standards to the grounds for discipline;
- adding disciplinary action in another jurisdiction for acts or omissions similar to those that are grounds for discipline in Colorado as grounds for discipline in Colorado;
- adding a continuing education requirement; and
- restoring deceptive trade practice provisions related to the sale of hearing aids.

Background

Hearing aid providers and apprentices apply for two-year licenses to DORA. In FY 2018-19, there were 164 active licenses, and applicants paid \$476 for an original license or a license renewal, and \$475 for license reinstatement. Apprentices pay \$25 for an original license, \$30 for a license renewal, and \$45 for license reinstatement. As licenses expire in March of each even-numbered year, and most license applications are for renewal, revenues are expected to be low in FY 2020-21 and high in FY 2021-22, relative to expenditures.

Continuing Program Impacts

Based on the most recent data available, DORA is expected to have revenue and expenditures of \$30,000 to regulate hearing aid providers. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2021-22. This continuing revenue is subject to the state TABOR limits; however, the fiscal note does not identify any change to TABOR refunds because the revenue is already accounted for in the LCS revenue forecast. If this bill is not enacted, the program will end on September 1, 2021, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2021-22 by the amounts shown in Table 1. The changes to the program that drive additional revenue and costs are discussed in the State Revenue and Expenditure section below.

State Revenue and Expenditures

Starting in FY 2021-22, the bill increases expenditures and workload in several state agencies, as described below.

Department of Regulatory Agencies. Beginning in FY 2020-21, the bill increases the workload in DORA by broadening title protection and creating additional grounds for discipline, which could lead to more complaints received and addressed by the department. The workload increase is expected to be minimal, so no change in appropriation is required.

Judicial Department. Moving review of final actions to the Court of Appeals shifts workload from the district courts to the appellate courts. As the number of disciplinary actions is typically low, any change in workload is assumed to be minimal.

Department of Law. The Department of Law provides legal services to DORA. Changes to the statutes will create a minimal increase in legal services, which can be accomplished within existing appropriations. In addition, additional workload in the Department of Law, and civil penalty revenue to the General Fund, may result, to the extent additional deceptive trade practice actions are filed by the Attorney General. Any impact is assumed to be minimal.

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

Information Technology
Personnel

Judicial
Regulatory Agencies

Law