



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 21-0647	<b>Date:</b>	August 13, 2021
<b>Prime Sponsors:</b>	Rep. Bacon; Ricks Sen. Kolker	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** HISTORICALLY UNDERUTILIZED BUS LOCAL GOVT PROCUREMENT

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**Summary of Fiscal Impact:**

<input 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

This bill creates a pilot program in the Department of Local Affairs for five local governments to identify perceptual and substantial barriers to entry for historically underutilized businesses in local government procurement. The bill will increase state and local government workload in FY 2021-22 and FY 2022-23.

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**Appropriation Summary:** No appropriation is required.

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

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## Summary of Legislation

The bill requires the Department of Local Affairs (DOLA) to establish a pilot program no later than August 13, 2021, to help local governments identify perceptual and substantial barriers to entry for historically underutilized businesses in local government procurement.

"Historically underutilized business" is defined to mean a business that is at least 51 percent owned and controlled, in both the management and day-to-day business decisions, by one or more individuals who are United States citizens or permanent residents and one or more of the following:

- members of a racial or ethnic minority group;
- non-Hispanic Caucasian women;
- persons with physical or mental disabilities;
- members of the lesbian, gay, bisexual, and transgender community; or
- veterans.

DOLA is required to ensure that at least five local governments opt in to the pilot program and are representative of rural, urban, and suburban areas of the state. Local governments participating in the pilot program are required to identify implementation needs, as outlined in the bill.

DOLA is required to report on the progress of the pilot project in its 2022 SMART Act hearing, and provide a findings report in its 2023 SMART Act hearing.

## State Expenditures

The bill increases workload in DOLA in FY 2021-22 and FY 2022-23. DOLA will collaborate with local government organizations to recruit five diverse local governments to perform the work of the pilot program; prepare a survey or form for data collection; meet with local participants; provide technical assistance as necessary; collect status updates; and prepare the SMART Act report. No change in appropriations is required. This state expenditure estimate assumes that DOLA will act as a facilitator and reporting authority in the pilot program; however, if DOLA is required to build a model and options for local governments to use in their efforts, it would require the expertise of consultant services to support this level of work, costs for which would range upwards of \$250,000.

## Local Governments

Local governments opting in to the pilot program will have regular duties to identify implementation needs and options, help collaborate and provide input on the required program elements outlined in the bill.

## Effective Date

The bill was signed into law by the Governor on June 7, 2021, and takes effect September 7, 2021, assuming no referendum petition is filed.

## State and Local Government Contacts

Counties  
School Districts

Local Affairs  
Secretary of State

Municipalities  
Special Districts