



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0315 **Date:** February 24, 2022
Prime Sponsors: Rep. Ortiz; Williams **Bill Status:** House HHS
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Bill Topic: SUNSET PROCESS CONVEYANCE REGULATION

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. This bill continues the regulation of conveyances in the Department of Labor and Employment, which is scheduled to repeal on July 1, 2022. State fiscal impacts include the continuation of the program's current fee revenue and expenditures and a reduction in penalty revenue to the program's cash fund and increase in penalty revenue to the General Fund. The program is continued through September 1, 2031.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under HB 22-1212¹

		Budget Year FY 2022-23	Out Year FY 2023-24
New Impacts			
Revenue		-	-
Expenditures		-	-
Other Budget Impacts		-	-
Continuing Impacts			
Revenue	Cash Funds	-	\$748,754
Expenditures	Cash Funds	-	\$1,162,826
	Continuing FTE	-	7.3 FTE

¹ 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 regulation of conveyances and conveyance mechanics, contractors, and inspectors by the Director of the Division of Oil and Public Safety in the Department of Labor and Employment is due to repeal on July 1, 2022. This bill continues the regulation until September 1, 2031. The bill also repeals the requirement that civil penalties collected for violations be deposited into the Conveyance Safety Fund; penalties will instead be deposited into the General Fund.

Background

The conveyance program is responsible for the administration of the safety of public conveyances, by regulating the installation, maintenance, inspection and testing of conveyances. The state has approximately 23,000 elevators, escalators, and other conveyances, 30 conveyance contractors, 500 mechanics and 60 inspectors. Each conveyance is registered once with the Division of Oil and Public Safety and certified annually by the division or a local jurisdiction. The 2021 sunset report for the regulation of conveyances can be found here:

<https://drive.google.com/file/d/1qy8-WtUSoJsJmWY4snr2qXbXOY-avloC/view>

Continuing Program Impacts

Based on the department's FY 2022-23 budget request, the Department of Labor and Employment is expected to have revenue of \$748,754 and expenditures of \$1,162,836 to administer the regulation of conveyances. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2023-24. This continuing revenue is subject to the state TABOR limits. The changes to the program will reduce penalty revenue to the program's cash fund and increase penalty revenue to the General Fund. This amount has not been estimated. If this bill is not enacted, the program will end on July 1, 2023, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2023-24 by the amounts shown in Table 1.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Information Technology

Labor