



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 22-0319 **Date:** March 3, 2022
Prime Sponsors: Rep. McCormick; Catlin **Bill Status:** House Agriculture
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Bill Topic: **SUNSET CONTINUE REGULATION OF VETERINARY PRACTICE**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" 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 Colorado Veterinary Practice Act, which is scheduled to repeal on September 1, 2022. State fiscal impacts include both increased revenue and expenditures from changes to the program, as well as the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2033.

Appropriation Summary: For FY 22-23, the bill requires an appropriation of \$1,800 to the Department of Regulatory Agencies.

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

Table 1.
State Fiscal Impacts Under HB 22-1235¹

		Budget Year FY 2022-23	Out Year FY 2023-24
New Impacts			
Revenue	Cash Funds	\$200,720	\$651,700
	Total Revenue	\$200,720	\$651,700
Expenditures	Cash Funds	\$1,800	\$102,644
	Centrally Appropriated	\$0	\$33,520
	Total Expenditures	\$1,800	\$102,644
	New FTE	-	1.6 FTE
Other Budget Impacts	TABOR Refund	-	\$343,700
Continuing Impacts			
Revenue	Cash Funds	-	\$266,020
Expenditures	Cash Funds	-	\$308,489
	Continuing FTE	-	1.2 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

This bill continues and amends the Colorado Veterinary Practice Act in the Department of Regulatory Agencies (DORA), which is scheduled to repeal on September 1, 2022. Changes to the act include establishing the regulation of veterinary technicians. The program is continued through September 1, 2033.

Among the changes to the practice act are the following:

- authorizes certain persons to administer rabies vaccines under direct or indirect supervision of a veterinarian;
- adds two veterinary technicians to the State Board of Veterinary Medicine;
- modifies continuing education requirements to include two hours of jurisprudence on the practice act and up to 16 hours in nonbiomedical topics;
- requires veterinarians to create a written records management plan;
- repeals and recreates the veterinary peer health assistance program and creates the veterinary professional assistance program;
- authorizes the board to require a veterinarian to submit to an examination if the board has reasonable cause to believe that the veterinarian has a physical condition, behavioral health, mental health or substance use disorder that is impacting their ability to practice; and
- establishes the qualifications for veterinary technician registration, grants the board rule-making, and disciplinary powers over veterinary technicians, and requires that veterinary technicians be registered with the board by January 1, 2024.

Background

The Division of Professions and Occupations in DORA and the State Board of Veterinary Medicine administer the Colorado Veterinary Practice Act. The 2021 sunset report for the Colorado Veterinary Practice Act can be found here:

<https://drive.google.com/file/d/1neAHi9RUsgdX19tBdDvjWosSrFnXR58q/view>.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. The following sections outline data on crimes that are comparable to the offense in this bill and discuss assumptions on future rates of criminal convictions resulting from the bill.

Prior conviction data. This bill creates the new offense of unauthorized practice as a veterinary technician, a class 2 misdemeanor. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of unauthorized practice of a profession or occupation as a comparable crime. From FY 2018-19 to FY 2020-21, only one person, a white female, has been convicted and sentenced for this existing offense, therefore, the fiscal note assumes that there will continue to be minimal or no additional criminal case filings or convictions for this offense under the bill. Because the bill is not expected to have a tangible impact on criminal justice-related revenue or expenditures at the state or local levels, these potential impacts are not discussed further in this fiscal note.

Continuing Program Impacts

Based on the department's actual figures for FY 2021-22, DORA is expected to have revenue of \$266,020 and expenditures of \$308,489 to administer the Veterinary Practice Act. 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. If this bill is not enacted, the program will end on September 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. The changes to the program that drive additional revenue and costs are discussed in the State Revenue and State Expenditures sections below.

State Revenue

The bill will increase cash fund revenue by \$200,720 in FY 2022-23 and \$651,700 in FY 2023-24 to the Professions and Occupations Cash Fund. This revenue assumes that fees are paid by 5,018 veterinarians, 3,500 veterinary technicians and 350 provisional veterinary technicians.

Fee impact on veterinary professionals. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of veterinary professionals subject to the fee. Table 2 identifies the fee impact of this bill which is explained below.

**Table 2
 Fee Impact on Veterinary Professionals**

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2022-23	Professional Assistance	\$40	5,018	\$200,720
	FY 2022-23 Total			\$200,720
FY 2023-24	Veterinary Technician Registration	\$90	3,500	\$315,000
	Veterinary Tech Provisional	\$82	350	\$28,700
	Peer Assistance	\$40	3,850	\$154,000
	Professional Assistance	\$40	3,850	\$154,000
FY 2023-24 Total			\$651,700	

Veterinarians will pay a fee for the newly created veterinary professional assistance program in FY 2022-23 and every two years thereafter. Veterinarians currently pay a fee for the peer assistance program, so that is not included as a new fee impact. Veterinary technicians will pay a registration fee and fees for the newly created veterinary professional assistance program and the veterinary peer health assistance program every two years beginning in FY 2023-24. Fees for the costs of regulating veterinary techs are subject to TABOR. The fees for assistance programs are TABOR-exempt custodial funds that will be paid by all veterinary professionals.

State Expenditures

The bill increases state expenditures in the Department of Regulatory Agencies by \$1,800 in FY 2022-23 and \$136,164 in FY 2023-24 from the Professions and Occupations Cash Fund. Expenditures are shown in Table 3 and detailed below.

**Table 3
 Expenditures Under HB 22-1235**

	FY 2022-23	FY 2023-24
Department of Regulatory Agencies		
Personal Services	-	\$86,284
Operating Expenses	-	\$2,160
Capital Outlay Costs	-	\$12,400
Board Member Expenses	\$1,800	\$1,800
Centrally Appropriated Costs ¹	-	\$33,520
Total Cost	\$1,800	\$136,164
Total FTE	-	1.6 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Administration. Beginning in FY 2023-24, the Division of Professions and Occupations will increase staff by 1.6 FTE to administer the regulatory program for veterinary technicians. After rules are promulgated and the application process established, registration is expected to begin July 1, 2023. Staff include technicians and a criminal investigator to set up the program, process applications, respond to questions and complaints, and take enforcement actions when needed. Standard operating and capital outlay costs are included.

Board member expenses. The costs to add two members to the State Board of Veterinary Medicine include \$50 per diem and \$100 for travel, meals and lodging for six meetings per year.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 3.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in Table 1. This estimate assumes the December 2021 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill requires an appropriation of \$1,800 to the Department of Regulatory Agencies from the Division of Professions and Occupations Cash Fund.

State and Local Government Contacts

Agriculture
Law

Information Technology
Regulatory Agencies

Judicial