



Legislative Council Staff

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Revised Fiscal Note

(replaces fiscal note dated March 3, 2022)

Drafting Number: LLS 22-0319 **Date:** March 14, 2022
Prime Sponsors: Rep. McCormick; Catlin **Bill Status:** House Finance
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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 \$80,708 to the Department of Regulatory Agencies.

Fiscal Note Status: The fiscal note reflects the introduced bill as amended by the House Agriculture, Livestock, and Water Committee.

Table 1.
State Fiscal Impacts Under HB 22-1235¹

		Budget Year FY 2022-23	Out Year FY 2023-24
New Impacts			
Revenue	Cash Funds	\$164,241	\$333,459
	Total Revenue	\$164,241	\$333,459
Expenditures	Cash Funds	\$80,708	\$119,815
	Centrally Appropriated	\$17,950	\$35,151
	Total Expenditures	\$98,658	\$154,966
	New FTE	1.2 FTE	1.8 FTE
Other Budget Impacts	TABOR Refund	\$113,421	\$230,279

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 by March 1, 2023;
- 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;
- 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;
- 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; and
- allows the Board of Pharmacy to issue a limited license to a humane society, animal control agency, or animal shelter in order to purchase, possess and administer vaccines.

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 \$164,241 in FY 2022-23 and \$333,459 in FY 2023-24 to the Professions and Occupations Cash Fund. This revenue estimate assumes that fees are paid by 3,500 veterinary technicians and 350 provisional veterinary technicians, with one third registering in FY 2022-23 and the remainder in FY 2023-24. Because additional entities will be permitted to administer rabies vaccines under the bill, the Pharmacy Board may register additional animal shelters, animal control agencies and humane societies as a result of this bill. These entities will pay registration fees based on the current fee schedule charged by the Pharmacy Board and the potential increase is assumed to be minimal and has not been estimated at this time.

Fee impact on veterinary technicians. 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 technicians subject to the fee. Table 2 identifies the fee impact of this bill which is explained below.

Veterinary technicians will pay a registration fee and a fee for the veterinary peer health assistance program every two years beginning in FY 2022-23. Fees for the costs of regulating veterinary techs are subject to TABOR. The fees for the peer assistance program are TABOR-exempt custodial funds.

**Table 2
 Fee Impact on Veterinary Technicians**

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2022-23	Veterinary Tech. Registration	\$90	1,155	\$103,950
	Veterinary Tech Provisional	\$82	116	\$9,471
	Veterinarians Peer Assistance	\$40	1,271	\$50,820
FY 2022-23 Total				\$164,241
FY 2023-24	Veterinary Tech. Registration	\$90	2,345	\$211,050
	Veterinary Tech Provisional	\$82	235	\$19,229
	Veterinarians Peer Assistance	\$40	2,580	\$103,180
FY 2023-24 Total				\$333,459

State Expenditures

The bill increases state expenditures in the Department of Regulatory Agencies by \$98,658 in FY 2022-23 and \$154,966 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	\$66,088	\$86,284
Operating Expenses	\$1,620	\$2,160
Capital Outlay Costs	\$12,400	-
Legal Services	-	\$29,571
Board Member Expenses	\$600	\$1,800
Centrally Appropriated Costs ¹	\$17,950	\$35,151
FTE – Personal Services	1.2 FTE	1.6 FTE
FTE – Legal Services	-	0.2 FTE
Total Cost	\$98,658	\$154,966
Total FTE	1.2 FTE	1.8 FTE

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

Administration. 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 January 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. Personal services are prorated to reflect the effective date.

Legal services. The division will utilize legal services hours from the agency allotment in FY 2022-23 for rulemaking support and will have an increase of 300 legal services hours in FY 2023-24 at a rate of \$98.57 per hour for enforcement actions. This amount equates to 0.2 FTE in the Department of Law in FY 2023-24.

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 \$80,708 to the Department of Regulatory Agencies from the Division of Professions and Occupations Cash Fund, and 1.2 FTE.

State and Local Government Contacts

Agriculture
Law

Information Technology
Regulatory Agencies

Judicial