



**Legislative Council Staff**

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**Fiscal Note**

<b>Drafting Number:</b>	LLS 24-0292	<b>Date:</b>	February 15, 2024
<b>Prime Sponsors:</b>	Sen. Priola; Rodriguez Rep. Bacon	<b>Bill Status:</b>	Senate Business, Labor & Tech.
		<b>Fiscal Analyst:</b>	Colin Gaiser   303-866-2677 colin.gaiser@coleg.gov

**Bill Topic:** **TRANSPORTATION NETWORK COMPANY TRANSPARENCY**

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill requires transportation network companies to develop deactivation policies and make various disclosures to drivers and customers. It increases state expenditures and may increase state revenue on an ongoing basis.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$1,319,674 to the Department of Labor and Employment.

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

**Table 1**  
**State Fiscal Impacts Under SB 24-075**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$1,319,674	\$1,188,332
	Centrally Appropriated	\$24,915	\$13,736
	<b>Total Expenditures</b>	<b>\$1,344,589</b>	<b>\$1,202,068</b>
	<b>Total FTE</b>	<b>1.2 FTE</b>	<b>0.7 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$197,951	\$178,250

## **Summary of Legislation**

The bill requires transportation network companies (TNCs) to develop deactivation policies and make various disclosures to drivers and customers, as outlined below.

**Deactivation policy.** By May 1, 2025, the bill requires a TNC to develop a deactivation policy that establishes the procedures for deactivating a driver from the platform. The TNC is required to disclose the deactivation policy to its drivers and the Division of Labor Standards and Statistics (DLSS) in the Department of Labor and Employment (CDLE), which will post the policy on its website for at least 30 days before the policy becomes enforceable.

**Semiannual disclosures.** On a semiannual basis beginning August 1, 2026, a TNC is required to disclose various information to the DLSS, including detailed information on drivers, driver deactivations, and transportation tasks for which the TNC dispatches a driver. The DLSS will make these disclosures public record except for drivers' identities.

**Transparency requirements.** By February 1, 2025, a TNC must electronically disclose certain information to the driver and consumer at the time of offering a transportation task, including money paid by the consumer, the amount the driver will receive, and the amount retained by the TNC. The TNC will also provide drivers with monthly information about pay, time spent on the platform, and driver's total expenditures while on the platform, according to the IRS reimbursement rate.

**Driver transportation task acceptance time.** A TNC must ensure each driver receives at least 60 seconds after being offered a transportation task to decide whether to accept the offer.

**Penalties and enforcement.** The DLSS must establish procedures for drivers and consumers to submit complaints regarding TNC violations of the bill's requirements, and may investigate complaints at its own discretion. A TNC may be subject to monetary damages of up to \$1,000 to be paid to a consumer or driver affected by a violation, and fines of up to \$100 per violation.

## **State Revenue**

The bill may increase state revenue to the General Fund from fines collected from TNCs. Overall, any revenue is expected to be minimal, as the Colorado Wage Act encourages the DLSS to waive most fines assessed against employers if the employer complies with the law. Any revenue from court filing fees is also expected to be minimal, and any new revenue is subject to TABOR.

## **State Expenditures**

The bill increases state expenditures in the CDLE by about \$1.3 million in FY 2024-25 and \$1.2 million in FY 2025-26, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under SB 24-075**

	FY 2024-25	FY 2025-26
<b>Department of Labor and Employment</b>		
Personal Services	\$115,971	\$59,135
Operating Expenses	\$1,536	\$896
Software Licenses	\$6,602	\$3,301
Capital Outlay Costs	\$13,340	-
Database Costs	\$1,182,225	\$1,125,000
Centrally Appropriated Costs <sup>1</sup>	\$24,915	\$13,736
<b>Total Cost</b>	<b>\$1,344,589</b>	<b>\$1,202,068</b>
<b>Total FTE</b>	<b>1.2 FTE</b>	<b>0.7 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Labor and Employment.** The bill increases costs in the Division of Labor Standards and Statistics in the CDLE starting in FY 2024-25 to implement the program and database required by the bill.

- **Staff.** The CDLE requires 1.5 FTE in FY 2024-25 and 0.7 FTE in ongoing years for staff to implement and enforce the provisions of the bill. This includes 1.0 FTE of a policy advisor in FY 2024-25 and 0.2 FTE in subsequent years to conduct rulemaking, develop the program, publish external guidance, and consult with businesses on how to comply with the bill's requirements. The CDLE also requires 0.5 FTE annually of compliance investigation staff to develop a complaint form and notices to businesses, and investigate complaints submitted by consumers.

In the first year, this fiscal note assumes an August 2024 start date for policy advisor staff and a November 2024 start date for investigation staff. Standard operating, capital outlay, and software costs are included.

- **Database creation and management.** The CDLE requires programming costs of about \$1.2 million in FY 2024-25 and \$1.1 million the following year to develop the public database of the TNC data required by the bill. FY 2024-25 costs include 2,283 hours of programming and development work at various rates for a total of \$507,225, and licensing and Salesforce costs of \$675,000. For FY 2025-26 and ongoing years, the bill requires continuing licensing and Salesforce costs, plus vendor maintenance and support costs of about \$250,000. Programming costs are reappropriated to the Office of Information Technology.

**Judicial Department.** The bill may increase the number of new case filings related to driver deactivations, increasing workload for the trial courts in the Judicial Department. This fiscal note assumes that companies will adhere to the bill's requirements and will not deactivate drivers outside of the policy, and any increase in filings is expected to be minimal and absorbable within the existing resources.

**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 2.

### **Other Budget Impacts**

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

### **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 2024-25, the bill requires a General Fund appropriation of \$1,319,674 to the Department of Labor, and 1.2 FTE. Of this amount, \$1,182,225 is reappropriated to the Office of Information Technology.

### **State and Local Government Contacts**

Information Technology  
Regulatory Agencies

Judicial

Labor

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).