

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0685.02 Rebecca Bayetti x4348

HOUSE BILL 25-1107

HOUSE SPONSORSHIP

Gonzalez R.,

SENATE SPONSORSHIP

(None),

House Committees

State, Civic, Military, & Veterans Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A PRINCIPAL DEPARTMENT'S RULES, AND, IN**
102 **CONNECTION THEREWITH, MODIFYING THE MANDATORY**
103 **REVIEW OF RULES AND REQUIRING AN ANALYSIS OF THE COST**
104 **BURDEN OF RULES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill modifies the existing process by which principal departments of the state, including agencies and officials within each principal department of the state, adopt and annually review their rules by

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

making the following changes:

- Requiring that a cost-benefit analysis be performed for each proposed new rule or amendment of an existing rule;
- Removing an exception that exempted rules relating to orders, licenses, permits, adjudication, or rules affecting the direct reimbursement of vendors or providers with state money from a cost-benefit analysis;
- Requiring, in each principal department's review of its rules, an emphasis on the cost burden of the rule on the state and its residents;
- Requiring legislative committees of reference to take a recorded vote on whether to support or modify the principal department's recommendations included in the department's report on the results of its mandatory review of rules as presented to the committee in the departmental regulatory agenda; and
- Requiring each principal department to include, in its department regulatory agenda distributed to legislative committees of reference, a report on the revenue generated in the previous fiscal year from permit and license fees for which the amount of the fee is determined by rule.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-4-103, **amend**
3 (2.5)(a) introductory portion; and **repeal** (2.5)(e) as follows:

4 **24-4-103. Rule-making - procedure - definitions - statutory**
5 **citation correction.** (2.5) (a) At the time of filing a notice of proposed
6 rule-making with the secretary of state as the secretary may require, an
7 agency shall submit a draft of the proposed rule or the proposed
8 amendment to an existing rule and a statement, in plain language,
9 concerning the subject matter or purpose of the proposed rule or
10 amendment to the office of the executive director in the department of
11 regulatory agencies. The executive director, or ~~his or her~~ THE EXECUTIVE
12 DIRECTOR'S designee, shall distribute the proposed rule or amendment, the
13 agency's statement concerning the subject matter or purpose of the

1 proposed rule or amendment, and ~~any~~ THE cost-benefit analysis prepared
2 pursuant to this section to all persons who have submitted a request to
3 receive notices from the department of regulatory agencies about
4 proposed rule-making. ~~Any person may, within five days after publication~~
5 ~~of the notice of proposed rule-making in the Colorado register, request~~
6 ~~that the department of regulatory agencies require the agency submitting~~
7 ~~the proposed rule or amendment to prepare a cost-benefit analysis. The~~
8 ~~executive director, or his or her designee, shall determine, after~~
9 ~~consultation with the agency proposing the rule or amendment, whether~~
10 ~~to require the agency to prepare a cost-benefit analysis. If the executive~~
11 ~~director, or his or her designee, determines that a cost-benefit analysis is~~
12 ~~required~~ The agency shall complete a cost-benefit analysis at least ten
13 days before the hearing on the rule or amendment, shall make the analysis
14 available to the public by posting the analysis on the agency's official
15 website, and shall submit a copy to the executive director or ~~his or her~~
16 THE EXECUTIVE DIRECTOR'S designee. The executive director, or ~~his or her~~
17 THE EXECUTIVE DIRECTOR'S designee, shall post the analysis on the
18 department of regulatory agencies' official website. By filing an
19 additional notice published in the Colorado register, the agency may
20 postpone the hearing on the rule or amendment to comply with the
21 requirement to complete the cost-benefit analysis at least ten days before
22 the hearing. Failure to complete a ~~requested~~ cost-benefit analysis pursuant
23 to this subsection (2.5) ~~shall preclude~~ PRECLUDES the adoption of such
24 rule or amendment. Such cost-benefit analysis ~~shall~~ MUST include the
25 following:

26 (e) ~~This subsection (2.5) shall not apply to orders, licenses,~~
27 ~~permits, adjudication, or rules affecting the direct reimbursement of~~

1 ~~vendors or providers with state funds.~~

2 **SECTION 2.** In Colorado Revised Statutes, 24-4-103.3, **amend**
3 (1)(d), (1)(e), (1)(g), (1)(h), and (4) as follows:

4 **24-4-103.3. Mandatory review of rules by agencies - report on**
5 **results of review in departmental regulatory agendas.** (1) The
6 department of regulatory agencies shall establish a schedule, in
7 consultation with each principal department, for the review of all of the
8 rules for each principal department. Each principal department shall
9 conduct a review of all of its rules to assess the continuing need for and
10 the appropriateness and cost-effectiveness of its rules to determine if they
11 should be continued in their current form, modified, or repealed. The
12 applicable rule-making agency or official in the principal department shall
13 consider the following:

14 (d) Whether the rule has achieved the desired intent; ~~and whether~~
15 ~~more or less regulation is necessary~~

16 (e) Whether the rule can be amended to give more flexibility,
17 reduce regulatory burdens, REDUCE FEES, REDUCE THE COST BURDEN ON
18 THE PUBLIC, or reduce unnecessary paperwork or steps while maintaining
19 its benefits OR WHETHER THE RULE SHOULD BE REPEALED;

20 (g) ~~Whether~~ THE RESULTS OF a cost-benefit analysis ~~was~~
21 performed by the applicable rule-making agency or official in the
22 principal department pursuant to section 24-4-103 (2.5); and

23 (h) Whether the rule is adequate for the protection of the safety,
24 health, and welfare of the state or its residents. THE WELFARE OF THE
25 STATE OR ITS RESIDENTS INCLUDES THE COST BURDEN OF THE RULE ON THE
26 STATE AND ITS RESIDENTS.

27 (4) (a) Each principal department shall include ~~a report on the~~

1 ~~results of its mandatory review of rules~~ THE FOLLOWING REPORTS as part
2 of its departmental regulatory agenda that it submits to the staff of the
3 legislative council for distribution to the applicable committee of
4 reference of the general assembly as outlined in section 2-7-203: ~~C.R.S.~~

5 (I) A REPORT, INCLUDING RECOMMENDATIONS AS TO WHETHER
6 RULES SHOULD BE CONTINUED IN THEIR CURRENT FORM, MODIFIED, OR
7 REPEALED, ON THE RESULTS OF ITS MANDATORY REVIEW OF RULES
8 REQUIRED BY THIS SECTION; AND

9 (II) A REPORT ON THE REVENUE GENERATED IN THE PREVIOUS
10 FISCAL YEAR FROM PERMIT AND LICENSE FEES FOR WHICH THE AMOUNT OF
11 THE FEE IS DETERMINED BY RULE.

12 (b) THE APPLICABLE LEGISLATIVE COMMITTEE OF REFERENCE
13 SHALL TAKE A RECORDED VOTE ON WHETHER TO SUPPORT OR MODIFY THE
14 PRINCIPAL DEPARTMENT'S RECOMMENDATIONS INCLUDED IN ITS REPORT
15 ON THE RESULTS OF ITS MANDATORY REVIEW OF RULES REQUIRED BY THIS
16 SECTION.

17 **SECTION 3. No appropriation.** The general assembly has
18 determined that this act can be implemented within existing
19 appropriations, and therefore no separate appropriation of state money is
20 necessary to carry out the purposes of this act.

21 **SECTION 4. Act subject to petition - effective date -**
22 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
23 the expiration of the ninety-day period after final adjournment of the
24 general assembly; except that, if a referendum petition is filed pursuant
25 to section 1 (3) of article V of the state constitution against this act or an
26 item, section, or part of this act within such period, then the act, item,
27 section, or part will not take effect unless approved by the people at the

1 general election to be held in November 2026 and, in such case, will take
2 effect on the date of the official declaration of the vote thereon by the
3 governor.

4 (2) This act applies to rulemaking and a principal department's
5 review of all of its rules undertaken on or after the applicable effective
6 date of this act.