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Final Fiscal Note

Drafting Number: LLS 24-0567 Date: July 1, 2024
Prime Sponsors: Rep. Lieder; Ricks Bill Status: Signed into Law
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Bill Topic: SUNSET PLUMBING BOARD

Summary of Fiscal Impact: [X] State Revenue [ ] State Transfer [ ] Local Government
[X] State Expenditure [X] TABOR Refund [ ] Statutory Public Entity

Sunset bill. This bill continues the State Plumbing Board in the Department of Regulatory Agencies, which is scheduled to repeal on September 1, 2024. State fiscal impacts include both continuation of the program's current revenue and expenditures, as well as impacts from changes to the program under the bill. The program is continued through September 1, 2032.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 24-1344^1

Table with 3 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include New Impacts (Revenue, Expenditures), Continuing Impacts (Revenue, Expenditures), and Other Budget Impacts (TABOR Refund).

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 bill continues the State Plumbing Board in the Department of Regulatory Agencies (DORA), which is scheduled to repeal on September 1, 2024, for eight years, until September 1, 2032. Additionally, the bill makes several changes to the program, including changing board appointment requirements, modifying the scope of practice regarding water conditioning systems, updating grounds for discipline, modernizing program operations, and making licenses issued after March 1, 2027 valid for three years. The full sunset report can be found [here](#).

## **Continuing Program Impacts**

Based on recent revenue and expenditures, DORA is expected to have revenue of about \$1.6 million and expenditures of \$2.5 million in FY 2025-26 to administer the program. Program revenue is staggered based on a two-year license cycle, with renewals occurring in odd-numbered years. Overall, revenue collected across the two-year cycle is sufficient to cover program expenditures. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2025-26. This continuing revenue is subject to the state TABOR limits. If this bill is not enacted, the program will end on September 1, 2024, followed by a wind-down period, and state revenue and expenditures will decrease starting in FY 2025-26 by the amounts shown in Table 1. The changes to the program that drive additional state impacts are discussed below.

## **State Revenue**

Under current law, plumbing licenses are valid for two years and expire at the end of February in odd-numbered years, with the next renewal period occurring March 2025. DORA sets license fees to cover program costs over the period of license validity. Since the bill makes licenses issued after March 1, 2027 valid for a period of three years, DORA is expected to increase fees for licenses issued at that time to cover an extension in the period that a license is valid. On an annual basis, the cost of the license is unchanged. This results in a net state revenue increase in FY 2026-27 relative to current law, and a corresponding decrease in FY 2028-29 from the change in license schedule. While fees will be collected on a different schedule, overall funding required for the program is not changed.

## **State Expenditures**

The changes to the program will increase workload in DORA to conduct education and outreach, and may increase the number of complaints received. Overall, the increase is expected to be minimal, and no change in appropriations is required.

## **Effective Date**

This bill was signed into law by the Governor on June 3, 2024, and takes effect on July 1, 2024.

**State and Local Government Contacts**

Governor's Office of Boards and Commissions

Regulatory Agencies

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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](#).