



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 7, 2024)

Drafting Number: LLS 24-0567 Date: April 9, 2024
Prime Sponsors: Rep. Lieder; Ricks Bill Status: House Second Reading
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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: This revised fiscal note reflects the introduced bill, as amended by the House Business Affairs & Labor Committee.

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

Table with 4 columns: Impact Category, Source, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include New Impacts (Revenue, Expenditures, Other Budget Impacts) and Continuing Impacts (Revenue, Expenditures, Other Budget Impacts).

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 between March 1, 2025, and June 30, 2026, 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 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

The bill increases state cash fund revenue by \$475,464 in FY 2024-25 to the Division of Professions and Occupations Cash Fund in DORA. Revenue is from fees charged for plumbing licenses. This impact is shown in Table 2 and discussed in more detail below.

Table 2
Fee Impact on Plumbing Licenses

Fiscal Year	Type of License	Number Affected	Current Law	Under Bill	Total Revenue Increase
FY 2024-25	Master Plumber	4,607	\$84	\$126	\$193,494
	Journeyman Plumber	2,833	\$72	\$108	\$101,988
	Residential Plumber	384	\$60	\$90	\$34,560
	Plumber Contractor	2,674	\$126	\$189	\$168,462
FY 2024-25 Total					\$475,464

Fee impact on plumbing licenses. 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, program costs, and the number of licenses subject to the fee.

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, 2025 and on or before June 30, 2026, valid for a period of three years, DORA will increase fees for licenses to cover three years of program costs. This results in a net state revenue increase of \$475,464 for licenses renewed during the next renewal period, which occurs in FY 2024-25. New plumbing licenses issued during this period will be subject to the increased fee estimate identified above; however, it is unknown how many new licenses will be issued and so the revenue from this population is not estimated here.

While the bill increases state revenue in FY 2024-25, there will be a corresponding decrease in revenue in FY 2026-27 from the extended license period. Correspondingly, although licensees will pay a higher fee when applying for a license or renewal, the total annual cost of a license will remain the same given the increased validity period.

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.

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 the State Revenue section above. This estimate assumes the March 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. 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 July 1, 2024.

State and Local Government Contacts

Governor's Office of Boards and Commissions

Regulatory Agencies

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](#).