

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0499.01 Esther van Mourik x4215

SENATE BILL 12-006

SENATE SPONSORSHIP

Neville,

HOUSE SPONSORSHIP

Holbert,

Senate Committees

Business, Labor and Technology

House Committees

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF EFFICIENCIES IN THE STATE
102 REGULATORY SYSTEM.

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://www.leg.state.co.us/billsummaries>.)

The bill requires the committee on legal services to appoint a task force (COLS task force) to review the state's regulatory system and make recommendations related to whether:

- ! The current system creates a regulatory advantage to one segment of an industry at the expense of another;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 SPECIFIED IN SECTION 24-1-110, INCLUDING ANY DIVISION, OFFICE,
2 AGENCY, OR OTHER UNIT CREATED WITHIN A PRINCIPAL DEPARTMENT.

3 (3) "INDUSTRY LEADER" MEANS AN EXECUTIVE-LEVEL EMPLOYEE
4 OR RETIREE OF A LARGE SUCCESSFUL INDUSTRY.

5 (4) "REGULATORY SYSTEM" MEANS THE STATUTORY SYSTEM FOR
6 RULE-MAKING BY EXECUTIVE BRANCH DEPARTMENTS AS SPECIFIED IN
7 ARTICLE 4 OF THIS TITLE, INCLUDING ALL RULES CURRENTLY
8 PROMULGATED AND PUBLISHED IN THE CODE OF COLORADO REGULATIONS.

9 (5) "SMALL OR MEDIUM BUSINESS LEADER" MEANS A SUCCESSFUL
10 BUSINESS OWNER GENERALLY RECOGNIZED IN THE BUSINESS COMMUNITY
11 WITH UP TO FIVE HUNDRED EMPLOYEES.

12 (6) "TASK FORCE" MEANS THE COMMITTEE ON LEGAL SERVICES
13 TASK FORCE CREATED IN SECTION 24-2.5-102 (1).

14 **24-2.5-102. Creating efficiencies in the state regulatory system.**

15 (1) THERE IS HEREBY CREATED THE COMMITTEE ON LEGAL SERVICES TASK
16 FORCE TO STUDY THE STATE'S REGULATORY SYSTEM. THE TASK FORCE
17 SHALL CONSIST OF FOURTEEN MEMBERS APPOINTED AS FOLLOWS:

18 (a) TEN MEMBERS APPOINTED NO LATER THAN JULY 1, 2012, BY
19 THE COMMITTEE ON LEGAL SERVICES, FOUR FROM EACH OF THE TWO
20 MAJOR POLITICAL PARTIES WITH THE GREATEST NUMBER OF REGISTERED
21 ELECTORS IN THE STATE AND TWO UNAFFILIATED REGISTERED ELECTORS.

22 THE TEN MEMBERS SHALL CONSIST OF:

23 (I) TWO PRIVATE INDUSTRY LEADERS;

24 (II) TWO SMALL OR MEDIUM BUSINESS LEADERS;

25 (III) TWO MEMBERS FROM ORGANIZATIONS, INSTITUTES,
26 CORPORATIONS, OR GROUPS THAT CONDUCT RESEARCH AND ENGAGE IN
27 ADVOCACY IN AREAS SUCH AS BUSINESS POLICY OR THE ECONOMY;

1 (IV) TWO MEMBERS, EITHER ACADEMICS FROM THE ECONOMICS,
2 BUSINESS, OR LAW FACULTY OF ANY PUBLIC OR PRIVATE INSTITUTION OF
3 HIGHER EDUCATION IN THIS STATE WHO HAVE EXPERIENCE RELATED TO
4 PUBLIC ADMINISTRATION OR REGULATORY COMPLIANCE, OR FORMER
5 EMPLOYEES OF A STATE REGULATORY BODY WITH RULE-MAKING
6 EXPERIENCE; AND

7 (V) TWO PEOPLE WITH SIGNIFICANT PROJECT MANAGEMENT
8 EXPERIENCE.

9 (b) FOUR FORMER OR CURRENT STATE LEGISLATORS, APPOINTED
10 NO LATER THAN JULY 1, 2012, AS FOLLOWS:

11 (I) TWO MEMBERS OF THE SENATE, ONE APPOINTED BY THE
12 PRESIDENT OF THE SENATE AND ONE APPOINTED BY THE MINORITY LEADER
13 OF THE SENATE; AND

14 (II) TWO MEMBERS OF THE HOUSE OF REPRESENTATIVES, ONE
15 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ONE
16 APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF
17 REPRESENTATIVES.

18 (2) THE TASK FORCE SHALL DESIGNATE ONE OF THE INDUSTRY
19 LEADERS AND ONE OF THE SMALL BUSINESS LEADERS AS CHAIR AND
20 VICE-CHAIR.

21 (3) THE TASK FORCE SHALL MEET WITHIN THIRTY DAYS AFTER THE
22 COMMITTEE ON LEGAL SERVICES APPOINTS THE MEMBERS AND SHALL
23 MEET ADDITIONALLY AS CONVENED BY THE CHAIR.

24 (4) THE DUTIES OF THE TASK FORCE ARE TO REVIEW THE STATE'S
25 REGULATORY SYSTEM AND DETERMINE:

26 (a) WHETHER THE CURRENT SYSTEM CREATES A REGULATORY
27 ADVANTAGE TO ONE SEGMENT OF AN INDUSTRY AT THE EXPENSE OF

1 ANOTHER;

2 (b) WHETHER THE EXISTING AVAILABILITY OF A COST-BENEFIT
3 ANALYSIS, AS DEFINED IN SECTION 24-4-103 (2.5), NEEDS STRENGTHENING
4 IN ORDER TO PRODUCE MEANINGFUL MEASURES OF ADVERSE IMPACTS ON
5 CONSUMERS AND PRIVATE INDUSTRY;

6 (c) WHETHER THE ENFORCEMENT PRACTICES OF THE CURRENT
7 SYSTEM, IF ANY, CREATE INCENTIVES FOR UNREASONABLY PUNITIVE FINES
8 AND PENALTIES ON PRIVATE PARTIES;

9 (d) WHETHER ECONOMIC CONDITIONS MERIT A DOWNSIZING OF THE
10 REGULATORY BODY WITH RESULTING REDUCTION OF FINANCIAL
11 COMPLIANCE COSTS;

12 (e) WHETHER A PARTICULAR REGULATED INDUSTRY IS REGULATED
13 IN AN OUTMODED FORM OF REGULATION THAT IS NO LONGER ADVISABLE;

14 (f) WHETHER CURRENTLY REGULATED INDUSTRIES ARE
15 REGULATED BY OTHER MEANS, INCLUDING BUT NOT LIMITED TO FEDERAL
16 REGULATORY SYSTEMS;

17 (g) WHETHER CONTINUED REGULATION OF THE REGULATED
18 INDUSTRY IS JUSTIFIED, OR WHETHER THERE ARE ADEQUATE
19 MARKETPLACE SOLUTIONS TO ALLOW FOR THE REMOVAL OF CURRENT
20 REGULATIONS, THEREBY RESULTING IN COST SAVINGS;

21 (h) WHETHER THE CURRENT SYSTEM REGULATES FEWER
22 BUSINESSES THAN IT DID IN THE 2008-09 STATE FISCAL YEAR; AND

23 (i) WHETHER CREDIBLE TESTIMONY BY REGULATED INDUSTRIES
24 SUGGESTS THAT COMPLIANCE COSTS COULD BE REDUCED OR ELIMINATED
25 AT NO RISK TO THE PUBLIC WELFARE OR ENVIRONMENT AND AT NO RISK OF
26 CREATING OR PROTECTING A MONOPOLY.

27 (5) (a) (I) THE TASK FORCE SHALL REPORT IN WRITING TO THE

1 COMMITTEE ON LEGAL SERVICES NO LATER THAN JANUARY 1, 2013,
2 JANUARY 1, 2014, AND AUGUST 5, 2014, REGARDING ITS FINDINGS,
3 RECOMMENDATIONS, AND ESTIMATED COST SAVINGS RELATED TO ITS
4 DUTIES SPECIFIED IN SUBSECTION (4) OF THIS SECTION. THE REPORT DUE
5 ON AUGUST 5, 2014, SHALL BE THE TASK FORCE'S FINAL REPORT AND
6 SHALL INCLUDE FINAL RECOMMENDATIONS RELATED TO ITS DUTIES
7 SPECIFIED IN SUBSECTION (4) OF THIS SECTION.

8 (II) THE ESTIMATED COST SAVINGS SHALL INCLUDE AN ANALYSIS
9 OF SAVINGS TO THE REGULATORY AGENCIES AS WELL AS TO THE
10 REGULATED INDUSTRIES. THE COST SAVINGS TO REGULATED INDUSTRIES
11 SHALL INCLUDE AN ANALYSIS OF BOTH ESTIMATED SAVINGS OF DIRECT
12 COSTS SUCH AS REGULATORY FEES AS WELL AS INDIRECT COMPLIANCE
13 COSTS FOR THE REGULATED INDUSTRY.

14 (b) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
15 COMMITTEE ON LEGAL SERVICES SHALL CONSIDER ALL
16 RECOMMENDATIONS, FINDINGS, AND ESTIMATED COST SAVINGS MADE BY
17 THE TASK FORCE AND SHALL RECOMMEND TO THE GENERAL ASSEMBLY
18 SUCH LEGISLATION REGARDING THE FINDINGS, RECOMMENDATIONS, AND
19 ESTIMATED COST SAVINGS OF THE TASK FORCE AS MAY BE NECESSARY.

20 (6) THE MEMBERS OF THE TASK FORCE SHALL SERVE WITHOUT
21 COMPENSATION BUT MAY BE REIMBURSED FOR ALL NECESSARY AND
22 ACTUAL EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES ONLY
23 IF MONEYS ARE CREDITED TO THE LEGISLATIVE DEPARTMENT CASH FUND
24 PURSUANT TO PARAGRAPH (a) OF SUBSECTION (8) OF THIS SECTION IN AN
25 AMOUNT SUFFICIENT TO FUND SUCH REIMBURSEMENTS.

26 (7) THE MEMBERS OF THE TASK FORCE MAY MEET WITHOUT ANY
27 STAFF ASSISTANCE DESCRIBED IN SUBSECTION (8) OF THIS SECTION.

1 (8) (a) THE LEGISLATIVE COUNCIL STAFF, ON BEHALF OF THE TASK
2 FORCE, IS AUTHORIZED TO RECEIVE FEDERAL MONEYS, CONTRIBUTIONS,
3 GRANTS, GIFTS, DONATIONS, SERVICES, AND IN-KIND DONATIONS FROM
4 ANY PUBLIC OR PRIVATE ENTITY FOR ANY DIRECT OR INDIRECT COSTS
5 ASSOCIATED WITH THE DUTIES OF THE TASK FORCE SET FORTH IN THIS
6 SECTION. THE LEGISLATIVE COUNCIL STAFF SHALL TRANSFER ANY MONEYS
7 RECEIVED PURSUANT TO THIS PARAGRAPH (a) TO THE STATE TREASURER,
8 WHO SHALL CREDIT THE MONEYS TO THE LEGISLATIVE DEPARTMENT CASH
9 FUND CREATED IN SECTION 2-2-1601, C.R.S., FOR USE IN IMPLEMENTING
10 THIS SECTION.

11 (b) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL,
12 THE DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE
13 STATE AUDITOR MAY SUPPLY STAFF ASSISTANCE TO THE TASK FORCE AS
14 THEY DEEM APPROPRIATE WITHIN EXISTING APPROPRIATIONS. IF STAFF
15 ASSISTANCE IS NOT AVAILABLE WITHIN EXISTING APPROPRIATIONS, THEN
16 THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL, THE DIRECTOR
17 OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE STATE AUDITOR
18 MAY SUPPLY STAFF ASSISTANCE TO THE TASK FORCE ONLY IF MONEYS ARE
19 CREDITED TO THE LEGISLATIVE DEPARTMENT CASH FUND PURSUANT TO
20 PARAGRAPH (a) OF THIS SUBSECTION (8) IN AN AMOUNT SUFFICIENT TO
21 FUND STAFF ASSISTANCE. THE TASK FORCE MAY ALSO ACCEPT STAFF
22 SUPPORT FROM THE PRIVATE SECTOR.

23 (c) THE COSTS OF PROVIDING STAFF ASSISTANCE TO THE TASK
24 FORCE BY THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL, THE
25 DIRECTOR OF THE OFFICE OF LEGISLATIVE LEGAL SERVICES, AND THE
26 STATE AUDITOR SHALL BE APPROVED BY THE CHAIR OF THE LEGISLATIVE
27 COUNCIL AND PAID BY VOUCHERS AND WARRANTS DRAWN AS PROVIDED

1 BY LAW FROM MONEYS CONTINUOUSLY APPROPRIATED FROM THE
2 LEGISLATIVE DEPARTMENT CASH FUND.

3 (d) THE COMMITTEE ON LEGAL SERVICES SHALL PERFORM THE
4 TASKS ASSIGNED TO IT PURSUANT TO THIS SECTION WITHIN ITS EXISTING
5 APPROPRIATIONS AND ITS NORMAL MEETING SCHEDULE.

6 **24-2.5-103. Repeal of article.** THIS ARTICLE IS REPEALED,
7 EFFECTIVE JANUARY 1, 2015.

8 **SECTION 2. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, and safety.