

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0239.01 Bart Miller x2173

HOUSE BILL 14-1033

HOUSE SPONSORSHIP

Szabo,

SENATE SPONSORSHIP

Tochtrop,

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 CONCERNING STATE AGENCY REQUIREMENTS FOR THE ENFORCEMENT
102 OF NEW REGULATORY REQUIREMENTS ON SMALL BUSINESSES,
103 AND, IN CONNECTION THEREWITH, ENACTING THE
104 "REGULATORY REFORM ACT OF 2014".

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>.)

This bill enacts the "Regulatory Reform Act of 2014". **Section 1** makes legislative declarations about the importance of businesses with

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.

100 or fewer employees to the Colorado economy and the difficulty these types of businesses have in complying with new administrative rules that are not known or understood by these businesses. **Section 2** defines "new rule" as any regulatory requirement in existence for less than one year prior to its enforcement by a state agency, and "minor violation" as any violation of a new rule by a business of 100 or fewer employees where the violation is minor in nature, involving record-keeping and issues that do not affect the life safety of the public or workers. Section 2 provides exceptions from the definition of "minor violation" for certain types of rules.

For the first minor violation of a new rule by a business of 100 or fewer employees, **section 3** of the bill requires a state agency to issue a written warning and engage the business in educational outreach as to the methods of complying with the new rule. Section 3 requires state agencies to make information on new rules available and allows this information to be made available in electronic form.

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

2 **SECTION 1. Short title - legislative declaration.** (1) This act
3 shall be known and may be cited as the "Regulatory Reform Act of 2014".

4 (2) The general assembly finds and determines that Colorado's
5 business community consists overwhelmingly of small businesses with
6 one hundred or fewer employees. These businesses make up the majority
7 of the business activity in Colorado and employ tens of thousands of
8 Coloradans. The general assembly further finds and determines that there
9 is a disconnect between the promulgation of new rules and the education
10 and awareness of small business owners about new requirements. Most
11 often, a small business owner may not be aware of new rules until
12 someone from a state agency audits the business and determines it has not
13 complied with new regulatory directives. The general assembly, therefore,
14 declares that it would benefit businesses of one hundred or fewer
15 employees in this state if the enforcement activities of state agencies for
16 first-time minor violations of new rules were focused on educating and

1 training small businesses to comply with new rules rather than on
2 punishing first-time violators for noncompliance.

3 **SECTION 2.** In Colorado Revised Statutes, 24-4-102, **add** (8.5)
4 and (8.7) as follows:

5 **24-4-102. Definitions.** As used in this article, unless the context
6 otherwise requires:

7 (8.5) "MINOR VIOLATION" MEANS A VIOLATION OF A NEW RULE BY
8 A BUSINESS OF ONE HUNDRED OR FEWER EMPLOYEES, WHICH VIOLATION
9 IS MINOR IN NATURE, INCLUDING OPERATIONAL OR ADMINISTRATIVE
10 MATTERS SUCH AS RECORD KEEPING, RETENTION OF DATA, OR FILING OF
11 REPORTS THAT DO NOT AFFECT PUBLIC SAFETY AND THAT CARRIES A
12 FINANCIAL PENALTY FOR NONCOMPLIANCE. "MINOR VIOLATION" DOES NOT
13 INCLUDE ANY MATTER THAT PLACES THE LIFE SAFETY OF THE PUBLIC,
14 WORKERS, OR OTHERS AT RISK AND DOES NOT APPLY TO STATE-ISSUED
15 PERMITS, LICENSES, OR REGISTRATIONS; MATTERS RELATED TO BIDDING ON
16 STATE CONTRACTS; ACTIVITIES REQUIRED BY FEDERAL LAW; THE
17 ENFORCEMENT ACTIVITIES OF THE ADMINISTRATOR OF THE "UNIFORM
18 CONSUMER CREDIT CODE", ARTICLES 1 TO 9 OF TITLE 5, C.R.S.,
19 DESIGNATED BY THE ATTORNEY GENERAL UNDER SECTION 5-6-103,
20 C.R.S.; RULES ADOPTED BY THE COLORADO CIVIL RIGHTS DIVISION,
21 CREATED IN PART 3 OF ARTICLE 34 OF THIS TITLE; OR RULES ADOPTED BY
22 THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, CREATED IN
23 PART 1 OF ARTICLE 1 OF TITLE 25, C.R.S.

24 (8.7) "NEW RULE" MEANS A REGULATORY REQUIREMENT FIRST PUT
25 INTO PLACE BY AN AGENCY LESS THAN ONE YEAR PRIOR TO ITS
26 ENFORCEMENT BY THE AGENCY AGAINST A BUSINESS WITH ONE HUNDRED
27 OR FEWER EMPLOYEES.

1 **SECTION 3.** In Colorado Revised Statutes, **add** 24-4-104.6 as
2 follows:

3 **24-4-104.6. Special enforcement provisions - new**
4 **requirements - minor violations - written warnings - educational**
5 **outreach.** (1) EACH STATE AGENCY THAT REGULATES BUSINESSES OF ONE
6 HUNDRED OR FEWER EMPLOYEES SHALL, IN THE COURSE OF NORMAL
7 OPERATIONS, DEVELOP FACT SHEETS FOR NEW RULES ADOPTED IN EACH
8 FISCAL YEAR AND MAKE THESE FACT SHEETS AVAILABLE TO BUSINESSES
9 OF ONE HUNDRED OR FEWER EMPLOYEES THAT HAVE BEEN FOUND TO BE
10 IN VIOLATION OF NEW RULES IN ORDER TO ACCELERATE THE AGENCY'S
11 EDUCATIONAL PROCESS AND AID IN COMPLIANCE WITH NEW RULES. EACH
12 AGENCY MAY MAKE THIS INFORMATION AVAILABLE IN ELECTRONIC FORM
13 SO LONG AS THE AGENCY MAKES EFFORTS TO INFORM BUSINESSES OF ONE
14 HUNDRED OR FEWER EMPLOYEES WHERE ON THE INTERNET THEY MAY FIND
15 THE INFORMATION.

16 (2) FOR ANY FIRST-TIME MINOR VIOLATION OF A NEW RULE BY A
17 BUSINESS OF ONE HUNDRED OR FEWER EMPLOYEES, A STATE AGENCY
18 SHALL ISSUE A WRITTEN WARNING TO THE BUSINESS AND CONDUCT
19 EDUCATIONAL OUTREACH TO INFORM THE BUSINESS OF THE METHODS OF
20 COMPLYING WITH THE NEW RULE.

21 **SECTION 4. Act subject to petition - effective date.** This act
22 takes effect at 12:01 a.m. on the day following the expiration of the
23 ninety-day period after final adjournment of the general assembly (August
24 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
25 referendum petition is filed pursuant to section 1 (3) of article V of the
26 state constitution against this act or an item, section, or part of this act
27 within such period, then the act, item, section, or part will not take effect

1 unless approved by the people at the general election to be held in
2 November 2014 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.