



**Legislative
Council Staff**
Nonpartisan Services for Colorado's Legislature

HB 18-1281

**FINAL
FISCAL NOTE**

Drafting Number: LLS 18-0936
Prime Sponsors: Rep. Esgar
Sen. Garcia

Date: July 23, 2018
Bill Status: Postponed Indefinitely
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Bill Topic: PUC ETHICS AND IMPROVED PUBLIC INFO REPORTING

**Summary of
Fiscal Impact:** State Revenue TABOR Refund
 State Expenditure (*minimal*) Local Government
 State Transfer Statutory Public Entity

This bill would have required the Public Utilities Commission to implement new ethics policies for its commissioners, to offer certain training opportunities to its staff, and to make its audio recordings accessible to the public. It would have created an ongoing minimal workload impact beginning in FY 2018-19.

**Appropriation
Summary:** No appropriation was required.

**Fiscal Note
Status:** The fiscal note reflects the reengrossed bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

The bill makes certain requirements of the Colorado Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) related to ethics and transparency.

Commissioner divestiture. Effective July 1, 2018, a commissioner must not have any official relationship to or active financial interest in any PUC-regulated entity. If a commissioner does have a financial interest, the commissioner must divest of these interests in a reasonable amount of time, or vacate his or her office. The bill clarifies that a financial interest does not include passive ownership of stocks, bonds, or other interests as part of an investment vehicle, such as a mutual fund.

Staff training. The PUC director may authorize PUC employees to undertake training and development opportunities. Specifically, the bill references training with agencies that undertake coordinated activities with the PUC, including the Colorado Energy Office, the Air Quality Control Commission, the Department of Public Health and Environment, and the Colorado Water Conservation Board, as well as collaborating with institutions of higher education.

Audio recordings of PUC proceedings. The bill requires the PUC director to keep a record of PUC proceedings, and to post audio recordings and other official records as required by law online for public access.

Audits. DORA's executive director may periodically request a performance audit of the PUC and its staff and operations, to be conducted by the Office of the State Auditor.

Commissioner standards of conduct. The bill requires the PUC to adopt rules that set forth PUC policies concerning:

- a standard of recusal regarding commissioners formally employed as an officer or director of an entity subject to PUC regulation;
- conflict of interest policies;
- activities and relationships that are incompatible with conflict of interest policies; and
- limitations on ex parte communications.

State Expenditures

The bill will increase workload in the PUC and, potentially, the Office of the State Auditor, on an ongoing basis beginning in FY 2018-19.

Public Utilities Commission. The PUC will perform rulemaking to implement the bill in its normal course of business. Because the PUC already has the capability to record and post audio online, the fiscal note assumes that no computer programming costs are required. No change in appropriations is required.

Office of the State Auditor. The Office of the State Auditor will manage any audit request within its normal course of business. No change in appropriations is required.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on April 30, 2018.

State and Local Government Contacts

Information Technology
Revenue

Law
State Auditor

Regulatory Agencies