BUSINESS & LABOR
EXHIBIT NO. 8
DATE 3/9/05
BILL NO. HB 630

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COST-BENEFIT ANALYSIS

In performing a cost-benefit analysis, each rulemaking entity must provide the information requested for the cost-benefit analysis to be considered a good faith effort. The cost-benefit analysis must be submitted to t he Office of Policy, Research and Regulatory Reform at least five (5) days before the administrative hearing on the proposed rule. For all questions, please attach all underlying data that supports the statements or figures stated in this cost-benefit analysis.

DEPARTMENT: _____ **AGENCY:** _____

CCR: _____ **DATE:** _____

RULE TITLE OR SUBJECT:

_____

Benefits of the Proposed Rule(s)/Amendment(s)

1. Please provide detailed statements indicating the need for the proposed changes. *(This statement should include specific issues such as specific changes in statutes or the subject matter area, market failure, a compelling public need, risks to the health, safety or welfare of Coloradans, lack of efficient and effective performance of an important government function, or other specific problem(s) that are being addressed by the proposed rule(s).)* Please include the number of complaints you received (if any) that spurred you to take regulatory action.

2. Please list the top three benefits of the proposed regulation; explain how the proposed regulation results in the expected benefits; and if the proposed regulation reduces or eliminates the problem(s) listed above.

3. What, in your estimation, would be the consequence of taking no action, thereby maintaining the status quo?

4. Please describe market-based alternatives or voluntary standards that you considered in place of the proposed regulation and state the reason(s) for not selecting those alternatives.

Impact of Proposed Rule(s)/Amendment(s)

5. Please describe the government costs to be incurred because of the proposed regulation *(Examples include collection; paperwork; filing; recordkeeping; audit and inspection costs, etc.)*, and state your estimates (in dollars) of the costs that will be incurred.

6. Please provide the number of entities or small businesses that will be required to comply with the proposed rule(s). Please provide the source of data used *(i.e., program data, NAICS code statistics, etc.)*

7. Does the proposed regulation create barriers to entry *(i.e., licensing, permit or educational requirements)*? If so, please describe those barriers and why those barriers are necessary.

8. Explain the additional requirements with which small business owners will have to comply *(i.e., will they need to purchase new equipment or software to meet the requirement(s); are there new disclosure/filing requirements they will have to provide to the state; are there transactional costs, paperwork costs, etc.)*. Please state your estimates (in dollars) of the compliance costs by types listed.

9. Please state whether the proposed regulation contains different requirements for different sized entities or different geographic regions, and explain why this is, or is not, necessary. *(For example, an audit fee (as a percentage of assets) for a bank examination is lower based upon a higher level of assets due to marginal cost savings and water usage is more restricted in geographic regions with less water storage or supplies because demand far outpaces supply.)*

10. Please describe your understanding of the ability of small business owners to implement changes required by the proposed regulation, and state the average estimated cost of implementation. *(For example, if a proposed rule required all business in a particular sector to utilize a specific software application, a small business owner may have a difficult time implementing the software if the software is expensive to purchase or if their existing computers are not able to run the software.)*

11. Please state if the proposed regulation will force the cessation of business by any existing businesses, and the impact the cessation will have on the economy including but not limited to the number of employees losing their jobs, the economic losses by the businesses and the estimated economic ripple the cessation will have on suppliers, consumers or buyers.

12. Does the proposed regulation restrict consumer choice *(i.e., availability of goods or services; price increases; etc.)*? If so, please describe those restrictions.

13. Please state the estimated impact (in dollars) the proposed regulation will have on sales, employment or tax revenue.

14. Please identify all other small business sector(s) that the proposed regulation(s) may impact, and state the estimated financial impact the proposed regulation will have on each small business sector. *(For example, a reduction in the number of deer hunting licenses issued will impacts several business sectors including but not limited to guide businesses, vendors serving the hunters, private hunting ground owners and taxidermy businesses.)*

Thank you for your time and effort.