

# Legislative Report | March 6, 2023

## Select Subject Area to Jump:

Agriculture, Wildlife & Rural Affairs

General Government

Health & Human Services

Justice & Public Safety

Land Use & Natural Resources

Public Lands

Taxation & Finance

Tourism, Resorts & Economic Development

Transportation & Telecommunications

#### Reference:

**CCI Policy Statement** 

2023 Legislative Priorities

Bill Tracking/Overview



# Agriculture, Wildlife & Rural Affairs

Chair: Commissioner Terry Hofmeister, Phillips County Vice Chair: Commissioner Gordon Westhoff, Morgan County CCI Staff: Reagan Shane

No Active Legislation



## **General Government**

Chair: Commissioner Scott James, Weld County Vice Chair: Commissioner Jody Shadduck-McNally, Larimer County CCI Staff: Eric Bergman

#### HB23-1032, Civil Action Remedy Provisions

HB 1032 would allow damages for emotional distress in discrimination cases where the plaintiff is a person with a disability. It would also allow the court to award attorneys' fees – but just to the prevailing plaintiff in a case. CCI believes that it would be more equitable to allow the court to award attorneys' fees to the prevailing *party* – either the plaintiff or the defendant. Doing so would help protect a county against frivolous lawsuits. CCI has met with the sponsor and other stakeholders last month to discuss the bill and some proposed amendments.

The bill is awaiting a hearing in the House Judiciary Committee.

Position: Amend Sponsors: Rep. Ortiz

#### HB23-1057, Restroom Amenities for All Genders in Public Buildings

As introduced, HB 1057 would require that all newly constructed public buildings provide a non-gendered restroom facility or a multi-stall non-gendered facility on each floor where restrooms are available. The bill also required that if any restroom renovation exceeding \$10,000 takes place in an *existing* public building, the owner must comply with the non-gender restroom availability requirement. The bill also requires that at least one diaper changing station be made available in a non-gender restroom on each floor where there is a public restroom. Finally, the bill requires signage alerting the public to the presence of a diaper changing station using pictograms that are void of gender. The bill provides for legal recourse for employees in public buildings that do not comply with the non-gender restroom requirement.

Following a meeting with local government stakeholders – including several county facilities managers, a strike-below amendment (essentially a new bill that would replace the current one) was prepared that incorporated a number of proposed changes that CCI suggested. The amendment exempts buildings on the historic register and buildings that are leased by a local government. It also removes the \$10,000 threshold for renovations and replaces it with language stating that bathrooms in existing buildings have to comply only if renovations actually change the footprint of the bathroom or include replacement or modification of plumbing installations. The amendment also phases in bathrooms that are not client-facing or open to the public. Finally, the amendment allows diaper changing stations to be in areas other than bathrooms as long as these areas are cleaned with the same regularity as bathrooms.

The amended bill is now awaiting a hearing in House Appropriations. There are still a couple of remaining issues that CCI would like to see addressed or clarified in the legislation, but we are grateful for the sponsors' willingness to work with counties on their concerns.

Position: Amend

Sponsors: Rep. McCormick & Rep. Vigil and Sen. Jaquez Lewis

#### HB23-1065, Independent Ethics Commission Oversight of Local Government Officials

As created in the state constitution, the Independent Ethics Commission has oversight for state and local elected officials (including counties). HB 1065 would expand the jurisdiction of the Commission to include special districts and school districts.

The bill is awaiting a hearing in the House Appropriations Committee.

Position: Monitor

Sponsors: Rep. Story & Rep. Parenti and Sen. Marchman

#### HB23-1139, Modifications of County Salary Categorizations

HB 1139 would modify either the category or subcategory of Archuleta, Delta, Eagle, Grand, Las Animas, Ouray, Pitkin, Saguache and Summit counties for purposes of increasing the salaries of county elected officials. As the state constitution prohibits an elected official from receiving a raise during his/her term, these salary increases would not go into effect until the elected official is reelected in either 2024 or 2026. The bill will be heard on Tuesday, March 7, in the Senate Local Government and Housing Committee. An amendment will be offered in committee to add Montezuma and Routt counties. CCI has prepared a fact sheet on the bill, which can be found here.

Position: Support

Sponsors: Rep. Martinez and Sen. Simpson

#### HB23-1149, Conduct of Elections in Small Counties

HB 1149 would have allowed smaller counties (with between 10,000 and 37,500 active electors) to apply to the Secretary of State's office to reduce the number of voter service and polling centers (VSPCs) that must be established during an election. The bill also would have allowed a county to appoint staff from the county clerk's office to serve as election judges. Many small counties have trouble finding enough election judges during elections. The bill was postponed indefinitely in the House State Affairs Committee last week.

The Secretary of State's office is looking the issues in the bill and has reached out to the County Clerks Association about some possible ways forward.

Position: Support

Sponsors: Rep. Holtorf and Sen. Pelton B.

#### HB23-1180, Expanding Board of County Commissioners in Large Counties

HB 1180 would have required that any county with a population greater than 70,000 must move to a five-commissioner set-up, and at least three of the five commissioners must be elected by **just** by the voters in

their district. Colorado statute already allows for either a referred or initiated measure to accomplish this change at the county level. A move to five commissioners can also be accomplished currently through the adoption of a county home rule charter. Commissioners were concerned about the significant unfunded mandate this would have placed on their counties as well as the fact that the legislation did not allow local voters the opportunity to decide for themselves how their county government should be structured.

The bill was postponed indefinitely in the House State Affairs Committee last week after failing on a tie vote. CCI thanks the following commissioners who testified in opposition to the bill: Adams County Commissioner Lynn Baca, Boulder County Commissioner Claire Levy, Douglas County Commissioners Abe Laydon and George Teal, Larimer County Commissioner Jody Shadduck-McNally and Mesa County Commissioner Cody Davis.

Position: Oppose

Sponsors: Rep. Marshall and Sen. Priola

#### SB23-053, Prohibition on Requiring Non-Disclosure Agreements

SB 053 would prohibit all government employers (including counties) from making current or prospective employees sign a non-disclosure agreement (NDA). The bill exempts NDAs that would prevent disclosure of privacy interests of the employee or matters that are required to be kept confidential by federal or state law or matters bearing on the specialized details of security arrangements or investigations. The bill was amended in the Senate State Affairs Committee last week to also exempt NDAs that prevent disclosure of trade secrets or confidential information made available the employee by a vendor or contractor.

The bill will have a floor debate this week in the Senate, where more amendments are expected.

Position: Amend

Sponsors: Sen. Kirkmeyer

#### SB23-105, Implementation of Measures to Implement Equal Pay for Equal Work

SB 105 addresses some issues with the Equal Pay for Equal Work legislation that was passed back in 2019. While no one argues with the intent of the original legislation, several problems have arisen as counties have attempted to implement the Act at the local level.

As enacted, the 2019 bill required that an employer notify all employees and the public of job opportunities and allow them to apply. While this is appropriate for vacancies and newly created positions, there are a number of other job advancement situations that are not really "competitive" in nature that should not be advertised to the entire eligible workforce. One example is career progression jobs, where an employee moves up to a different title and salary based on predefined performance metrics. Another example is an instance where an employee has assumed additional duties and/or responsibilities over time and is now being given a raise and/or a revised job description to reflect these additional duties. Neither of these job advancement situations should warrant a "job posting," but under the 2019 bill it was required.

Posting these job advancement notices was creating confusion among job hunters and creating administrative headaches for county human resource offices. At the behest of these county human resource professionals, CCI elevated a proposed policy fix of the Equal Pay for Equal Work Act as a legislative priority for 2023.

CCI has been working with the sponsors and proponents of the original 2019 bill since last fall on this issue. The introduced bill basically exempts "career progression" and "career development" opportunities from the job posting requirements in the original bill. CCI is grateful for the productive conversation with the sponsors and the agreed-to changes that are reflected in SB 105.

The introduced bill features several other policy changes that were **not** part of the CCI-initiated conversation, including an additional enforcement role for the Colorado Department of Labor and Employment and increasing the potential backpay from three years to six years for an employee in a prevailing lawsuit. While CCI is very supportive of the career progression/development provisions in the bill, there are concerns about the six-year backpay addition.

The bill passed the Senate Business, Labor and Technology Committee last week and is now awaiting a hearing in the Senate Appropriations Committee.

Position: Amend (CCI Initiated Bill)

Sponsors: Sen. Danielson & Sen. Buckner and Rep. Gonzales-Gutierrez & Rep. Bacon

#### SB23-111, Public Employees' Workplace Protection

SB 111 prohibits public employers from coercing, intimidating, or imposing reprisals against employees who exercise their right to organize, form or join an employee organization. The bill applies to municipalities, special districts, higher ed, the General Assembly and counties with populations less than 7,500 (those that were not included in last year's collective bargaining legislation). The bill does not compel a local government to recognize an employee organization or enter into negotiations with any employee organization. CCI has concerns that the legislation appears to extend these same protections to workers who engage in concerted activities such as strikes or work stoppages. The bill also allows supervisors and managers to join employee organizations, something that was prohibited in last year's collective bargaining legislation. The bill passed out of the Senate Local Government and Housing Committee last week on a party line vote.

It now awaits a hearing in the Senate Appropriations Committee.

Position: Oppose

Sponsors: Sen. Rodriguez and Rep. Woodrow

#### SB23-147, Regulation of Kratom

SB 147 was the second attempt to establish a regulatory framework for vendor registration and the processing, labeling and sale of kratom - an herbal extract from Southeast Asia that is used as a stimulant, pain reliever and for treating opioid addiction. A bill passed last year established that a vendor shall not sell kratom to anyone under 21 years of age and allowed local governments to enact ordinances or resolutions on the sale of kratom that are more stringent than statutory guidelines. That bill also directed

the state health department to conduct a study of kratom regulation and issue a report to the General Assembly. SB 147 would have implemented some – but not all – of the recommendations in the report that was issued by the state health department. CCI was seeking an amendment to clarify county ordinance authority.

The bill was postponed indefinitely last week in the Senate Finance Committee.

Position: Amend

Sponsors: Sen. Sullivan & Sen. Ginal



## Health & Human Services

Chair: Commissioner Janet Rowland, Mesa County Vice Chair: Commissioner Wendy Buxton-Andrade, Prowers County CCI Staff: Gini Pingenot / Katie First

#### HB23-1024, Relative & Kin Placement of a Child

HB23-1024 adds to statute several provisions regarding relative and/or kin placements for a child who has been temporarily placed out of home. Most significantly, it adds to statute that the best practice/presumption is for children to be placed with a relative or kin (a family-like individual, such as a teacher), unless the child's health or safety would be jeopardized by that placement. If the county department cannot find a relative or kin and the child needs to go to out of home placement, the county department should continue to search for relatives or kin.

In addition, the bill gives relatives and kin increased legal rights in child welfare cases; including granting relatives and kin the right to appeal a decision to deny them placement. County departments are also required to make reasonable efforts to place and keep children with relative or kin placements; reasonable efforts include offering services and supports, within existing available resources.

Lastly, the bill limits foster parents and kin from intervening unless the child has been placed with them for twelve or more months. (For example, if a child has been placed with a foster parent for eight months and then the court decides to permanently place the child with an uncle; those foster parents may not intervene in that placement decision).

County Attorneys have proposed several amendments to the bill's proponents, the Office of Respondent Parents Counsel (the entity that provides legal advocacy for indigent parents in child welfare proceedings). The offered amendments will provide a focus on the child's mental, physical and emotional needs; limit legal rights of relatives and kin when a child has already been placed with a relative or kin (to prevent multiple relatives/kin coming forward and litigating over the child); ensure reunification of the family remains the focus of proceedings; remove the reasonable efforts standard for county departments, while ensuring departments work to identify and engage relatives and kin; and additional language for further clarifications and to maintain consistency.

The bill was heard in the House Public & Behavioral Health & Human Services Committee where amendments were adopted at CCI's request to address our concerns (an updated draft with those amendments is available here).

Next, the bill will be heard by the Appropriations Committee on Friday, March 10.

Position: Amend

Sponsor(s): Rep. Gonzales-Gutierrez & Rep. Epps and Sen. Exum

Staff: Katie First

#### HB23-1027, Parent & Child Family Time

This bill is being brought forward in response to the work of the High-Quality Parenting Time Task Force, which was created by <u>HB21-1101</u>; county human services directors, caseworkers, and attorneys participated in the task force (view their membership here).

Under current law, visitation must occur when a child is taken into the custody of the county department of human services and is required to commence within 72-hours after a hearing.

The bill defines in statue family time as "any form of contact or engagement between parents, legal custodians, guardians, siblings, and children or youth for the purposes of preserving and strengthening family ties". Much of the bill replaces the current standard of "visitation" with this new term "family time".

Under the bill, county departments are to encourage the maximum amount of family time and must propose a family time plan to the court. Creates a presumption that supervised family time should be supervised by informal supports (such as relatives, kin, or other community-based supports) in the least restrictive setting; and that these supports may also be utilized for transportation to family time. Limits the court from restricting or denying family time, unless it would risk the child's safety or mental, physical, or emotional health. Withholding family time is prohibited as a sanction for both parents and children.

In addition, the High-Quality Parenting Time Task Force will continue to meet for an additional year and shall issue a report regarding strengths and needs for providing family time; identify measures to assist in building capacity for supervised family time; and 'best practices for funding'.

The bill has been amended in order to assist with some major fiscal impacts to counties. Including the removal of the once every seven-day standard for family time in the introduced bill; addition of a "best interest of the child" standard when considering family time; recognition of the child's and parent's preferences in considering a family time plan; and addition of a "volunteer" description of informal supports the bill encourages to supervise family time. An updated version of the bill will those amendments is available here.

In addition, CCI would like to have the High Quality Parenting Time Task force, which will continue meeting under this bill, consider family time for families with an incarcerated parent in light of SB23-039.

The bill passed out of the <u>House Judiciary Committee</u> and will be heard by the Appropriations Committee on Friday, March 10.

Position: Amend

Sponsor(s): Rep. Joseph & Rep. Weissman and Sen. Winter

Staff: Katie First

#### HB23-1043, Emergency and Continued Placement with Relative or Kin

HB23-1043, a CCI initiated bill, makes several changes to the types of convictions that would limit relatives or kin from being considered as a possible emergency and/or long-term placement option for kids in the child welfare system.

Specifically, HB23-1043:

- 1.) Removes misdemeanor convictions
- 2.) Adds timeframes for certain felony convictions
- 3.) Continues to prohibit relatives or kin with sex abuse related convictions from being considered as an emergency and/or long-term placement option

Even with these changes to statute, a thorough assessment of the relative or kin's home and situation will occur before placement occurs to ensure a safe situation for children and youth. These changes to statute will ensure and increase safe placements of children with relatives or kin while reducing trauma for children, preserving safety, and sustaining familial ties that can increase positive outcomes for children involved in dependency and neglect cases.

Additionally, the Federal Family First Prevention Services Act (FFPSA) prioritizes these types of placements over foster and congregate care. HB 1043 will help Colorado meet the goals of FFPSA and provide safe care for children in need of out-of-home care in child abuse and neglect cases.

You can find CCI's Factsheet on HB 1043 here.

HB 1043 passed the senate with 35 votes in favor. It is now heading to the Governor's desk for his consideration.

Position: Support (CCI Initiated Bill)

Sponsors: Rep. Lindsay & Rep. Pugliese and Sen. Ginal, & Sen. Rich

Staff: Gini Pingenot

#### HB23-1142, Information of Person Reporting Child Abuse

HB 1142 would remove the option for public reporters of potential abuse or neglect from being anonymous. Currently, all reports of abuse and neglect are confidential. A very small percentage are made anonymously. Proponents of the bill are concerned that the ability to make anonymous calls enables nefarious motives. Many in the child welfare community are concerned that, while not requested often, the inability to make anonymous reports will keep some people from reporting for fear of retaliation.

CCI is seeking amendments that would require county departments to make reasonable efforts to obtain and document the source of the report and the name, address and occupation of the person making the report. Additionally, those who make false reports may be charged with a class 4 felony (at the discretion of the district attorney).

HB 1142 is currently scheduled for a hearing in the House Public & Behavioral Health and Human Services Committee on Tuesday, March 14th.

Position: Amend

Sponsors: Rep. Pugliese and Sen. Kirkmeyer

Staff: Gini Pingenot

#### HB23-1160, Colorado Trails System Requirements

As introduced, HB 1160 makes several changes to child welfare practice BEFORE information regarding an alleged person responsible for child abuse or neglect (PRAN) is recorded in the state's child welfare data system, (aka Trails). Specifically, the bill is intended to provide more information to the PRAN about

how and why their information will be listed in Trails and the available appeals process. HB 1160 also limits the release of reports of child abuse and neglect for employment purposes until after the appeals process has been exhausted.

Currently, counties are required to include the alleged PRAN into Trails as part of the referral and assessment process. Counties are required to close an assessment within 60 days which includes entering a finding of either founded, inconclusive or unfounded. State level appeals processes are available to individuals alleged to be responsible for abuse and neglect but those appeals are typically not resolved within the 60 day timeframe. If a founded finding is overturned on appeal, the state modifies the entry in Trails and changes it at that point. Counties do send a letter to any person who has a substantiated finding but that occurs once the finding is complete in Trails.

As part of a background check, the state releases substantiated findings of abuse and neglect to very select employers (such as child care providers and other employers where adults are in a trusted position with children). It's also important to note that a referral to the child abuse and neglect hotline does not trigger the 'founded, unfounded or inconclusive' designation. This only occurs if an assessment/investigation occurs on a reported case.

HB 1160 was heard in the House Public & Behavioral Health & Human Services Committee but was laid over for action at a later date. CCI is seeking amendments that would allow more in-depth conversations to occur in a task force setting over the 2023 interim.

HB 1142 will be back before the House Public & Behavioral Health and Human Services Committee on Tuesday, March 14th.

Position: Amend Sponsors: Rep. Evans Staff: Gini Pingenot

#### HB23-1201, Prescription Drug Benefits Contract Term Requirements

HB 1201 is being initiated by the Colorado Department of Health Care Policy and Financing (HCPF). The bill is intended to remove the ability of pharmacy benefit managers (PBMs – think Express Scripts, CVS Caremark and Optum RX) to engage in spread pricing agreements.

PBMs function as intermediaries between insurance providers and pharmaceutical manufacturers. They help negotiate reduced prices of prescription drugs. They can, however, still charge the employer and their employees MORE than the price they negotiated.

PBMs offer employers both 'spread pricing' agreements and pass through arrangements. The upside of a spread pricing agreement is that the PBM can create predictability for an employer. These agreements shift the risk of drug price increases, increased utilization, and other unknowns away from the employer and to the PBM. The alternative is the pass through arrangement in which 100% of the cost of the drug is passed through to the payer.)

HB 1201 states that the amount charged by the PBM must be equal to or less than the amount paid by the PBM to the pharmaceutical for the drug. The bill also creates transparency requirements for PBMs and carriers regarding prescription drug benefits and grants audit authority to HCPF for self-funded plans and

to the commissioner of insurance for fully insured plans to ensure compliance with the requirements in HB 1201.

HB 1201 has been assigned to the House Health and Insurance Committee but has not yet been calendared.

Position: Support

Sponsors: Rep. Daugherty & Rep. Soper

Staff: Gini Pingenot

### SB23-039, Reduce Child & Incarcerated Parent Separation

This bill addresses the involvement an incarcerated parent (in a Department of Corrections (DOC) facility, a private correctional facility under contract with DOC, or a county jail) whose child is subject to a dependency and neglect case with a county human services department. Includes:

- Creating a right for parents to attend and fully participate in all proceedings during a dependency and neglect case.
- Adding to statute that courts shall issue orders for incarcerated parents to attend all hearings related to their child's dependency and neglect case. If the facility cannot facilitate transport (to attend the hearing in person), the facility must notify the court 72 hours in advance and make every reasonable effort to allow for virtual participation. Should the parent refuse transportation to the hearing, the facility must notify the court as soon as practicable.
- During the dispositional hearing, the county human services caseworker must provide to the court
  a report of the services and treatment available to a parent at the facility and the opportunities for
  family time at the facility. The treatment plan for an incarcerated parent should include: how the
  parent will participate in all meetings and hearings with the court and county department; relevant
  services and treatment available in the facility that address parents issues affecting their child's
  health, safety or welfare; and opportunities for family time, either in person at the facility or
  virtually.
- Should a parent become incarcerated for more than 28 days following a dispositional hearing, the county department shall submit an amended treatment plan.
- Removing long-term confinement as a criteria to terminate parental rights and when the court considers compliance with the parents treatment plan, the court must consider any limitations to complying while the parent was incarcerated.

When a parent has been sentenced to a DOC facility, the individual must report (via the mittimus) if they are involved in an open dependency and neglect case, so that it can be considered for placing the individual. Further, DOC must develop opportunities to facilitate continued relationships between children and their parents who are incarcerated and be designed to mitigate trauma.

While county departments strive to involve incarcerated parents in the proceedings of their child welfare cases, there are numerous barriers to doing so, *none* of which are addressed in this bill. In addition, a recent child welfare workload study already estimated that cases involving an incarcerated parent adds 70 minutes to 160 minutes of additional work per month. The mandates of this bill would significantly add burden when state funding for county caseworkers is already underfunded.

Due to this, initially counties requested the bill become a funded pilot program, study duo to better understand the implications of these changes, how to address anticipated barriers, review funding

opportunities, and collect data on this population, before statewide adoption of these concepts. However, funding for this pilot does not seem likely.

Alternatively, CCI is proposing amendments to limit the impacts to county departments:

- Treatment Planning limit services to those that are already available in carceral facilities;
- Visitation remove sections on visitation and request the task force extended in HB23-1027 study visitation best practices and procedures;
- Right to appear at hearings ensure this right only applies to incarcerated parents;
- Better understanding for county departments when a parent has been incarcerated;
- Limit scope of this bill to parents who have been incarcerated within the state; and
- Other necessary guard rails and assurances for the needs of the child and that the child's
  permanent placement is not delayed due to barriers outside of the control of the county
  department.

This bill passed its Senate Judiciary hearing and is awaiting a hearing in the Appropriations committee.

Position: Amend

Sponsors: Sen. Buckner and Rep. Amabile

Staff: Katie First

#### SB23-064, Continue the Office of Public Guardianship

For almost a decade, Colorado has diligently worked on the issue of providing guardianship services to indigent and at-risk adults who lack sufficient capacity to make decisions on their own. To date, the Colorado Office of the Public Guardianship consists of a handful of people who are piloting guardianship services in the second Judicial District which cover the City and County of Denver. As of September 2022, the Office had received 288 referrals for services, 82 of which were outside of Denver.

SB 64 indefinitely extends the guardianship office (it is scheduled to end on June 30, 2024), extends the guardianship services to every judicial district in the state by December 31, 2027, creates a 7 members board to oversee the Office's work, and requires guardians to ultimately be certified to preform the work that is required.

Counties may, but are not required, to provide guardianship services to individuals in need. County Adult Protective Services are ill equipped to do this work and in some cases, the individual could benefit from being moved to a professional, certified guardian. CCI is seeking an amendment to ensure that this is an option under SB23-064.

SB 64 is waiting to be heard in the Senate Appropriations Committee.

Position: Amend

Sponsors: Sen. Gardner & Sen. Ginal, and Rep. Snyder

Staff: Gini Pingenot

#### SB23-082, Colorado Fostering Success Voucher Program

SB23-082 creates the Colorado Fostering Success Voucher Program for individuals between 18 and 26 who have prior foster care or kinship care involvement and are currently experiencing or at imminent risk of homelessness, to provide housing vouchers and case management services.

The program will be jointly implemented by the State Department of Human Services (CDHS) and Department of Local Affairs (DOLA). Availability, standards, and services for the program are described in the bill.

Funding for this program was requested by the Colorado Department of Human Services for their next budget. The request includes funds for the vouchers, additional case management services, and FTE to provide the necessary assistance. The departments budget request is available here.

The bill passed its <u>Senate Health & Human Services Committee</u> hearing, but is now awaiting a hearing with the Appropriations committee.

Position: Support

Sponsor(s): Sen. Zenzinger & Sen Kirkmeyer and Rep. Amabile & Sen. Michaelson Jenet

Staff: Katie First



## Justice & Public Safety

Chair: Commissioner Tamara Pogue, Summit County Vice Chair: Commissioner Longinos Gonzalez, El Paso County CCI Staff: Katie First

### HB23-1075, Wildfire Evacuation & Clearance Time Modeling

HB23-1075 allows entities, including counties, to request the Office of Emergency Management to provide resources and technical assistance to perform evacuation and clearance time modeling and publish the information on a publicly accessible website. By July 1, 2026, each local emergency management agency within a wildfire risk area, shall perform an evacuation and clearance time modeling report, to be included in its emergency management plan.

In addition, after January 1, 2024, the bill requires new developments to submit an evacuation and clearance time modeling report with its development permit; local governments shall not approve the development permit unless the report is adequate. Local governments may decide at what point in the permit approval process, the evacuation and clearance time modeling report is approved.

Commissioners have outstanding questions regarding how their staffs will work with the state Office of Emergency Management to receive the models and concerns that making the models publicly available may lead to inadvertent unintended consequences for residents. CCI is working with the bill sponsors to ensure these concerns are addressed while maintaining public safety.

The bill has been assigned to the <u>House Agriculture</u>, <u>Water & Natural Resources Committee</u> and is scheduled for its hearing on Monday, March 13.

Position: Amend

Sponsor(s): Rep. Snyder

#### HB23-1096, Wildfire Resilient Homes

HB23-1096 expands the existing Wildfire Mitigation Resources and Best Practices grant program to allow grant recipients to expend funds on programs, education and resources that will assist homes be more resilient to wildfire, for homes located in high risk wildfire areas.

Commissioners are concerned about how homes built or rebuilt with these resources may become out of compliance with the potential creation of the Wildfire Resiliency Code Board and its building code requirements. In addition, they feel more private partnerships should be utilized to accomplish this mission.

The bill was postponed indefinitely, at the request of the sponsor.

Position: Oppose

Sponsor(s): Rep. Snyder

Final Status: Postponed Indefinitely

#### **HB23-1100**, Restrict Government Involvement in Immigration Detention

Beginning January of 2024, the bill would prohibit various involvement between state or local governments with private entities for the detaining of immigrants, selling property to the private entity and defraying costs to build a facility.

In addition, government entities may not enter or renew immigration detention agreements; for entities with such an agreement, the entity will terminate the agreement by January 1, 2024.

The bill has been introduced in the Senate but is awaiting its Senate hearing.

Position: Oppose

Sponsor(s): Rep. Ricks & Rep. Garcia and Sens. Jaquez-Lewis & Sen. Gonzales

## HB23-1151, Clarifications to 48-Hour Bond Hearing Requirement

Under current law, bond hearings must occur within 48 hours for municipal and county court. The bill clarifies that drug or alcohol use and serious medical or behavioral health emergencies are not violations of the 48 hour hearing rule; however, when the emergency has been abated, the Sheriff shall bring the individual at the next scheduled bond hearing. When this occurs, the Sheriff shall provide the court with the details of the occurrence and document the circumstances. The bill maintains the usage of audiovisual or telephone conferencing for these purposes.

The bill also clarifies that the 48 hour requirement applies whether:

- The individual is held in custody in a jurisdiction other than the one that issues the arrest warrant; or
- Money bond was previously set ex parte.

The bill has passed in the House and has been introduced in the Senate.

Position: Monitor

Sponsor(s): Rep. Woodrow & Rep. Bockenfeld and Sen. Rodriguez & Sen. Gardner

## HB23-1153, Pathways to Behavioral Health Care

The bill requires the Colorado Department of Human Services (CDHS) to conduct a feasibility study regarding the intersection of Colorado's Behavioral Health Service Availability and the Judicial System and determine the feasibility of establishing a system to support individuals with serious mental illness' access to behavioral health care and housing support services. The study shall be submitted by December 31, 2023 to the General Assembly, the Governor and impacted state departments.

The bill unanimously passed the <u>House Public & Behavioral Health & Human Services Committee</u> and is awaiting its Appropriations Committee hearing.

Position: Support

Sponsor(s): Rep. Armagost & Rep. Amabile and Sen. Pelton & Sen. Rodriguez

#### HB23-1165, County Authority to Prohibit Firearms Discharge

The bill amends the circumstances for when a county may limit the discharge of firearms by replacing the current population per square mile threshold to a 35 dwellings per square mile threshold and removing the prevention of discharge on private grounds.

The bill maintains that firearms may still be discharged in these areas by: a peace officer, an indoor shooting gallery on a private residence or a licensed shooting range. It has been amended to also exempt: lawful hunting, livestock management and wildfire management.

Lastly, the bill maintains that this section does not "permit a board of county commissioners to restrict or otherwise affect any person's constitutional right to bear arms or own or possess arms or to use arms in defense of self, family, or property".

The bill has passed the House and awaits its introduction in the Senate.

Position: Oppose

Sponsor(s): Rep. Amabile & Rep. McCormick and Sen. Jaquez Lewis

#### SB23-166, Establishment of a Wildfire Resiliency Code Board

The much anticipated bill to create a code board which would adopt building codes in the Wildland Urban Interface (also known as the "WUI") has been introduced as <u>SB23-166</u>.

The concept for this bill goes back to July 2021, when Governor Polis requested the Colorado Fire Commission to consider a statewide approach for land use planning and building resiliency in the WUI (view the letter here). The Fire Commission recommended the creation of a board to define the WUI and building codes that would apply.

During the 2022 legislative session, there was consideration to add the WUI Code concept to an existing bill via an amendment. CCI took an amend position on the WUI Code Concept and secured the requested changes. However, the WUI Code concept was not ultimately adopted onto the bill and CCI did not officially revisit its position after securing its amendments (view the final version of the concepts amendment here; yellow highlights indicate the modifications secured at the request of CCI).

Since last year, CCI has greatly appreciated the continued stakeholder work performed by Senator Cutter and others on this concept.

As introduced, <u>SB23-166</u> creates the "Wildfire Resiliency Code Board" which is a type 2 entity (<u>learn more about the types of entities here</u>), with the caveat that "the board exercises its powers and performs its duties and functions under the division [of Fire Prevention and Control] and the executive director [of the Department of Public Safety, Director Stan Hilkey]" (page 4, line 3-8).

The 21-person board includes building code officials, fire marshals, land use planners, hazard mitigation professionals and many other related professions. It also contains six local government officials – three from counties and three from municipalities. Of the three county representatives, one must represent rural areas, one must represent urban areas, and one must represent "the state at large". Appointments are made by the majority and minority parties of legislative leadership and the Executive Director of the Department of Public Safety. The members must reside or work in areas at high risk of wildfire, until the WUI is defined, then they must reside or work in the WUI. There must also be reasonable efforts made to make geographically and demographically diverse appointments. (The board membership is described on pages 4-7).

The "Wildfire Resiliency Code Board" has the power and duty to adopt codes and standards for the hardening of structures and mitigating vegetation.

#### The rules of the board must:

- 1. Define the WUI at the request of some counties, there is an exemption for thirty-five acre parcels with only one structure. Additional language has also been added from prior drafts, for the board to consider various practices, such as those in other states, regional differences amongst Colorado, existing model codes and individual risk profiles from the state forest service. (Page 8, line 7-20).
- 2. Adopt minimum building codes that shall be adopted by local jurisdictions in the WUI these must:
  - Apply to "new construction of structures or defensible space around structures for construction that substantially remodels a structure or the defensible space around the structure" (page 9, line 5-16).
  - Substantial Remodel has been further defined as increasing the footprint by 25% or construction involving the exterior of a structure or attachments to a structure (page 9, line 5-16).
  - Not apply to interior alterations of existing structures (page 9, line 15-16).
  - Allow for an appeal process to be adopted by the board for governing bodies to petition for code modifications (page 9, line 23-25).

In addition, the board shall continue to identify opportunities to incentivize and support the adoption of more stringent codes (page 10, line 19-22). Except as otherwise provided, the board is not authorized to make or adopt land use policies (page 11, line 6-8). Lastly, in the promulgation of the rules (the WUI definition and applicable codes), the board shall hold hearings for public input and proactively solicit feedback (page 11, line 9-11).

Unlike the 2022 concept, the "Wildfire Resiliency Code Board" does not have explicit enforcement authority; enforcement shall be in accordance with code enforcement by the local governing body. The codes shall be adopted by the local governing body in accordance with local rules or within six months of the codes' adoption by the code board (page 14, line 19-25). The code board is authorized to review a local governing body's codes to determine compliance with their minimum codes (page 14, line 26-27 & page 15 line 1-5).

In an effort to support jurisdictions without building codes, the Division of Fire Prevention and Control is permitted to assist local governing bodies with inspections and code enforcement; much like the division already does for hospitals and schools. (Page 15, line 6-16).

At introduction, the bill was assigned to the <u>Senate Local Government and Housing Committee</u> and its hearing has been scheduled for Thursday, March 16.

Position: No Position

Sponsor(s): Sen. Cutter & Sen. Exum and Rep. Froelich & Rep. Velasco



## Land Use & Natural Resources

Chair: Commissioner Mike Freeman, Ouray County Vice Chair: Commissioner Matt Scherr, Eagle County CCI Staff: Reagan Shane

## HB23-1194, Closed Landfills Remediation Local Governments Grant

This CCI-initiated bill addresses the remediation challenges faced by closed local government owned landfills in a couple of ways.

First, it creates a grant program to fund remediation of closed local-government-owned landfills. The grant program will be administered by the Colorado Department of Public Health and Environment (CDPHE) in accordance with rules promulgated by the Solid and Hazardous Waste Commission. Grant applications will be reviewed by an advisory committee made up of two members representing local governments and three members with technical expertise not affiliated with a local government or with the department. Funding priority will be given to applications that concern remediation efforts that address the greatest actual risk to public health and environment and that are subject to existing compliance orders.

Second, it acknowledges in statute the joint responsibility of the state and of local governments to address environmental and public health risks that may result from local-government-owned landfills.

Third, it <u>creates a process for resolving disputes</u> related to remediation of closed local-government-owned landfills. Currently, the only means of resolving disputes is litigation, a process that is expensive and lengthy. This dispute resolution process may be initiated by either CDPHE or the local government and provides an alternative to litigation through a three-person technical committee made up of independent, objective experts. These experts are appointed by CDPHE's Executive Director and must include an individual associated with a local government, an individual with professional experience in environmental remediation of closed landfills, and an individual with experience in public health.

Fourth, the bill <u>designates 50% of compliance penalties issued to this grant fund</u> and states in statute that prior to issuing any such penalties, CDPHE will work with the local government and attempt to resolve disputed issues in a collaborative manner. The bill also <u>creates an automatic moratorium on prospective enforcement mechanisms during dispute resolution</u>, unless there is an emergency requiring immediate action.

Fifth, the Solid and Hazardous Waste Commission is required to promulgate rules concerning the imposition of civil penalties against local governments, requiring CDPHE to consider factors like a local government's application for one of these grants and the good faith efforts of the local government to remedy the violation before issuing a penalty.

We remain in negotiations with CDPHE and expect to make amendments in the next week or so. Joint Budget Committee consideration of figure setting recommendations for CDPHE will begin on Wednesday, February 22nd, upon adjournment of the House and Senate.

The bill has been assigned to the House Transportation, Housing & Local Government Committee, and its hearing is scheduled for Wednesday, March 22nd.

Position: Support (CCI Initiated Bill)

Sponsors: Rep. McLachlan & Rep. Pugliese and Sen. Simpson & Sen. Ginal

#### **HB23-1115**, Repeal Prohibition Local Residential Rent Control

<u>HB23-1115</u> repeals the statutory provisions from <u>HB21-1117</u> that currently prohibit counties and municipalities from enacting any ordinance or resolution that would control rent on private residential property or a private residential housing unit. As amended, <u>counties and municipalities would have discretion to apply rent controls largely as they sit fit.</u>, with two exceptions:

First, any ordinance or resolution that controls rent on private residential property must be uniformly applied. As amended in the House, any such ordinance or resolution <u>may not be applied to any property or units during the 15 years following that property or unit's first certificate of occupancy</u>. Mobile homes and mobile home parks are not included in the 15-year exemption and rent control may be applied regardless of the date built or date of certificate of occupancy.

Second, the rent control ordinance or resolution <u>must not impose a limit LESS THAN</u> the percentage increase in the Consumer Price Index + three percentage points plus + the percentage increase in valuation for assessment attributable to any improvement made to the property that year.

The bill has passed the House and has been assigned to the Senate Local Government & Housing Committee, but its hearing has not been scheduled.

Position: Monitor

Sponsors: Rep. Mabrey & Rep. Velasco and Sen. Rodriguez

#### HB23-1085, Rural County and Municipality Energy Efficient Building Codes

<u>HB23-1085</u> would have extended the timeframes during which rural municipalities and counties would be required to concurrently adopt a specified model energy code when updating their existing building codes. It also would have created a provision allowing a rural municipality, defined as a municipality with a population of less than 10,000 people, to adopt a less current model code if it has applied for and not been awarded a grant that significantly assists with energy code adoption and enforcement training. This would have matched the corresponding provision that already exists for rural counties.

This bill was postponed indefinitely in the House Energy & Environment Committee on Thursday, February 23<sup>rd</sup>.

Position: Support

Sponsors: Rep. Martinez and Sen. Simpson

## SB23-016, Greenhouse Gas Emission Reduction Measures

SB23-016 is composed of 14 sections that take various measures to reduce greenhouse gas emissions in the state. These sections include requiring the public employees' retirement association's board to adopt proxy voting procedures to ensure voting decisions align with and support the statewide greenhouse gas (GHG) emission reduction goals, adding wastewater thermal energy into definitions around clean resources, updating statewide GFG emission reduction goals, giving the oil and gas conservation commission authority over class VI injection wells, and more.

Of the 14 sections, there are four sections on which counties are most focused:

- Section 6: Updates the statewide GHG emission reduction goals and increases the 2050 GHG emission reduction goal from 90% of 2005 GHG pollution levels to 100%.
- Section 7: Gives the Oil and Gas Conservation Commission (COGCC) authority over class VI injection wells for GHG sequestration, subject to sufficiency of state resources. The COGCC may issue and enforce permits accordingly. There are currently no requirements for the issuing of permits to go through local government site approval.
- Sections 10 through 12: Requires the Colorado electric transmission authority to prioritize, "if practicable," project contracts that renovate or recondition existing utility transmission lines. Current law prioritizes contracts that will transmit or store electricity to be sold and consumed in Colorado and prioritizes electric utilities or entities that demonstrate an interest in continuing an existing powerline trail.
- Section 13: Requires a local government to expedite its review of a land use application that
  proposes a project to renovate, rebuild, or recondition existing transmission lines. "Expedite" is
  not defined to provide flexibility for local governments.

CCI is grateful for Senator Hansen's incorporation of the following requested amendments:

- Make local land use authority explicit in the reconductoring of transmission lines to enshrine in statute the need for renovation, rebuilding, or reconditioning of transmission lines to go through the local land use application process.
- Add "expedite <u>as practicable</u>" in section 13 to maintain the intent of encouraging local governments to expedite while acknowledging that there are practical constraints limiting how much the process can or should be expedited.
- Make local government site approval explicit regarding Class VI injection wells to clarify the authority of local governments in this section and ensure protection of the local government authority to make land use decisions that consider local needs and priorities.

CCI remains interested in discussing state recognition of the importance of supporting local governments as they deal with decommissioning costs of the technology that will be used to achieve the statewide GHG reduction targets.

SB23-016 passed the Senate Finance Committee and will now be heard in the Senate Appropriation Committee.

Position: Amend

Sponsors: Sen. Hansen and Rep. McCormick & Rep. Sirota



## Public Lands

Chair: Commissioner Jonathan Houck, Gunnison County Vice Chair: Commissioner Dwayne McFall, Fremont County CCI Staff: Gini Pingenot

#### SB23-059, State Parks and Wildlife Area Local Access Funding

SB23-059 will aid the state in helping Coloradoans access over 43 state parks and 350 wildlife areas.

This CCI initiated bill creates a grant program and an optional fee for local governments to help them meet growing visitation demands. In the absence of investing in local roads, bicycle lanes, shuttle operations and other transportation methods local governments support, Coloradoans and visitors alike will be deterred from enjoying the state's treasured resources.

Earlier this year, Colorado debuted its new Keep Colorado Wild (KCW) Pass. At a price point of \$29, the KCW is expected to generate as much as \$22 -\$55 million in the first year in revenue, increase visitation and fuel future recreation. Colorado Parks and Wildlife expects visitation increases between 6 million to 11 million visits per year, or between 31% and 57% from FY 2020-21 visitation counts.

SB 59 recognizes the important 'value proposition' that consumers make when purchasing a KCW pass. A visitor's <u>entire</u> experience – including the journey to a treasured park or wildlife area – factors into Coloradoan's decisions to purchase a pass. Given the importance of the KCW pass and the promise it holds for the state's ability to keep up with park and wildlife visitor impacts and demand, counties believe that an investment in the infrastructure that helps people arrive at these destinations will help ensure the long-term viability of the pass and the perceived value of it among the public.

The two tools in SB 59 that will help local governments address the operational impacts of helping people physically get to parks and wildlife areas are:

#### 1.) State Park and Wildlife Area Access Grant Program

Once CPW meets its \$36m financial goals, 50% of the overflow will flow into a grant program to support access infrastructure leading into parks and wildlife areas.

A grant program supported by KCW funding:

- a.) Recognizes the state/local government partnership in supporting the increased access demands that will result from the KCW pass;
- b.) Enhances the perceived value of the KCW pass and will encourage continued pass purchases in the future; and
- c.) Provide support to state wildlife area access needs.

#### 2.) Local Government Fee Option on Daily Vehicle Passes

Modeled after an existing statute, local governments, in coordination with the Colorado Parks and Wildlife Commission, may request an additional \$2 per daily vehicle pass. Funding will be remitted directly to the local government to help them support access routes serving state parks.

CCI's factsheet can be found here.

SB 59 was heard in the Senate Agriculture and Natural Resources Committee on Thursday, February 9. It will be voted on at a later date.

Position: Support (CCI Initiated Bill)

Sponsors: Sen. Baisley & Sen. Roberts and Rep. Catlin & Rep. McLachlan

### HB23-1066, Public Access Landlocked Publicly Owned Land

HB 1066 is frequently referred to as the corner crossing bill. A coroner crossing is created when checkerboard property ownership has two public property catty corner to each other, while the other two properties are privately owned (see below). There has been an issue in the West where hunters cross the corner to go from public land to public land. Under current law, this results in a trespassing offense. This trespass occurs because there is no way to cross the corner without entering the private property owner's airspace, as the point where all the properties meet is too small for a human to cross through.

Public Land	Private Land
Private Land	Public Land

Under C.R.S. 41-1-107: "The ownership of space above the lands and waters of this state is declared to be vested in the several owners of the surface beneath, subject to the right of flight of aircraft." . HB 1066 would allow hunters/recreationalist to move over privately owned land without stepping on or standing on the privately owned land to access public lands. The bill states that this action is NOT a trespassing offense.

The vast majority of entities are monitoring HB 1066. CO Trail Lawyers and DNR wish to amend HB 1066. Colorado Farm Bureau, CO Wool Growers and Rocky Mountain Farmers Union are all opposed. Audubon Rockies is supporting.

HB 1066 was heard in the House Agriculture, Water and Natural Resources Committee on Monday, February 27<sup>th</sup> but was not voted on. Rep. Bradley is working on an amendment to form a task force to examine the issue more fully.

Position: Oppose Sponsors: Rep. Bradley



## Taxation & Finance

Chair: Commissioner Richard Elsner, Park County Vice Chair: Commissioner Bob Campbell, Teller County CCI Staff: Gini Pingenot

#### SB23-035, Middle-Income Housing Authority Act

The Middle Income Housing Authority (MIHA) is an independent, special-purpose authority for promoting affordable rental housing projects for middle-income workforce housing. It was created by SB22-232, which gave it the power to make and enter into agreements with public or private entities to facilitate public-private partnerships.

SB23-035 clarifies this power to enter into public-private partnerships by specifying that the *affordable rental housing component* of a public-private partnership is exempt from state and local taxation, including local government property tax and sales and use tax. *Affordable rental housing components*, a new term introduced in SB23-035, would include property and activities that are a part of an affordable rental housing project. This could include a commercial element to a project (which must receive approval by the MIHA and be incidental to the housing component of the project).

It is important to note that local governments must be notified and can object to a proposed project for any reason CRS 29-4-1107 (4). Cities and counties have the ultimate say in whether or not a project can proceed. Some of the reasons why a local government might object to a project include insufficient water and waste water infrastructure, impacts to wildlife, potential wildfire safety concerns (ie located in the Wildland Urban Interface), traffic concerns, etc. MIHA may agree to make payments to a local government in lieu of property or sales and use taxes but is not required to do so. Property that is not part of the affordable rental housing component in a public-private partnership remains subject to all taxation.

The bill also clarifies that a public-private partnership may provide for the transfer of the interest in an affordable rental housing project to an entity other than MIHA; that MIHA may issue bonds to finance the affordable rental housing component in a public-private partnership; and that bonds issued by MIHA may be payable from the revenue and assets of the affordable rental housing component of a public-private partnership or solely from the revenue or assets of MIHA as current law requires.

Additionally, the MIHA board of directors is expanded from 14 to 16 by the addition of two nonvoting members. The senate majority leader and the house majority leader will each appoint a member of the general assembly from their respective chambers, unless the senate majority leader and house majority leader are from the same political party, in which case the house minority leader will appoint the member from the house.

SB23-035 will be heard in the House Transportation, Housing and Local Government Committee on Tuesday, March 14th.

Position: Support

Sponsors: Sen. Bridges & Sen. Moreno and Rep. Herod

#### SB23-055, Car Sharing Program Sales Use and Ownership Tax

The Enterprise rental car company is the proponent behind SB 55. The bill is intended to level the playing field – from a tax collection and remittance standpoint – between traditional rental care companies and peer-to-peer car rental platforms like <u>Turo</u>, <u>Get Around</u>, and <u>Drift</u>.

HB 55 gives the owner of a peer-to-peer vehicle the option to either pay sales or use tax at the time of purchase (current status) or collect and remit the sales/rental taxes on the rental transaction of the vehicle. The Colorado Department of Revenue (CDOR) issued a private letter ruling on this matter two years ago. That ruling, however, applied to a specific taxpayer who inquired about how their peer-to-peer rental business would be treated from a tax standpoint. You can find that private letter ruling <a href="here">here</a>.

In essence, CDOR provides a detailed distinction between the vehicle owner and the company that facilitates the peer to peer rentals. "Company, not the owner, will be regarded as the lessor with respect to vehicles leased through its platform. Company is the party with whom a driver will enter into a contract for the possession and use of the vehicle" (p.3). From here, CDOR concludes that the Company is the lessor of vehicles rented through its platform and the Company must collect and remit all taxes on the rental transaction (short term lease) of a vehicle.

As introduced, SB 55 would have allowed the vehicle owner to choose to 1.) collect and remit sales/rental taxes on the rental of their vehicle OR 2.) claim that they plan to engage in peer-to-peer rental activities at the time of purchasing a car and avoid the sales tax on their initial purchase. This was a major loophole that CCI sought to address.

SB 55 was postponed indefinitely in the Senate Transportation and Energy Committee. Despite this outcome, the CDOR still requires and enforces the collection of sales and rental taxes on each peer-to-peer rental transaction.

Position: Amend

Sponsors: Sen. Gardner

#### SB23-057, County Treasurer No Longer Ex Officio District Treasurer

Under current law which passed in 1905, irrigation and drainage districts pay a fee ranging between \$25 to \$100 per year to a county treasurer for financial services. As amended, the bill removes this provision and requires any drainage district utilizing the services of a county treasurer to pay .0025% of the total money received by the county treasurer for assessments levied by the drainage district beginning January 1, 2026.

On average, county treasurers are receiving about \$160 collectively from irrigation and drainage districts within the county. The bill increases the amount a county treasurer will receive to provide financial services. A district that performs its financial services internally, without the assistance from the county

treasurer, will not incur these increased costs; rather, the district will take on the workload performed formerly by the county.

The majority of irrigation and drainage districts are in Mesa and Weld Counties. SB23-057 is a Colorado Treasurer's Association initiated bill. CCI understands the Treasurers are working on amendments and thus took an 'amend' position to support the Treasurer's work on SB23-057.

SB 57 was amended in the Senate Local Government Committee to the liking of both County Treasurers and the Irrigation and Drainage Districts. It has passed the senate and is scheduled to be heard in the House Transportation, Housing and Local Government Committee on Wednesday, March 8<sup>th</sup>.

Position: Support

Sponsors: Sen. Rich and Rep. Taggart

#### SB23-108 Allowing Temporary Reductions in Property Tax

SB 108 allows local governments to provide temporary property tax relief through temporary property tax credits or mill levy reductions. The bill also makes it clear that credits can be eliminated and the original mill levy can be restored.

Existing statute is clear that temporary mill levy credits can be used to <u>refund TABOR surpluses</u>. And, while there are some local governments that have also issued mill levy credits for <u>property tax relief purposes</u>, other local governments seek clarity and assurance that this is an allowable move under TABOR. SB 108 provides this clarity.

SB 108 was amended to exclude a school district from lowering its total program mill levy below the minimum amount set in state statute and to make it clear that a temporary reduction in property taxes due for the purpose of property tax relief is subject to annual renewal.

SB 108 is waiting to be assigned to a house committee for its first hearing in the house.

Position: Support

Sponsors: Sen. Baisley and Rep. Pugliese & Rep. Frizell

#### SB23-175, Financing of Downtown Development Authority Projects

SB 175 modifies some functions of Downtown Development Authorities (DDA). DDAs currently exist in 8 counties: Boulder, El Paso, Garfield, Gunnison, Larimer, Mesa, Teller and Weld. The original inception of a DDA requires a vote of qualified electors. DDAs can exist for 30 years with an option to extend their existence for another 20 years.

SB 175 will allow the Board of the Authority, pursuant to an IGA with the municipality, to issue bonds and incur loans or indebtedness. The bill also provides for automatic and re-occurring 20 years extensions after the 50 year duration has concluded. This perpetual existence will happen unless the governing body of the municipality opts out of the automatic extension.

SB 175 keeps the same financing structure in place that currently exists in the existing 20-year extension period. On the first day of the 20 year extension, the 'base year' for assessed valuation purposes is

advanced forward by 10 years. After the first 10 years of the 20 year extension, the base year is advanced forward by one year for each additional year through the completion of the 20 year extension. Additionally, for the entirety of the extension, 50% of property taxes levied (or such greater amount as may be set forth in an agreement negotiated by the municipality and the respective public bodies) shall be paid into the DDA's fund and the balance goes back to the other public bodies for which taxes are collected.

Position: Pending

Sponsors: Sen. Jaquez Lewi & Sen. Rich and Rep. Boesnecker & Rep. Taggart

### HB23-1017, Electronic Sales and Use Tax Simplification System

The Sales and Use Tax Simplification System (SUTS) was launched in the spring of 2020 with two primary goals: 1.) ease sales tax filings and remittance for retailers and 2.) appeal to home rule municipalities to voluntarily join which in turn would ease the sales tax compliance expectations of retailers.

HB 1017 originates from the Sales and Use Tax Simplification Task Force, an interim committee that met last fall to develop this bill. The bill creates a 'to do' list of system upgrades that the Colorado Department of Revenue must onboard no later than January 1, 2025.

Some of these upgrades include:

- Notification to a local taxing jurisdiction when a change has been made to an account or when the account has been closed;
- Creating a simplified process for filing a zero return (occurs when a retailer has little to no retail activity during a filing period);
- Inclusion of use taxes;
- Requirements that a retailer register with a local taxing jurisdiction in which taxes are due before using SUTS; and
- Prohibiting a retailer from filing a return in SUTS unless the retailer has the correct local number on the account.

The bill also prohibits CDOR from charging a fee for payments made through SUTS, creates a campaign to promote the use of SUTS among retailers and local taxing jurisdictions, and tasks CDOR with soliciting feedback from stakeholders about needed SUTS enhancements (an activity the department has already been doing for several years.).

HB23-1017 passed the House Finance Committee and is waiting to be heard in the House Appropriations Committee. The bill has a roughly \$7 million general fund obligation for fiscal year 2023-2024 and is expected to be amended at some point in the legislative process to reduce the state's general fund obligation (most likely through a prioritization of the upgrades listed in the bill).

Position: Support

Sponsors: Rep. Kipp & Rep. Bockenfeld and Sen. Bridges & Sen. Van Winkle

#### HB23-1054, Property Valuation

HB 1054 proposes a series of property valuation changes and limits the increase in local growth (and thus property tax revenues) in the 2023 property tax year (payable in 2024), creates a one-time change

impacting which assessment cycle will be used for the notice of valuations that will be sent to property owners this spring and revises the multi-family assessment rate for the 2024 property tax year (payable in 2025).

To see a visual of all of the proposed changes in HB 1054 and how those would interact with legislation that passed in the last two years, click <u>here</u>.

HB 1054 will be heard on Thursday, March 9th in the House Finance Committee.

Position: Monitor

Sponsors: Rep. Frizell and Sen. B Pelton

#### HB23-1091, Continuation of Child Care Contribution Tax Credit

HB 1091 continues the availability of the child care contribution tax credit (CCTC) for 3 more years. This income tax credit is currently set to expire after the 2024 income tax year. HB 1091 will allow donors to claim it for the 2025, 2026 and 2027 income tax years. It also expands the credit to cover in-kind real property, equipment and services donations.

The CCTC is a 50% tax credit up to \$100,000 for donations made to child care, early childhood grant programs, foster care, youth shelters, residential treatment centers, before and after school programming and grant programs to help families afford child care.

In income tax year 2020, taxpayers claimed 16,850 child care contributions credits worth an aggregate \$28.4 million. Given the value of the credit is limited to \$100,000, the fiscal note does not anticipate that many real property contributions will occur. Because the state is anticipated to generate revenue above its TABOR cap through FY 2024-25 (\$1.37 billion projected in revenue above the TABOR Cap in SFY 2024-25 – refunded in SFY 25-26), the CCTC will reduce the amount of revenue available to refund through other mechanisms.

HB 1091 unanimously passed the House Finance Committee and is waiting to be heard in the House Appropriation Committee. This hearing will likely happen sometime after the state's budget for SFY 23-24 has been approved (late March/early April).

Position: Support

Sponsors: Rep. Pugliese & Rep. Kipp, and Sen. Marchman & Sen. Rich

#### **HB23-1113**, County Impact Notes by Legislative Council

HB 1113 would have created a new county impact note product that would be produced by Colorado Legislative Council if requested by the Legislature. This product would have been in addition to the current practice Legislative Council employs now through their routine solicitation of local government feedback on bills that impact counties. Under HB 1113, up to 20 county impact notes could have been requested each year by the Legislature. This concept is similar to the demographic notes and the greenhouse gas notes that passed in 2019.

This bill was partly in response to two bills that passed last year impacting the Colorado Temporary Assistance to Needy Families program (HB22-1259) and collective bargaining for counties (SB22-230). Proponents saw the benefit of having a 'deep dive' analysis into county operational impacts as a helpful way to create greater understanding among legislators of county resource challenges.

HB 1113 was postponed indefinitely in the Transportation, Housing and Local Government Committee on Tuesday, February 14<sup>th</sup>.

Position: Amend

Sponsors: Rep. Hamrick & Rep. Frizell

## HB23-1184, Low Income Housing Property Tax Exemptions

HB 1184 makes several modifications to what has been known for years as the 'Habitat for Humanity' statute. Originally adopted in 2011, this provision of statute allows non-profit housing providers (a term narrowly defined to really only mean Habitat for Humanity) to acquire real property and maintain its property tax exempt status for 5 years. This has allowed Habitat for Humanity the ability to plan and execute developments without triggering a property tax liability. There is a 'claw back' provision in the event that the land is sold to an entity/person who doesn't meet the strict definition of a non-profit housing provider.

HB 1184 extends the amount of time Habitat can hold on to real property without any construction activities occurring from 5 to 10 years. Additionally, the bill changes the definition of low-income applicant from 80% AMI to 100% AMI beginning in January 2024.

Additionally, HB 1184 creates a new property tax exemption for land trusts and non-profit homeownership developers. This new exemption would apply to the land and NOT the improvement/dwelling. In order to qualify for the exemption, the dwelling on the land must have a deed restriction or some other price control in place, is sold to a household who at the time of purchase is at or below 100% AMI and is intended by the purchaser to be used as a primary residence. Currently land trusts can secure a property tax exemption but they MUST work with a housing authority. Since housing authorities are governmental entities (and thus exempt from property taxation), land trusts have partnered with them in order to secure an exemption. This provision of HB 1184 will allow land trusts and non-profit homeownership developers to secure the exemption on their own.

To access a Q&A on this policy between CCI and Habitat for Humanity, click here.

CCI supported the amendment to increase the allowable AMI for rural resort counties to at or below 120%. Additional amendments to safeguard the new exemption for land trusts from potential abuse were developed by Commissioners Elsner, Pogue, Niece and Campbell Swanson. These amendments require Community Land Trusts and Nonprofit Affordable Homeownership Developers to adhere to the same application requirements as all other charitable entities must follow. They also add a claw back provision in case the land is sold off and the affordable homeownership property no longer meets the criteria for an exemption. Finally, a small clarification was added to require that homes are sold to those who make the house their primary residence. This will help to avoid short term rental activity.

HB 1184 will be heard on Monday, March 6th in the House Finance Committee.

Position: Amend

Sponsors: Rep. Lindstedt & Rep. Frizell and Sen. Roberts



## Tourism, Resorts & Economic Development

Chair: Commissioner Richard Cimino, Grand County Vice Chair: Commissioner Jeanne McQueeney, Eagle County CCI Staff: Reagan Shane

#### HB23-1190, Affordable Housing Right of First Refusal

<u>HB23-1190</u> creates a right of first refusal for local governments to match an acceptable offer to purchase multifamily developments for the purpose of providing long-term affordable housing. The local government may assign its right of first refusal to the state, to any political subdivision, or to any housing authority so long as that entity makes the same commitment to using the property as long-term affordable housing.

Long-term affordable housing is defined as housing for which the annual rent for any unit in the qualifying property does not exceed the rent for households of a given size at the applicable AMI (80% AMI for urban, 120% AMI for rural, 140% AMI for rural resort) for a minimum of 100 years, and where the local government agrees not to raise rent for any unit by more than the rent increase cap. A "qualifying property" is a multifamily residential or mixed-use property consisting of five or more units in urban counties and three or more units in rural or rural resort counties; mobile home parks are not qualifying properties.

The bill requires the seller to give notice to local governments when they intend to sell a qualifying property. It requires the local governments to give notice to the seller within 14 days and to residents of the property if they use its right of first refusal. The local government must make an offer within 90 days and close within 180 days. The local government may also waive its right of first refusal at any time or if a third-party buyer interested in purchasing the property with the same commitment to long-term affordable housing enters into an agreement with the local government concerning that commitment.

A property acquired via this right of first refusal may be converted to another use after 50 years if the following are fulfilled:

- 1. Notice is given to residents prior to the conversion;
- 2. Any displaced residents are provided with compensation for relocation; and
- 3. The purchaser who committed to providing long-term affordable housing guarantees the development or conversion of an equal or greater number of units within the boundaries of the local government for long-term affordable housing and offers the units first to any residents displaced by the conversion of the property.

The bill allows for the following sales or transfers of property to be exempt from the right of first refusal: to a family member or trust with family member as beneficiary (legally recognized – spouse, first cousin, child, etc.); to, if wholly owned by seller, a partnership, LLC, or corporation; pursuant to a will, descent, or interstate distribution; pursuant to an action in eminent domain; to the state or to a local government; pursuant to a court order; between joint tenants or tenants in common; qualifying properties for which a preexisting agreement giving a ROFR to a third party at the time the bill goes into effect.

As requested by the Land Title Association of Colorado and thus amended, if a court finds that a residential seller has made a misrepresentation in its affidavit certifying that it has complied with relevant requirements, the sole remedy available is against the residential seller. Additionally, if a court finds that a residential seller or third-party buyer has entered into an agreement with the local government to provide long-term housing and violates that agreement, the court shall award a penalty of not less than \$50,000 or an amount equal to 30% of the purchase of listing price, whichever is greater.

CCI is engaged in ongoing discussion with the bill sponsors and other stakeholders on shortening the timeline. CCI was supportive of amendments adopted in committee to clarify various definitions and incorporate electronic notification delivery.

HB23-1190 passed the House Transportation, Housing & Local Government Committee and is scheduled to be heard on the House floor today, Monday, March 6<sup>th</sup>.

Position: Amend

Sponsors: Rep. Boesenecker & Rep. Sirota and Sen. Winter

## SB23-006, Creation of the Rural Opportunity Office

The <u>Rural Opportunity Office</u> in the Office of Economic Development and International Trade (OEDIT) was created in 2019 to support Colorado's rural partners and communities by connecting them to relevant programs within OEDIT, in that way facilitating cross-division collaboration with OEDIT. The office also supports Colorado's rural partners and communities by connecting them to other state, federal, nonprofit, and private partner agencies and organizations.

<u>SB23-006</u> codifies the Rural Opportunity Office in OEDIT, making it more permanent in law. The bill outlines the responsibilities of the office as follows:

- The office will serve as Colorado's central coordinator of rural economic development matters and will provide support and coordination with other state agencies and programs dealing with rural economic development matters.
- It will work with coal transitioning communities to explore unique business and economic development opportunities.
- It will make recommendations that inform the governor's policy on rural economic development matters.
- It will measure the success of program outreach and conduct research to determine whether rural communities receive more statewide funding as a result.

SB23-006 passed the Senate Business, Labor, & Technology Committee unanimously and is waiting to be heard in the Senate Appropriations Committee.

Position: Support

Sponsors: Sen. Roberts & Sen. Rich and Rep. McLachlan & Rep. Catlin



## **Transportation & Telecommunications**

Chair: Commissioner Jim Candelaria, Montezuma County Vice Chair: Commissioner Chris Richardson, Elbert County CCI Staff: Eric Bergman

## HB23-1051, Support for Rural Telecommunications Providers

HB 1051 extends for one year a direct distribution of High Cost Fund dollars to a number of rural telecommunications providers around the state. The bill aligns the sunset date for this direct distribution with the larger programmatic sunset review of the High Cost Fund Support Mechanism and Broadband Deployment Board that will occur in 2024. The bill passed the Senate on third reading last week and now heads to the Governor's desk for signature.

Position: Support

Sponsors: Rep. Lukens & Rep. Holtorf and Sen. Roberts & Sen. Pelton R.