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Legislative Newsletter

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May 8, 2019

An up-to-date review of Colorado government and politics especially for the Aurora Chamber of Commerce.
Compiled and edited by Axiom Strategies, Inc.

"No man's life, liberty or property are safe while the legislature is in session."
Mark Twain

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Highlights

Despite adjourning quietly late on Friday afternoon, the 2019 legislative session will be remembered for a number of bitter legislative battles and some big victories for Democrats. When the Colorado General Assembly convened in January, no one would have predicted the number of legislative hearings that would go late into the night throughout the 120 days. Tensions rose quickly as early in-session battles, like National Popular Vote and Sexual Education, caused consternation between caucuses. Senate Republicans scored a victory when a Colorado Court ruled that Democrats could not use a computer to read bills at length illegibly. This verdict allowed Republicans to drag out debate, often for hours, slowing the session to a snail's pace. Numerous committee hearings and committee of the whole debates stretched until midnight, with some going into the wee hours of the morning, 2 a.m., 4 a.m. and a record-breaking 5:30 a.m. The final week saw an unprecedented backlog of bills, which miraculously cleared by the final day.

In this team's experience, there has not been a more challenging session for Colorado businesses as 2019. Numerous bills were introduced mandating how employers must publish new job postings and conduct employment interviews, allowing local governments to raise the minimum wage beyond the state's minimum wage, and specifying what retirement and family-leave benefits employers have to offer their employees. During these very important legislative battles, the policy discussion often turned into a debate on what role or how much of a role government should have in protecting workers.

Three issues passed and signed by the Governor are currently the subjects of citizen-initiated petition or recall drives. The hard-fought oil & gas legislation granting local governments more control over the specifics of drilling operations consumed many days of the limited 120-day schedule. In the end, the bill made it to the Governor's desk, but battle

scars remain and efforts to recall legislators who supported the measure are underway. Colorado's passage of a bill on National Popular Vote spurred a petition effort to repeal the legislation and will likely be on the ballot in November of 2020. The Governor also signed the Emergency Protection Order (ERPO) or "red flag" gun bill. The bill gives judges the power to temporarily remove firearms from people believed to be a threat to themselves or others. Passage of restrictions on "gun control" in the past led to the recall of two Colorado legislators, one the sitting Senate President, and the resignation of a third, which cost Democrats the Majority of the Senate at the time.

In the end, when the dust finally settled late afternoon on Friday the 3rd of May, most of the legislative business had been completed. Here's a recap of some of the most debated issues:

Oil & Gas Local Control
SB19-181 took up a great deal of time in the middle of the session – as industry combated with leadership and the Polis Administration on how best to allow local governments more authority over oil and gas operations, without shutting down the industry, costing millions in tax revenue and thousands of jobs. The bill was introduced and passed quickly in the Senate, as the drama of the court case regarding reading bills at length loomed underneath. This may be considered the 2019 low. Once the bill passed on a party-line vote, the House Speaker, while moving quickly, was still able to amend the bill in a number of ways that gave some more certainty to the industry. The end result was better than the introduced version, but those in the industry are still nervous about what lies ahead. For now, the ballot wars that voters of Colorado have seen over the last number of years seem to have ceased. Only time will tell if that remains true.

TABOR Reform
Colorado's infamous Taxpayers' Bill of Rights (TABOR) caps the amount of money the state can spend each year to the current budget plus growth and inflation. Any extra revenue is must be returned to taxpayers. One bill passed that will ask voters on the November ballot to let the state keep any surplus. A companion bill passed that would allow the state to keep the excess revenue and split the extra funds equally between transportation, K-12 education and higher education.

Paid Family Leave
This was one of the more hard-fought pieces of legislation during the session. With almost every single business group in the state opposing the bill as introduced, the end-result of the legislation is one of the few issues where the business community's message resonated with enough legislators to effectuate change and the bill was reworked. In the end, the bill was completely rewritten from establishing a billion-dollar-government insurance program and mandating very specifically what that must look like to instead establishing a task force to study the issue of implementing a mandatory state family leave program. The legislation as introduced would have affected every single Colorado worker and employer, mandating they pay into the system, regardless if there were alternative benefit plans that were equal or better. Raising issues of concern including the price tag needed to pay for implementation of the program, the length of time of leave (12-16 weeks), utilization forecasts and how to maintain solvency won in the end. The original concept required the state to collect a premium on each person's paycheck; with employees and employers sharing the cost 60-40 (50-50 as introduced). The task force must do numerous analyses, including actuarial and feasibility studies, and come back next year with recommendations for new legislation that will implement such a program.

Climate Change
House Speaker KC Becker introduced and passed legislation setting specific targets for reducing greenhouse gas emission in Colorado. The goal is to reduce output 30 percent by 2030 and 90 percent by 2050, compared to 2005 levels. The legislation faced opposition in the State Senate but ultimately went through on a narrow vote. Colorado regulators will begin rule making on establishing goals over the summer/fall.

School Immunization Requirements
Testimony in the House Committee beat all records for lengthy hearings when the public hearing on this bill went until 4:30 a.m. the following day. Debate on the bipartisan-sponsored measure specifying how parents who chose not to vaccine their children could receive vaccine exemptions lasted 14 hours. Colorado ranks last in the nation in regards to the number of kindergarteners who are vaccinated for measles, mumps and rubella, according to the Centers for Disease Control and Prevention. The bill, sponsored by Democratic Rep. Kyle Mullica and Republican Sen. Kevin Priola

attempted to change that by requiring parents wishing to opt out of immunization, for reasons other than medical, to go through a formal process with the state. Parents would have been required to submit a form in-person the first time they seek a non-medical vaccine exemption. In the final days of the session Governor Polis indicated he was opposed to legislation mandating a stringent process that impeded parental choice. The legislation passed Senate committee in the wee hours of Thursday morning on the last week of session but was not brought up for debate by the midnight deadline, thereby sealing its demise.

Consumers & Health Care Costs
One of the first acts of the Polis Administration was to create a new office, "The Office for Saving People Money on Health Care." The new Governor wants to make Colorado the first state in the country to offer state-run health insurance. Legislation directing state agencies to study to the idea and report back to the legislature passed with bipartisan support. Any future plans would need approval from federal regulators. The legislature dealt with the issue of "surprise medical bills" by passing restrictive measures that cap the rates out-of-network providers can charge. Lawmakers had difficulty trying to find a solution on reinsurance that could past federal rules. The reinsurance bill, HB19-1168, was intended to lower health care costs, however at final passage not all stakeholders are convinced the goal will be accomplished. The intent is lower premiums for health care. This campaign promise made by Polis, who said it could happen without any more cost to Colorado taxpayers has proven difficult to achieve. Transparency bills targeting the pharmaceutical industry as well as hospitals were introduced, with hospital transparency crossing the finish line as well as a bill mandating out-of-pocket cost caps to consumers on insulin medication.

Sports Betting
Lawmakers negotiated behind the scenes for months before introducing the sports gambling bill. The bipartisan legislation places the question on the ballot in November of 2019 asking voters to legalize in-person sports betting this November by enacting a tax on wagers. If passed, it would allow bets on games in-person at mountain casinos and provide online betting licenses. The state would collect 10 percent of all proceeds, which would go toward water conservation projects.

Tobacco Tax Increase
In the last weeks of session, a priority bill for Gov. Polis was introduced that would have sent a question to voters to raise taxes on tobacco products by 300% to provide funding for health care, behavioral health programs and preschool programs and expanding learning opportunities. The bill was met with criticism for its timing and the significant amount of the tax increase, with opponents calling it a regressive tax that would negatively impact more vulnerable populations. Proponents lauded the money it could raise for much-needed behavioral health and preschool programs. The bill, with threat of lengthy debate and uncertainty it had the votes to pass in the Senate was laid over until the end of session on Thursday.

Rent Control
As the Colorado Sun referred to the 2019 Legislative Session as "The Year of the Renter" earlier this year, there were many bills addressing "tenants' rights" that passed the General Assembly, including increasing the number of days before a tenant can be evicted, regulating application fees and making it easier for tenants receive damages when habitability is in question. Perhaps the most extreme measure was rent control. Under current law in Colorado, local governments are banned from regulating their rental markets. A bill to allow local governments to set price controls on rental units, as well as requiring developers to set aside a certain number of affordable units when they approve new buildings died on the Senate floor when it was determined there were not sufficient votes to pass the measure.

In addition to this recap your Axiom team would like to provide you with this summary of your legislative issues:

Priority Bills

HB19-1025 (Melton & Herod/Foote & Rodriguez)
Limits on Job Applicant Criminal History Inquiries

This bill prohibits an employer from stating in a job posting or on any form of application that a person with a criminal history may not apply. It also prohibits an employer from inquiring into or requiring disclosure of an applicant's criminal history on an initial application. These rules do not apply if an employer is advertising a position that federal, state, or local law prohibits individuals with specific criminal convictions from holding. The bill does not apply to the state, a local government, or a quasi-governmental entity, or a political subdivision of the state. The bill also exempts any employer hiring as part of a program to encourage the employment of people with criminal histories. An employer may continue to obtain a criminal background report during any stage of the hiring process.

The bill does not create a protected class under employment anti-discrimination laws or a private cause of action. All complaints alleging a violation of these rules must be filed with the Colorado Department of Labor and Employment (CDLE). CDLE must investigate any complaint received within 12 months of the alleged violation, unless the department deems the complaint to be without merit. An employer who violates the law is subject to an order requiring compliance within 30 days and the following penalties:

- first violation: a warning;
- second violation: a civil penalty of up to $1,000; and
- third or subsequent violation: a civil penalty of up $2,500.

CDLE must adopt rules regarding procedures for handling complaints filed against employers, including rules for providing notice to employers and requirements for retaining and maintaining relevant employment records during an investigation.

Position: Monitor
Outcome: Sent to the Governor on 4.29.19

HB19-1210 (Melton & Galindo/Moreno & Danielson)
Local Government Minimum Wage
Current state law prevents local governments from enacting minimum wage laws separate from those of the state. This bill repeals that provision and allows local governments to establish minimum wage laws for individuals performing work while physically present within their jurisdictions through their governing body, an initiative, or referendum. Local minimum wages may exceed the state and federal minimum wages. A local government that establishes a local minimum wage may adopt provisions for local enforcement of the minimum wage law.
The authority to enact a local government minimum wage applies to a city, home rule city, town, territorial charter city, city and county, county, and home rule county. Amendments were added in the Senate to state that a local government could raise the minimum wage across the board for the whole jurisdiction and could not target certain industries.

Position: Monitor
Outcome: Passed General Assembly on 5/3/19

SB19-085 (Danielson & Pettersen/Buckner & Gonzales-Gutierrez)
Equal Pay for Equal Work Act
This bill modifies wage discrimination law and creates new provisions regarding transparency in wages and promotions. It removes the authority of the Department of Labor and Employment (CDLE) to enforce sex-based wage discrimination complaints and allows a person to commence a civil action in district court within two years of a violation. A person aggrieved by a violation may obtain relief for back pay for the entire time the violation continued for up to three years. A wage differential is allowed where the employer can demonstrate that the wage differential is based on a seniority or merit system, or a system that measures earnings by quantity or quality of production. Employers are prohibited from seeking the wage history of a prospective employee; discriminating or retaliating against a prospective employee for failing to disclose his or her wage history; or prohibiting an employee from disclosing wage information. Employers who violate sex-based wage discrimination law are liable for economic damages and equitable relief and the employee's reasonable costs, including attorney fees and other legal expenses.
The bill also requires employers to make reasonable efforts to notify all current employees of promotion opportunities on the same day and prior to making a promotion decision. Employers are required to disclose an hourly wage rate or range for all job postings. The CDLE has the authority to enforce the wage and promotion transparency provisions and

employers are subject to penalties of $500 to $10,000 per violation. If an employee who brings suit for wage discrimination also demonstrates a violation of the wage and promotion transparency provisions, the court may order appropriate relief, including a presumption that records not kept by the employer can be considered evidence that the violation was not made in good faith. This provision was amended in the House as well as language that states that employees should go through an administrative process first.

Position: Oppose as introduced/Amending
Outcome: Passed General Assembly with amendments on 4.30.19

SB19-188 (Winter & Williams/Gray & Duran)
FAMLI Family Medical Leave Insurance Program
This legislation changed significantly from introduction to what ultimately passed. At introduction, SB19-188 created and implemented a paid family medical leave insurance program as an enterprise with every employee and employer paying a premium into the fund. This fund would have allowed eligible workers to get paid for leave up to 16 weeks. The bill was rewritten as a study with a requirement to come back to the General Assembly next year with implementation recommendations.

This bill now requires the Department of Labor and Employment (CDLE) to perform or contract for analyses concerning the implementation of a paid family and medical leave program for all employees in the state. It also creates a task force to make recommendations on program implementation. All analyses are required to presume a paid family and medical leave program that is established by July 1, 2020; begins education and outreach on January 1, 2022; establishes a funding stream on January 1, 2023; and starts paying benefits on January 1, 2024.
Task force. The bill creates a 15-member Family and Medical Leave Implementation Task Force. Membership and appointing authorities are delineated in the bill. Task force members serve without compensation but are entitled to receive reimbursement for expenses.

Third-party administrator feasibility. The CDLE is required to analyze the feasibility of contracting with a third party to administer parts of a paid family and medical leave program. This analysis will include issuing a request for information (RFI) from third parties that may be willing to administer the program and considering public comments.

Program development analysis. The CDLE will contract with at least three local and national experts in the field of paid family and medical leave selected by the task force to develop recommendations on parameters to ensure that a program is equitable, affordable, accessible, and adequate. The bill outlines the elements that the analyses must consider.
Actuarial study. The CDLE will contract for an actuarial study of the initial recommendation made by the task force for a paid family and medical leave program.

Timeline. The bill requires that specific actions happen by the following dates:
· July 1, 2019 – the task force must be appointed.
· October 1, 2019 – the CDLE will provide the results of the third-party feasibility analysis, the expert recommendations, and a report from CDPHE detailing the health benefits related to paid family and medical leave to the task force. The task force will accept public comments regarding the administration and establishment of a paid family and medical leave program.
· November 1, 2019 – the task force will make an initial recommendation on a family and medical leave program and provide the recommendation to the actuary contracted by the CDLE.
· December 1, 2019 – the CDLE will provide the results of the actuarial analysis to the task force for consideration.
· January 8, 2020 – the task force will report its final recommendation on a paid family and medical leave program to the General Assembly and the Governor.

Position: Oppose as introduced
Outcome: Passed the General Assembly as rewritten on 5.1.19

SB19-051 (Scott & Cooke)
Increase General Fund Funding for Transportation
Current law transfers $150.0 million from the General Fund to fund transportation in FY 2019-20. Of this amount:

- $105.0 million is transferred to the State Highway Fund (SHF),
- $22.5 million is transferred to the Highway Users Tax Fund (HUTF) for allocation in equal shares to counties and municipalities; and
- $22.5 million is transferred to the Multimodal Transportation Options Fund.

This bill increases the total amount transferred in FY 2019-20 by $190 million ($340 million total) from the General Fund to two cash funds in FY 2019-20 as follows:

- an additional $161.5 million to the SHF; and
- an additional $28.5 million to the HUTF for equal allocation to counties and municipalities.

This bill was introduced at the beginning of the session, with low expectation for final passage. It lingered on the calendar until Democrats negotiated with Republicans on increasing transportation revenue through the budget.

Position: Monitor
Outcome: Senate Committee on Transportation & Energy voted to Postpone Indefinitely on 4.25.19

HB19-1257 (Becker & McCluskie/Court & Priola)
Voter Approval to Retain Revenue for Ed & Transp
If adopted by the General Assembly, HB 19-1257 is referred to voters at the 2019 statewide election and will be designated as Proposition CC unless another statutory measure is referred at an earlier date. With voter approval, Proposition CC permits the state to retain and spend or save all revenue it collects in FY 2019-20 and subsequent years as a voter-approved revenue change under the TABOR amendment. Revenue retained under Proposition CC is required to be spent for:

- public schools;
- higher education; and
- roads, bridges, and transit.

The Office of the State Auditor is required to contract for an annual financial audit of funds retained and appropriated or transferred under Proposition CC.

Position: Support
Outcome: Passed General Assembly on 4.29.19

HB19-1258 (Becker & McCluskie/Court & Priola)
Allocate Voter-Approved Revenue for Education & Transportation
This bill takes effect only if HB 19-1257 is adopted by the General Assembly and approved by voters at the November 2019 statewide election as Proposition CC. If approved, Proposition CC requires that revenue collected in excess of the state TABOR limit (Referendum C cap) be retained and spent for public schools, higher education, and transportation projects. This bill requires that excess revenue be set aside in the General Fund exempt account and that, in the succeeding year:

- the General Assembly appropriate one-third of the retained amount for higher education;
- the General Assembly appropriate one-third of the retained amount for public schools, to be distributed on a per pupil basis and used only for nonrecurring expenses for the purpose of improving classrooms; and
- the state treasurer transfer one-third of the retained amount to the Highway Users Tax Fund (HUTF).

The bill specifies that revenue appropriated to school districts may not be used as part of a district reserve. Revenue transferred to the HUTF is allocated as follows:

- 60 percent to the State Highway Fund (SHF) for use for the state's strategic transportation project investment program;
- 22 percent to counties for county transportation projects, distributed according to a current law formula; and

- 18 percent to municipalities for municipal transportation projects, distributed according to a current law formula.

Of the SHF share of the HUTF transfer, no more than 85 percent may be spent for highway-related capital improvements, and at least 15 percent must be spent for transit-related capital improvements.

The bill applies to revenue retained for FY 2019-20 and subsequent years. Revenue must be appropriated or transferred in the immediate succeeding year. The Office of the State Controller in the Department of Personnel and Administration is required to report annually on the amount of retained revenue, and the Office of the State Auditor in the Legislative Branch is required to audit these reports.

Position: Support
Outcome: Passed General Assembly on 4.29.19

SB19-262 (Zenzinger & Rankin/ Esgar & Ransom)
General Tax Fund Transfer to HUTF
On July 1, 2019, this bill transfers $100 million from the General Fund to the Highway Users Tax Fund (HUTF) to be distributed to the State Highway Fund in the Colorado Department of Transportation (CDOT) and local governments. This bill also creates the Smart School Bus Safety Pilot Program in the Department of Public Safety (DPS) to award $5 million in grants to school districts for technical equipment and training.

General Fund transfer — CDOT and local governments. On July 1, 2019, this bill transfers $100 million from the General Fund to the HUTF. These funds will be allocated based on the HUTF's second stream allocation formula, which distributes:
- 60 percent to the State Highway Fund in the Colorado Department of Transportation (CDOT);
- 22 percent to counties; and
- 18 percent to municipalities.

Smart School Bus Safety Pilot Program — DPS. The bill creates the Smart School Bus Safety Pilot Program in the DPS. DPS must enter into an agreement with a third-party administrator to manage the program. For FY 2019-20, the program is appropriated $5.0 million in FY 2019-20, which includes $1.15 million from the General Fund and $3.85 million from the School Safety Resource Center Cash Fund. Money not expended in FY 2019-20 is reappropriated to DPS in FY 2020-21 and FY 2021-22 for the same purpose.

The DPS will award three-year grants to school districts for:
- hardware and software allowing the district's school buses to access the nationwide public safety broadband network;
- maintenance of equipment;
- training; and
- the use of a website, online service, online application, or mobile application to provide parental notification relating to school bus and student status.

The third-party program administrator must provide support for grant recipients; recruit school bus drivers; inform and educate the public about school bus transportation safety; and develop funding sources for school transportation safety. The program administrator must also submit reports to the DPS regarding the pilot program operation, use of funds, and the information reported by schools to the program administrator. The program is repealed July 1, 2023.

Position: No Position/Introduced on 4.27.19
Outcome: Passed General Assembly on 5.2.19

SB19-263 (Zenzinger & Rankin/Hansen/Ransom)
Delay Referral of TRANs Transportation Revenue Anticipation Notes Ballot to 2020
This measure is a direct response to the transportation ballot initiatives failing in November of 2018. It opens up SB18-001, the big transportation agreement from last year, and delays the vote for bonding.

Under current law, a ballot measure to authorize the sale of transportation revenue anticipation notes (TRANs) will be referred to voters at the November 2019 statewide election. This bill repeals state law referring the 2019 ballot measure and refers a similar ballot measure at the November 2020 general election.

If approved by voters, the 2020 referred measure will:

- require the sale of TRANs in a maximum amount of $1.837 billion, with a maximum repayment cost of $2.560 billion over 20 years;
- require that an additional $42.5 million be transferred annually from the General Fund to the State Highway Fund (SHF) between FY 2020-21 and FY 2039-40, and that TRANs debt service be paid from the SHF; and
- repeal a total of $1.0 billion in lease-purchase agreements scheduled to be executed pursuant to Senate Bill 17-267 for FY 2020-21 and FY 2021-22, and adjust the General Fund obligations for lease payments correspondingly.

As under the 2019 ballot measure, this bill credits TRANs proceeds in shares of 85 percent to the SHF and 15 percent to the Multimodal Transportation Options Fund (Multimodal Fund). Proceeds received are required to be spent for qualified federal aid transportation projects in the Department of Transportation (CDOT) strategic transportation project investment program and designated for tier 1 funding. At least 25 percent of proceeds must be spent for projects in counties with populations of 50,000 or less as of July 2015.

Position: No Position/Introduced on 4.27.19
Outcome: Passed General Assembly on 5.2.19

HB19-1033 (Kennedy & Tipper/Fields & Priola)
Local Governments May Regulate Nicotine Products
The bill makes several changes related to the regulation of cigarettes, nicotine products, and tobacco products (nicotine products) by local governments.

Local regulation of sale to and possession by minors. Under current law, a municipality may enact an ordinance or resolution that prohibits a minor from purchasing nicotine products or that imposes requirements around providing those products to minors that are more stringent than the state. The bill allows counties to enact similar policies. Counties may also enact policies that regulate the possession and purchase by, and sale of nicotine products to minors under the age of 21.

Distribution of state cigarette tax revenue. Under current law, the Department of Revenue distributes 27 percent of state cigarette tax revenues to municipalities and counties in proportion to the amount of state sales tax revenue collected within each jurisdiction. In order to receive its distribution of cigarette tax revenue, local governments cannot impose or attempt to impose fees, licenses, or taxes on people selling cigarettes. The bill removes this condition, thus allowing local governments to impose fees, licenses, and taxes on cigarette sales without losing their portion of state cigarette tax revenue. Local governments that have imposed tax or regulation on cigarette sales are eligible to receive their portion of revenue beginning on the effective date of the bill.
Special sales taxes. The bill permits counties to levy, collect, and enforce a county special sales tax on nicotine products, if approved by voters. The special sales tax may only be imposed in unincorporated areas and cities within the county that do not levy a municipal special sales tax.
If a municipality imposes or decides to impose special sales tax on nicotine products, the county special sales tax is invalid; however, the county and municipality may enter into an intergovernmental agreement specifying the county's levy, collection, and enforcement of the county special sales tax within the municipality.

Special sales taxes on cigarette, tobacco products, and nicotine products that are imposed by a county or municipality are collected and administered by the entity imposing the tax, not the Department of Revenue. The municipality or county imposing the tax may allow retailers to retain a percentage of the tax to cover the cost of collecting and remitting the tax.
In addition, the bill clarifies that statutory and home-rule municipalities and counties have the same authority to tax and regulate cigarette, tobacco, and nicotine products.

Position: Monitor
Outcome: Governor signed on 3.28.19

HB19-1245 (Weissman/Gonzales & Foote)
Affordable Housing Funding from Vendor Fee Changes
This bill increases the state vendor fee allowance on sales tax accounts from the current rate of 3.33 percent to 4.0 percent starting on January 1, 2020. The vendor fee allowance is capped at $1,000 per month per retailer. A retailer with multiple locations in the state is counted as one retailer for purposes of the vendor fee allowance cap.

The net revenue increase from the vendor fee change is allocated to the Housing Development Grant Fund. At least one-third of this revenue will be awarded to affordable housing projects directed towards households with incomes less than or equal to 30 percent of the area median household income. Any net revenue increase is not allocated to the state sales tax increment revenue for regional tourism zones.

This bill passed through the House with bipartisan opposition, and outcome was unknown in the Senate until the Governor became interested in this bill when searching for a funding mechanism for a different bill that creates a statewide reinsurance program (HB19-1168), primarily focused on supplementing healthcare insurance premiums in rural areas. Stakeholders agreed on a compromise to temporarily share the vendor fee increment. A portion of the increment will go to pay for the reinsurance program the first two years, then in the third year it will all go to affordable housing. In year three, the increment (amount going to affordable housing) is projected to be nearly $50 million.

Position: Monitor
Outcome: Passed the General Assembly on 5.3.19

HB19-1306 (Esgar & Galindo/Rodriguez
Monitoring Colorado Call Center Job Losses
This bill requires the Department of Labor and Employment to include data regarding call center jobs and employee wages as part of its annual report related to the State Measurement for Accountable, Responsive and Transparent (SMART) Government Act.

“Call Center” is defined as a business or division of a business whose primary purpose is initiating or receiving telephone communications on behalf of a person in order to initiate sales or provide or receive information in connection with the provision of services. The call center must have at least 50 customer service employees that work at least 20 hours per week or who, in aggregate, work a total of at least 1,500 hours per week.

This bill was significantly amended in the House Business Committee after opposition from large businesses vocalized. In its introduced form the bill required businesses that operate call centers in Colorado to notify the Office of Economic Development and International Trade (OEDIT) within 120 days before terminating or internationally relocating customer service employee positions. The bill also mandated that OEDIT maintain a publicly available list of these businesses and distribute the list semiannually to public entities and Better Business Bureaus.

Position: Oppose as introduced
Outcome: Passed the General Assembly as amended on 4/30

SB19-103 (Williams & Tate/Coleman & Carver)
Legalizing Minors’ Businesses
This bill prohibits a local government from requiring a license or permit for a business that is occasionally operated by a minor and is located a sufficient distance from a commercial entity. A local government will determine what a sufficient distance is. The bill defines “occasional” basis to mean the business does not operate more than 84 days in any one calendar year.

Position: Support
Outcome: Signed by Governor on 4.1.19

SB19-173 (Donovan & Pettersen/Kraft-Tharp & Hansen)
Colorado Secure Savings Plan Board
This bill creates the Colorado Secure Savings Board in the Office of the State Treasurer to study the feasibility of creating a retirement savings plan and other approached to increase the amount of retirement savings by Colorado's private sector workers. The board consists of the state treasurer or the treasurer's designee and 8 additional trustees with certain experience who are appointed by the governor. The board is required to conduct the following 4 analyses or assessments by a specified date:

- A detailed market and financial analysis to determine the financial feasibility and effectiveness of creating a retirement savings plan in the form of an automatic enrollment payroll deduction IRA, to be known as the Colorado secure savings plan. The plan would be designed to promote greater retirement savings for private sector employees in a convenient, low-cost, and portable manner.
- A detailed market and financial analysis to determine the financial feasibility and effectiveness of a small business marketplace plan to increase the number of Colorado businesses that offer retirement savings plans for their employees. The marketplace plan would be voluntary for both employers and employees, open to all employees and employers with fewer than 100 employees and administered by the department of labor and employment. The bill specifies certain duties of the department of labor and employment in connection with the marketplace plan if it is implemented.
- An analysis of the effects that greater financial education among Colorado residents would have on increasing their retirement savings; and
- An analysis of the effects that not increasing Coloradans' retirement savings would have on current and future state and local government expenditures.

The board may accept any gifts, grants, and donations, or any money from public or private entities to pay for the costs of the analyses. The board may delay implementation of one or more of the analyses if it does not obtain adequate money to conduct the analyses. If after conducting the analyses, the board finds that there are approaches to increasing retirement savings for private sector employees in a convenient, low-cost, and portable manner that are financially feasible and self-sustaining, the board is required to recommend a plan to implement its findings to the governor and the general assembly.

Position: Monitor
Outcome: Passed the General Assembly on 4.29.19

SB19-225 (Rodriguez & Gonzales/Lontine & Gonzales-Gutierrez)
Authorize Local Governments to Stabilize Rent
Current law prohibits a local government from enacting laws that control rent on private residential real property, or private residential housing units. This bill removes the prohibition and permits local governments to enact local laws or regulations that stabilize rent on private residential property.

This bill did not have enough votes to pass the Senate, so was left on the calendar to die.

Position: Oppose
Outcome: Died on Senate calendar on 5.2.19

SB19-181 (Fenberg & Foote/ Becker & Caraveo)
Protect Public Welfare Oil & Gas Operations
This bill modifies the composition and the regulatory charge of the Colorado Oil and Gas Conservation Commission (COGCC) in the Department of Natural Resources (DNR), expands the regulatory charge of the Colorado Department of Public Health and Environment (CDPHE), imposes new requirements on oil and gas operators, and provides additional regulatory authority over oil and gas operations to local governments.

Colorado Oil and Gas Conservation Commission. Under current law, the Oil and Gas Conservation Act declares that it is in the public interest to foster the responsible, balanced development, production, and utilization of natural resources

of oil and gas in a manner that is consistent with public health, safety, and welfare, including protection of wildlife resources. Current law also requires that the COGCC take into consideration cost-effectiveness and technical feasibility when making decisions or taking actions to minimize the adverse impacts of oil and gas development. This bill modifies the legislative declaration to direct the COGCC to regulate the development of oil and gas in a manner that protects public health, safety, and welfare, including protection of wildlife resources, and removes the cost-effectiveness and technical feasibility test. The bill also modifies the composition of COGCC membership, changes some of the appointing authorities, and requires that the DNR hire up to two deputy directors.
The bill requires that the COGCC review and, if necessary, amend existing rules related to flowlines and inactive, temporarily abandoned, and shut-in wells. The commission must adopt new rules for drilling application fees, estimating financial assurances provided by operators, conducting alternative location analysis, ensuring proper wellhead integrity for production wells, the certification of various compliance officers, and the operation of technical review committees. The director of the COGCC may deny permit applications in lieu of additional environmental analysis while the commission adopts newly required rules.

The COGCC must review leak detection and repair rules for oil and natural gas well production facilities and compressor stations, and specifically consider adopting more stringent provisions, including a requirement that all production facilities conduct semi-annual leak detection and repair inspections, that owners and operators of oil and gas transmission pipelines and compressor stations inspect and maintain equipment and pipelines on a regular basis, and that operators install and operate continuous methane emissions monitors at facilities with large emissions potential, at multi-well facilities, and at facilities in close proximity to occupied dwellings.

The COGCC must adopt rules to ensure proper wellbore integrity of production wells, which must consider incorporating recommendations from the State Oil and Gas Regulatory Exchange. Welbore integrity rules must address the permitting, construction, operation, and closure of production wells, require that wells be constructed using current standards that protect water zones and prevent blowouts, enhance safety and environmental protections during operations, require regular integrity assessments, and address the use of nondestructive testing of weld joints.

Position: Oppose
Outcome: Signed by the Governor on 4.16.19

HB19-1168 (McCluskie & Rich/Donovan & Rankin)
State Innovation Waiver Reinsurance Program
This bill took many iterations during the legislative process. It was introduced as a reinsurance bill that looked unlike any other bill of its nature across the country because it required rate setting, which hospitals adamantly opposed. It was rewritten to include other funding mechanisms that later to turned out to be in conflict with Federal Law. Finally, it was rewritten to include numerous funding sources, including some from the vendor fee legislation that also passed (HB19-1245). The following are details on the final bill that passed the General Assembly.

The bill requires the Commission of Insurance in the Department of Regulatory Agencies to seek a State Innovation Waiver under the federal Affordable Care Act to create a jointly funded reinsurance program in Colorado. If federal approval is granted, the reinsurance program will be in effect for calendar year 2020 and 2021 health plans sold on the individual health insurance market.

The commissioner will set the payment parameters of the reinsurance program. These include the attachment point, above which claims are eligible for reinsurance payments; the coinsurance rate; and the reinsurance cap, above which claims are no longer eligible for reinsurance payments. The bill directs the commissioner to set the parameters of the program so that claims costs are reduced as follows:
· between 30 and 35 percent in the geographic rating areas five and nine (Mesa County and western Colorado);
· between 20 and 25 percent in geographic rating areas four, six, seven and eight (Larimer, Weld, and Pueblo counties, the eastern plans and southern Colorado); and
· between 15 and 20 percent in geographic rating areas one, two and three (Boulder, El Paso, and Teller counties, and the Denver metro area).

The reinsurance program is created as a state enterprise that, subject to approval by the General Assembly and Governor, may issue revenue bonds. The state share of the gram is financed with General Fund and revenue from special fee assessments on hospitals established by the bill. Hospital fee assessments may be up to $40 million per calendar year, but combined with other fees on hospitals, may not exceed 6 percent of total patient revenue. Prior to assessing the special fee, the state must confirm with the federal Department of Health and Human Services that fees do not exceed the 6 percent limit. Revenue to the reinsurance program is exempt for the state's TABOR limit. Hospitals are prohibited from passing the special fee on to consumers in any manner. Procedures will be created to exempt certain hospitals form the special fees based on parameters included in the bill. If the federal government suspends the Health Insurance Provider Fee, created under the Affordable Care Act, the commissioner must assess of fee of 2.2 percent of premiums collected by carriers or at a rate imposed by the federal government. If funding is inadequate to achieve the target claims cost reductions, new payment parameters will be establishing within the available funding amount. Hospitals are required to provide quarterly reports to the commission, as outlined in the bill. The Division of insurance is required to report on the reinsurance program each year as part of DORA's SMART Act hearing. The program is scheduled to repeal on Sept. 1, 2023.

Position: Oppose as introduced
Outcome: Passed the General Assembly on 5.3.19

SB19-005 (Rodriguez & Ginal/Jaquez Lewis
Import Prescription Drugs from Canada
This bill creates the Canadian Prescription Drug Importation Program (program) in the Department of Health Care Policy and Financing (HCPF).
Federal waiver application and conditions of approval. By September 1, 2020, HCPF must submit a request for federal approval of the program, following criteria outlined in the bill. Initially, HCPF may expend money for the purpose of requesting federal program approval, but it may not spend any money on program implementation until the program receives federal approval. If the program is approved, HCPF is required to begin operating the program no later than six months after receiving federal approval.

Vendor requirements. HCPF is required to contract with one or more vendors when the program receives federal approval; vendor selection is exempt from the state procurement process for the first three years. Vendors, in consultation with HCPF and other vendors, must annually establish a wholesale prescription drug importation list that identifies the prescription drugs that have the highest potential for cost savings to the state. HCPF is required to ensure these lists meet program requirements every three months. Vendors must identify Canadian suppliers, verify the supplier meets all legal and program requirements, and contract with or facilitate contracts with suppliers to import prescription drugs under the program.
As outlined in the bill, vendors must follow specific requirements related to:

- developing and administering distribution programs;
- assisting HCPF with annual reporting;
- ensuring safety and quality of imported drugs through requirements for testing and certification;
- laboratory and documentation standards;
- financial reporting;
- surety bonds;
- required participation in applicable legal actions; and
- payments.

With a hefty fiscal note, and no security that federal waiver will be granted, House Appropriations amended the bill to state that the State Department can spend money for the purpose of requesting approval of the program, but prohibits the state department from spending any other money to implement the program until the State Department receives approval of said program.

Position: Monitor
Outcome: Passed the General Assembly on 5.2.19