



Legislative Newsletter



May 7, 2018

14305 E. Alameda Ave., Ste. 300
Aurora CO 80012
Tel: 303-344-1500
Fax: 303-344-1564
www.aurorachamber.org

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

"Many of life's failures are people who did not realize how close they were to success when they gave up."

- Thomas A. Edison

Colorado House passes PERA overhaul, sending it to a conference committee

Denver Post

The Colorado House of Representatives has passed a bill that makes deep cuts to retiree benefits in order to shore up the public pension.

Unlike a version that passed the Republican-led state Senate, the Democratic measure spares employees from higher contributions.

Senate Bill 200 now heads to conference committee where the chambers will hash out significant differences.

The House version requires the state to chip in \$225 million annually to the pension. The Senate version shifts those costs to public sector workers.

Republicans also want to allow all public workers to join a 401(k)-like defined contribution plan.

The pension faces a \$32 billion to \$50 billion funding gap. A credit rating agency has threatened the state with a downgrade if the debt to retirees isn't paid off in 30 years.

Transportation-funding bill moves forward - with \$1.15 billion less in bonding capacity

Denver Business Journal

After more than a month of discussion and debate, House Democrats pushed forward Thursday with a transportation-funding bill that will seek bond sales of \$2.35 billion - but leave the state too far short of fixing its \$9 billion transportation-infrastructure backlog for Republicans and some business groups to get on board with it.

An amendment to the long-debated Senate Bill 1 that was OK'd along partisan lines on the House Transportation and Energy Committee would ask voters for permission to sell the bonds in 2019 if a proposed Denver Metro Chamber of Commerce sales-tax hike for roads and transit does not receive approval on this November's ballot. That is in line with

the compromise version of the bill that passed the Senate in March but a year later than most Republicans would like, especially with bond interest remaining temporarily at historically low levels.

The bonding package also is significantly smaller than the \$3.5 billion package included in the Senate version of the bill - primarily because Democrats are not willing to commit as much of the state's future general-fund revenue toward transportation at a time when teachers have marched on the Capitol clamoring for higher pay and more educational funding. And while the Senate proposal would have put 90 percent of its bonding revenues toward state highways and 10 percent to transit, the House wants to divvy them up 70 percent to state highways, 15 percent to transit and 15 percent to city and county transportation needs.

In proposing the amendment - an alternate plan to one announced just Tuesday that would have removed all ability to bond from the bill, a switch made because so many groups were unhappy with that idea - Rep. Faith Winter, the Westminster Democrat who chairs the transportation committee, agreed with critics that the measure does not do enough for roads and transit. But she emphasized that the allocation was the most the state could give without jeopardizing other areas of its budget in future years, and she said that it is meant to work in conjunction with any ballot measure the Denver Chamber can pass, which could generate between \$4.1 billion and \$8.4 billion over the next 20 years.

"This is a drop in the bucket. We have a 9-billion-dollar hole. But just because we have a 9-billion-dollar hole doesn't mean we have 9 billion dollars to fill it," said Winter, adding that she will continue looking for ways to get more general-fund revenue going to transportation as she prepares the bill for a Friday hearing in the House Finance Committee. "We are going to continue conversations with the Senate and with stakeholders ... I think this amendment is one way to move us forward in a significant way."

But for Republicans who have been proposing bonding measures since 2015 that would be repaid without an increase in taxes, the bill does not, at this point, do enough - especially as many believe statewide voters will reject the chamber's sales-tax hike.

Beer-sales regulations bill is gutted in unusually volatile hearing

Denver Business Journal

The incredibly twisted path that Colorado is taking to try to regulate the coming onslaught of full-strength-beer sales in grocery and convenience stores took another round of mind-boggling turns on Friday, laying before the Colorado House a bill that previous opponents have begun to like and previous supporters have begun to hate.

House Public Health Care and Human Services Committee members - several of whom mentioned how surprised they were to have a beer-sales bill assigned to their committee - gutted what grocers and convenience stores had described as the most onerous provisions of Senate Bill 243, replacing them with more permissive language that will put few guardrails on the stores as they transition from low-strength beer sales to full-strength beer on Jan. 1. The moves left the shell-shocked sponsors of the bill - Reps. Daneya Esgar, D-Pueblo, and Hugh McKean, R-Loveland - saying that there were a number of provisions of the bill that they now oppose and caused the liquor stores that have been the primary supporter of the measure saying only that they will look to make changes on the House floor to restore a bill that they want to back.

Grocers and convenience stores have for the most part been relegated to selling low-strength beer since of the end of Prohibition, until a 2016 bill dispatched the law requiring individual ownership of each liquor store and permitted grocers to get more than one full-strength alcohol-sales license per chain. That law also contained a provision that allowed the grocers and convenience stores without a full-alcohol-sales license, who now can sell only beer of 3.2 percent alcohol by weight or less, to sell all types of beer and fermented malt beverages as of Jan. 1.

When a stakeholder group recommended few regulations around this coming change in regulations, liquor stores demanded guardrails, saying that a significant number of the roughly 1,600 independently owned stores could

otherwise go under in competition with deep-pocketed national chains. And SB 243, as introduced by Republican Senate Majority Leader Chris Holbert of Parker and Democratic Assistant Senate Minority Leader Lucia Guzman of Denver, sought to limit shelf space in grocery and convenience stores, create 1,500-foot buffers between existing stores and any new beer sellers that opened, and require anyone handling beer in grocery or convenience stores to be 21, as they must be in liquor stores.

In order to get the bill out of the Senate, though, the sponsors first had to jettison any shelf-space limitations in the measure and then redirect the bill around the Senate Finance Committee where it was expected to go and die. The bill eventually made it to the Senate floor and passed 24-11 after a raucous State, Veterans and Military Affairs Committee hearing in which chairwoman Sen. Vicki Marble, a Fort Collins Republican and minority owner in a liquor store, criticized several witnesses and declared that grocer beer sales would lead to the death of the craft-beer industry.

When House Speaker Crisanta Duran, a Denver Democrat and bill supporter, introduced the measure in her chamber on Wednesday, she first made the unusual move of assigning it directly to the House Appropriations Committee, which is usually a last stop after bills pass through another committee or two. Then, several hours later she declared that a mistake and assigned it to Public Health instead.

Republicans then replaced two members of the committee with opponents of the bill, while Democrats replaced one member with Esgar, a certain vote for the bill. And committee chairman Rep. Jonathan Singer, D-Longmont, took the highly unusual step of not allowing committee members to question witnesses in order to hear from as much of the large crowd as possible and get back onto the House floor for an afternoon session.

Republicans - led by longtime beer-in-grocery-stores supporter Rep. Larry Liston of Colorado Springs, a new addition to the committee - complained virulently about the process and the restrictions in the bill. Liston complained that the whole process was "turning into a railroad job," said it was "offensive and abhorrent" that 18- to 20-year-olds who could serve in the military couldn't sell beer and drove home that point by noting that Audie Murphy won a Congressional Medal of Honor before turning 21.

"This is really how bad legislation is created when we cram it through in the bottom of the ninth inning with two out and nobody on," Liston said, referencing the mandatory Wednesday adjournment of the 2018 legislative session. "I'm very, very disturbed about this."

"Games of skill" arcades are growing in Colorado, but are they illegal gambling? State lawmakers trying to crack down on them think so

Denver Post

Colorado lawmakers are moving to crack down on a growing number of "games of skill" arcades, where people can win money and prizes in a manner critics liken to gambling.

A vote Monday on House Bill 1234 in the Business, Labor & Technology committee was 7-0, and the measure passed the full Senate 22-12. It passed the House in March.

Bill proponents say businesses that offer such games have sprung up in Colorado and that they run afoul of a nearly 30-year-old state law restricting gambling to the three mountain towns of Cripple Creek, Black Hawk and Central City.

"There are arcades out there that use devices that under the Colorado Constitution are defined as gambling," said Sen. Bob Gardner, R-Colorado Springs, one of the bill's chief sponsors.

At the center of the debate is whether the businesses are offering the equivalent of slot machines - or "simulated gambling devices" - for use by customers, and if so, whether that means gambling is occurring absent of state oversight and without tax revenues being remitted to local governments.

According to multiple media reports, police in several Colorado communities - including Denver, Evans, Colorado Springs and Delta - have raided arcades in recent months and seized machines that they say violate the state's gambling laws.

"These are slot machines," Mark Grueskin, an attorney representing the Colorado Gaming Association, told lawmakers Monday. "They are mini-casinos. But they are not licensed by the state, they are not licensed by their city, they are not licensed by anybody."

Arcade owners argue they offer games of skill, rather than games of chance, and thus are not gambling halls. They say their games are little different from the ones offered at Chuck E. Cheese's and Dave & Buster's, which dispense prizes to those who play them.

Local minimum-wage bill gets maximum resistance from Republicans

Colorado Politics

A measure in the Colorado legislature that would have let cities and counties set minimum wages above statewide levels has died in the state Senate's "kill committee."

The Denver Business Journal's Ed Sealover reports that Democrat-backed House Bill 1368, which passed in the House 36-29 in late April, was blocked in the Republican-controlled Senate State, Veterans and Military Affairs Committee by a 3-2 party-line vote Thursday.

The statewide minimum wage currently is set at \$10.20 an hour under a constitutional amendment and will rise to \$12 an hour in 2020. Bill supporters wanted expensive-to-live-in places like Denver to be able to set a higher minimum to help struggling low-paid workers.

But Tony Gagliardi, head of Colorado's branch of the National Federation of Business, argued that having different minimum wage levels in different parts of the state would be an administrative nightmare for business with multiple locations.

HB 1368 was sponsored by Reps. Jessie Danielson of Wheat Ridge and Jovan Melton of Aurora.

It's not regulatory reform, but this new Colorado law could pave the way for it

Denver Business Journal

Once again, business leaders won't be getting any regulatory reform from the Colorado Legislature.

But on Thursday, they did get a consolation prize from Gov. John Hickenlooper.

Colorado's first-in-the-nation marijuana "tasting rooms" bill heads to Hickenlooper's desk

Denver Post

Licensed marijuana "tasting rooms" could be operating in Colorado by this time next year if Gov. John Hickenlooper signs a first-of-its-kind bill that state lawmakers sent to his desk Thursday.

The bill allows adults at current recreational marijuana retailers to consume small amounts through edibles or by vaping - as they might a flight of fine whiskeys or craft beers.

House Bill 1258 would be another vanguard moment for a state that implemented first-in-the-nation adult-use cannabis sales back in 2014.

Industry observers say it also shows that Colorado is taking baby steps toward a statewide regime for social marijuana use.

"It's a way to wrap our brains around what the regulatory structure would look like for public consumption," said Peter Marcus, spokesman for Terrapin Care Station, a Colorado marijuana dispensary chain that supported the bill.

Colorado law prohibits marijuana consumption in public spaces; however, the state is home to several unlicensed cannabis clubs. Also, the city of Denver has started issuing licenses after a voter-approved initiative for marijuana social-use establishments.

Rep. Jovan Melton, D-Aurora, said Colorado would break ground with the legislative-approved social-consumption regulations.

The concept greatly differs from pot clubs, he said, in that it is limited to current recreational marijuana retailers and does not allow customers to share or bring their own pot into the consumption area.

"You really just get to sample what that dispensary or provider has, so it's really more of a tasting room," he said.

Gov. Hickenlooper Announces Boards and Commission Appointments

Office of the Governor

Tuesday, May 1, 2018 - Gov. Hickenlooper today announced a Boards and Commissions appointments to the Scientific and Cultural Facilities District Board of Directors.

The Scientific and Cultural Facilities District Board of Directors distributes funds from a .1 percent sales and use tax to cultural facilities throughout the seven county Denver metropolitan area. The funds support cultural facilities whose primary purpose is to enlighten and entertain the public through the production, presentation, exhibition, advancement and preservation of art, music, theater, dance, zoology, botany, natural history and cultural history.

For terms expiring May 15, 2021:

- Marcela R. de la Mar of Denver, appointed;
- Jack D. Finlaw of Denver, appointed;
- Carlos Martinez of Denver, appointed;
- **Katherine "Kathy" Nesbitt of Aurora**, appointed.

Friday, May 4, 2018 - Gov. Hickenlooper today announced a Boards and Commissions appointment to the Colorado Dental Board.

The Colorado Dental Board makes rules and regulations, examines and licenses dentists and dental hygienists, and conducts hearings regarding the suspension or revocation of licenses.

For a term expiring January 1, 2019:

- Evon S. Holladay of Littleton, to serve as a member of the public, and occasioned by the resignation of Susan Lois Warren of Denver, appointed.

Calculator

Days Left to Sine Die: 2

House Bills Introduced: 441

Senate Bills Introduced: 280

Dead Bills: 244

Governor Signed: 210