



2019 Final Report

2019 Session Summary

The 1st Regular Session of the 72nd General Assembly has concluded as of May 3rd. Hicks & Associates is pleased to present this report on the activities of the legislature in 2019.

The Colorado elections of 2018 set the stage for a major shift in governmental policy and objectives in Colorado with the sweeping victory by the Democratic Party. With both chambers of the legislature and the governor's office in their hands, the expectation was that we would see a bold and aggressive policy agenda rolled out in the 2019 legislative session. While traditional issues of education, infrastructure and health care are still present and in need of attention, new agenda issues were placed on the table for action. Past efforts in areas of energy, climate change, business/employee relations and environmental efforts became the building blocks for the 2019 session. There was no

shortage of public policy efforts in many areas of the social debate, but our focus is on the business community and those policy efforts that will have an impact Colorado business succeeding.

There were **654 bills** introduced in the 2019 Session. As of June 3rd, 435 bills have been signed Governor/became law, only 136 bills were either postponed indefinitely or died on the calendar and the Governor vetoed 5 bills.

- 654 bills introduced
- 136 bills killed
- 435 bills signed into/became law

One of the true tests of the new leadership was not only the context of their policy objectives, but also the management of the legislative process and inclusion of citizens and impacted parties into legislative discussion. The 2019 session had its moments

where the legislative procedures invoked did not encourage public debate, stakeholder input, or a chance for debate on the merits of major policy efforts. The business community found itself in a mode of reaction and amend as many of the

introduced bills had not been discussed with impacted business parties prior to introduction.

Throughout the session Colorado business community found themselves on the defensive. GreenCO teamed up with coalitions and combined efforts were undertaken to amend and revise many of the business policy bills introduced due to cost and practical business application issues. While there were successes during the session, the battle to defend sound business practices and to limit governmental overreach continued to the last day of the session.

Leadership started with a huge statement by introducing **SB18-181, Protect Public Welfare Oil and Gas Operations**. This bill set the tone for the session due to the procedural nature of how the bill was rushed through the legislative process leaving many stakeholders with no opportunity to provide input. We worked with many businesses to communicate to the legislature the impact that this bill could have on our economy and that it will affect more than the oil and gas industry. With a new perspective on how to regulate and oversee the oil/gas industry in Colorado, the economic impacts of such policy changes will have ripple effects not only in the energy sector but throughout Colorado's business structure. While we seek for ways to pay for our common goals in Colorado, this bill will have the net effect of reducing tax revenues to the state and local governments and creating a new fiscal reality.

We saw many bills drafted without any stakeholder process which made for legislation that needed significant amendments. Everything from **SB19-085, Equal Pay** to **HB19-1025, Ban the Box** were amended and watered down enough to where many business groups stood in a neutral position.

SB19-188, FAMLI Family Medical Leave Insurance Program was one of the most controversial bills of the session for large and small businesses. Over the past four sessions we have seen

this bill transform every year, but with the Democrats controlling the legislative and executive branch of government they decided to scrap much of the stakeholder input from the past four sessions and go for everything. The majority of businesses, large and small, agree that there is a need for Paid Family Leave, but the issue is what it should look like and how will it be funded. We saw this bill make many dramatic changes throughout the session, especially with who was forced to participate in the program and how it was going to be funded. Working with a large coalition, GreenCO was able to help the legislature understand how big the fiscal impact would be to the small and large businesses as well as the State and the citizens. In the end the bill was not going to make it out of the Senate, so the Sponsors made the decision to turn it into a study over the next year with the intent to run the legislation again next session.

A big win for all business was the Simplification of Sales and Use Tax bills that were a top priority for much of the legislature as well as all business. GreenCO has worked with the Simplify Colorado Sales and Use Tax coalition for the past few years to pass legislation to fix the many issue we have in the state. Colorado is known to have one of the most complicated tax systems, with over 700 different taxing jurisdictions. We were able to work with all stakeholders to pass **SB19-006 Electronic Sales and use Tax Simplification System**, and **SB19-1240, Sale and Use Tax Administration**. These bills with help the Department of Revenue implement a system to simplify our tax system making it easier for all Colorado businesses while also leveling the playing field by forcing out-of-state businesses to comply with the same standards.

GreenCO has been a proactive statewide business group for years with a long history of involvement and advocacy concerning public policy. 2019 session had a sterling example of this representation for GreenCO members with **HB-1329- Sales Tax Exemption for Fertilizer**. Late last year a member of GreenCO underwent a Department of Revenue

(DOR) audit and was accessed thousands of dollars for bulk fertilizer utilization. Past DOR policies had exempted bulk fertilizer from sales tax, but a change in policy in 2016 reversed that stance. GreenCO Legislative Committee, Hicks & Associates worked together to not only secure sponsors for a late bill in the 2019 session but drafted the bill language and lobbied the bill to passage during the session. With the help of the AG Council, bulk fertilizer is now specified in law as exempt from sales tax. This bill also made the exemption retroactive back to 2016, This action saved members thousands of possible tax assessments and placed bulk fertilizer clearly in the AG product exemption category. Thanks to Legislative Committee and the members who worked to make **HB-1329** a success we can be proud of.

Another top priority for leadership was addressing climate change. There were multiple bills to address this with everything from Climate Action Plan to Reduce Pollution to funding infrastructure to support more electric vehicles (EV's) by letting utilities make rate payers pay for it. GreenCO teamed up with business groups who were opposing many of the climate change bills and touched on the feasibility of these pieces of legislation and the real impacts they will have on Colorado's economy. The stated objectives of much of this legislation will not only increase the cost of energy but has the effect of picking winners in the energy industry. Apprenticeship programs were addressed within the context of skill trades continued development. Much of the efforts towards apprentice programs was driven by unions to mold the training programs and application more to their model of operation.

Construction/Affordable Housing/Licensing:

During the session we saw efforts from leadership to address affordable housing, construction issues and the licensing and inspection work for skill trades in Colorado. Electrical inspection fees, plumbing inspections, home appliance changes, pay issues, contract provisions and funding infrastructure were all on the table. Much of this agenda was opposed

by most of the business community and groups including GreenCO. We worked closely with the business and construction community to make many changes to these bills. We continue to see a shift in the public policy status for employee issues and union application for business operations.

Transportation funding continues to be a huge issue in Colorado. Both sides of the isle worked together to add \$100 million to transportation in the State Budget. Speaker Becker also had 2 bills that passed that would take the TABOR refund for the State and put that money toward Education and Transportation (1/3rd K-12, 1/3 Higher Education, 1/3 Transportation), but the voters will have to approve that next November. The major question continues to be that Colorado has not made transportation funding a true budget issue and fund the projects and safety issues that are in need today.

Even though we experienced a wet winter, water continues to be a huge issue in the legislature. Funding for water projects was made a priority and with sports betting being on the ballot in November, we could see more funding going to water.

Overall it was a session that put all business groups on the defensive and true policy advances were few. There will be studies conducted and more stakeholder groups convened during the off session, but make no mistake, many of the policy efforts we fought this session will reemerge next session. We expect to see FAMLI back and GreenCO will have to stay engaged over the interim as they are conducting the study and holding stakeholder meetings. With it being an election year in 2020 we know there will be some big-ticket items next session but feel that there won't be as many as we saw this year.

What is too be seen is the public's reaction to many of these newly passed policy issues. There are mounting efforts to contest passed legislation either legally or through the ballot process. Certain elected officials may also have to stand for recall efforts as

well. Given the issues placed on the ballot by this session, Tabor refunds and sports betting, the 2019 election should be very interesting.

We want to again thank the GreenCO Legislative Committee for their hard work and guidance this session. Meeting bi-weekly was vital to the process. Their business and industry expertise gave us direction and the details we needed to amend support/oppose bills.

The call for constant engagement and action will be greater for GreenCO in the 2020 session. Without a strong voice, clear message and defined goals, Colorado business faces yet another session where

our ability to operate and succeed will be called into question.

Hicks & Assoc. scanned every bill that was introduced to determine the possible affects it could have on GreenCO. GreenCO tracked over 50 bills throughout the session and took positions on 11 bills while we closely monitored or amended the rest. We were a resource to many business groups and legislators as it pertained to construction and general business.

Below is a list of bills that GreenCO tracked throughout the session.

GreenCO Bill Tracker

Engagement, Lobbying, Testimony, & Monitoring				
<p>GreenCO was heavily involved in multiple pieces of legislation this legislative session. The following bills include priority bills, meaning we directed the lobbying team to actively engage with other stakeholders, lobby all members of the General Assembly, provide testimony during committee, create fact sheets to ensure GreenCO's position and engage in any and all amendments to bills. Also included are the bills we were asked to engage in by other key stakeholders and bills that we were monitoring</p>				
Bill Number	Short Title	GreenCO Position	Outcome	GreenCO Actions
HB19-1003	Community Solar Gardens Modernization Act	Monitor	Governor Signed 5/30	Worked closely the sponsors to monitor the bill and build relationship.
HB19-1025	Limit on Job Applicant Criminal History Inquiries	Opposed	Governor Signed 5/28	Worked with stakeholders to amend many of the concerns and limit the cost and liability to business
HB19-1050	Encourage use of Xeriscape in Common Areas	Monitor	Governor Signed 3/7	When the bill was introduced the sponsor reached out to us to review the bill. We worked with the sponsor and built a relationship with the new legislator.
HB19-1058	Income Tax Benefits for Family Leave	Monitor	Postponed Indefinitely	
HB19-1182	Water Rights Easements	Monitor	Governor Signed 3/28	

Bill Number	Short Title	GreenCO Position	Outcome	GreenCO Actions
HB19-1157	Modify Specific Ownership Tax Rates	Monitor	Postponed Indefinitely	
HB19-1189	Wage Garnishment Reform	Monitor	Governor Signed 5/20	
HB19-1199	Colorado Clean Pass Act	Monitor	Postponed Indefinitely	
HB19-1200	Reclaimed Domestic Wastewater Point of Compliance	Monitor	Governor Signed 4/04	
HB19-1207	Winter Conditions and Traction Control Requirements	Monitor	Governor Signed 5/17	
HB19-1210	Local Government Minimum Wage	Opposed	Sent to Governor	Worked with a large coalition to oppose the bill. Once we knew that it was going to pass we were able to get additional amendments added.
HB19-1218	Loaned Water for Instream Flows to Improve Environment	Monitor	Postponed Indefinitely	
HB19-1227	Prevailing Wage Working Group in Department of Personnel and Administration	Monitor	Died on the Calendar	
HB19-1240	Sales and Use Tax Administration	Support	Governor Signed 5/23	We worked with sponsors and Simplify Sales and Use Tax coalition during the interim and helped draft/amend the bill and lobby it all the way to the Governor.
HB19-1245	Affordable Housing Funding from Vendor Fee Changes	Monitor	Governor Signed 5/17	
HB19-1257	Voter Approval to Retain Revenue for Ed & Transportation	Monitor		Lobbied legislature that any transportation funding is good but expressed our worries that this is not a stable funding source.
HB19-1258	Allocate Voter-approved Revenue for Education & Transportation	Monitor	Governor Signed 6/3	
HB19-1260	Building Energy Codes	Monitor	Governor Signed 5/30	
HB19-1261	Climate Action Plan to Reduce Pollution	Monitor	Governor Signed 5/30	Worked with large coalition to oppose the bill. Knowing it was most likely going to pass we worked to amend the bill.
HB19-1267	Penalties for Failure to Pay Wages	Opposed	Governor Signed 5/16	Attended many stakeholder meetings throughout the session and expressed our concerns on the impact it could have on GreenCo members. The bill had much bi-partisan support as it was into a labor trafficking bill.

Bill Number	Short Title	GreenCO Position	Outcome	GreenCO Actions
HB19-1271	Augmentation of Instream Flows	Monitor	Postponed Indefinitely	
HB19-1289	Consumer Protection Act	Monitor	Governor Signed 5/23	
HB19-1293	Government Youth Apprenticeship Program Stipends	Monitor	Postponed Indefinitely	
HB19-1294	Transfer Apprenticeship Credit to College Credit	Monitor	Governor Signed 5/28	
HB19-1329	Wholesale Sales Agricultural Fertilizer Tax Exempt	Support	Governor Signed 5/23	Working closely with sponsors and stakeholders to get this bill drafted and through the process in the last 2 weeks of the session.
HJR19-1005	Water Projects Eligibility Lists	Monitor	Governor Signed 2/20	
SB19-006	Electronic Sales and Use Tax Simplification System	Support	Governor Signed 4/12	Like HB-1240, we worked with sponsors and coalition during the interim and session to help draft the bill and lobby it all the way to the Governor.
SB19-024	Taxes Paid by Electronic Funds Transfer	Monitor	Governor Signed 3/11	
SB19-051	Increase General Fund Funding for Transportation	Support	Postponed Indefinitely	Worked with sponsors but once there was extra money added to the budget for transportation the Sponsors asked to postpone the bill.
SB19-077	Electric Motor Vehicles Public Utility Services	Oppose	Sent to Governor	
SB19-085	Equal Pay for Equal Work Act	Opposed	Governor Signed 5/22	Worked with stakeholders and sponsors to amend the bill. With amendments most business groups became neutral.
SB19-101	Prerequisites for Construction of Managed Lanes	Monitor	Postponed Indefinitely	
SB19-130	Sales Tax Administration	Monitor	Postponed Indefinitely	
SB19-131	Exempt Certain Businesses from Destination Sourcing Rule	Monitor	Postponed Indefinitely	Monitored closely but the bill was Postponed Indefinitely. Worked with sponsor to take parts of the bill and add them to HB19-1240.
SB19-135	State Procurement Disparity Study	Monitor	Sent to Governor	

Bill Number	Short Title	GreenCO Position	Outcome	GreenCO Actions
SB19-138	Bond Requirements for Public Projects Using Private Financing	Support	Governor Signed 4/16	Worked with members of BJ4C and sponsors to lobby the bill through the process.
SB19-169	Project Management Competencies for Certain Contracts	Monitor	Sent to Governor	
SB19-171	Apprenticeships and Vocational Training	Monitor	Sent to Governor	
SB19-181	Protect Public Welfare Oil and Gas Operations	Monitored	Governor Signed 4/16	Monitored closely and educated stakeholders and legislature on the possible impact this bill may have on the economy in both urban and rural Colorado
SB19-184	Authority Colorado Water Institute Study Blockchain Technology	Monitor	Postponed Indefinitely	
SB19-186	Expand Agricultural Chemical Management Program Protect Surface Water	Monitor	Sent To Governor	
SB19-188	FAMLI Family Medical Leave Insurance Program	Opposed	Sent to Governor	Worked with large coalition of large and small business to oppose the bill and express our many concerns which included the solvency of the program. With many issues the sponsors amended the bill to turn it into a study.
SB19-196	Colorado Quality Apprenticeship Training Act of 2019	Monitor	Sent to Governor	
SB19-212	Appropriation General fund Implement State Water Plan	Monitor	Governor Signed 4/17	
SB19-221	CO Water Conservation Board Construction Fund Project	Monitor	Sent to Governor	
SB19-225	Authorize Local Government to Stabilize Rent	Monitor	Died on Calendar	
SB19-226	Voluntary Housing Agreements Unincorporated Areas	Monitor	Postponed Indefinitely	

Bill Number	Short Title	GreenCO Position	Outcome	GreenCO Actions
SB19-239	Address Impacts of Transportation Changes	Monitor	Sent to Governor	
SB19-262	General Fund Transfer to Highway Users Tax Fund	Monitor	Sent to Governor	
SB19-263	Delay Transfer of TRANS Transportation Revenue Anticipation Notes Ballot Issue to 2020	Monitor	Sent to Governor	

-**Bold** indicates priority bill

Link to GreenCO 2019 bill tracker: <https://coloradocapitolwatch.com/bill-tracker-votes/0/1550/2019/0/>