



Rocky Mountain  
Chapter



# 2019 Final Report

## 2019 Session Summary

The 1<sup>st</sup> Regular Session of the 72<sup>nd</sup> General Assembly has concluded as of May 3<sup>rd</sup>. 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 7<sup>th</sup>, 436 bills have been signed into 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
- 436 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. ABC 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, ABC 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. 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.

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. ABC 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 in construction including ABC. 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 aisle 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 (1/3<sup>rd</sup> 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.

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 ABC 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 thank the ABC Government Affairs Committee for their hard work and guidance this session. Meeting bi-weekly was vital to the process. Their business and construction 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 ABC 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 ABC. ABC tracked over 50 bills throughout the session and took positions on 21 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 ABC took a position on as well as the priority bills.

## ABC Bill Position Report

### Engagement, Lobbying, Testimony, & Monitoring

ABC 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 ABC'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

Bill Number	Short Title	ABC Position	Outcome	ABC Actions
HB19-1008*	Include Career and Technical Education in Building Excellent Schools Today Program	Support	Governor Signed 3/7	Worked with stakeholders and sponsors to lobby this bill through the process.
HB19-1025*	Limit on Job Applicant Criminal History Inquiries	Oppose	Governor Signed 5/28	Worked with stakeholders to amend many of the concerns and limit the cost and liability to business
HB19-1035*	Remove Fee Cap Electrical Inspection Local Government Higher Education	Neutral	Governor Signed 4/10	We worked closely with sponsors and all stake holders to amend the bill which changed our position to neutral.
HB19-1101	Prohibit Discrimination Labor Union Participation	Support	Postponed Indefinitely	Worked with stakeholders to lobby bill in committee.
HB19-1199	Colorado Clean Pass Act	Oppose	Postponed Indefinitely	Lobbied House Finance Committee and were able to defeat the bill in its 2 <sup>nd</sup> committee.
HB19-1210*	Local Government Minimum Wage	Oppose	Governor Signed 5/28	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.
HB19-1231*	New Appliance Energy and Water Efficiency Standards	Neutral	Governor Signed 5/30	Worked with construction coalition and sponsors to amend the bill because of the unintended consequences the introduced bill had, and we were able to be neutral on the bill.
HB19-1240	Sales and Use Tax Administration	Support	Governor Signed 5/23	We worked with sponsors and coalition to help draft/amend the bill and lobby it all the way to the Governor.
HB19-1245*	Affordable Housing Funding from Vendor Fee Changes	Oppose	Governor Signed 5/17	Worked with a number of groups that were in opposition to oppose the bill.
HB19-1261	Climate Action Plan to Reduce Pollution	Oppose	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	Oppose	Governor Signed 5/16	Opposed the bill through the process but was difficult as the bill was made to be a labor trafficking bill.

Bill Number	Short Title	ABC Position	Outcome	ABC Actions
SB19-006*	Electronic Sales and Use Tax Simplification System	Support	Governor Signed 4/12	Like HB-1240, we worked with sponsors and coalition to help draft the bill and lobby it all the way to the Governor.
SB19-012	Use of Mobile Electronic Devices While Driving	Support	Postponed Indefinitely	Lobbied the legislature on the importance of keeping people safe on the road. The Governor's office did not have much support for the bill and was most likely the reason it died in House Judiciary.
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	Governor Signed 5/31	Worked with coalition to oppose the bill. We were able to amend the bill once we knew it was a priority for leadership and it was going to pass.
SB19-085*	Equal Pay for Equal Work Act	Opposed as Introduced	Governor Signed 5/22	Worked with stakeholders and sponsors to amend the bill and got the bill to where most business groups became neutral.
SB-156*	Sunset State Electrical Board	Support	Governor Signed 5/29	Worked with all stakeholders throughout drafting of the bill as well as through the process.
SB19-181*	Protect Public Welfare Oil and Gas Operations	Opposed	Governor Signed 4/16	Worked with large coalition to oppose the bill and lobby the legislature on the impact this bill will have on the economy in both urban and rural Colorado
SB19-188*	FAMLI Family Medical Leave Insurance Program	Opposed	Governor Signed 5/30	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	Opposed	Governor Signed 5/28	We worked with the Carpenters Union and IECRM to oppose the bill but having AGC and union groups supporting the bill it made it difficult to defeat.
SB19-225*	Authorize Local Government to Stabilize Rent	Opposed	Died on Calendar	We worked with many other business groups to lobby the Senate leadership and the bill died on the calendar.

\*indicates priority bill

**The bills listed below are ones the bills that we tracked throughout the session that ABC took a monitor Position on.**

**HB19-1011-Scope of Manufactured Home Sales Tax Exemption**

**Outcome:** Governor Signed 2/28

**HB19-1040-Professional Land Surveyors Continuing Education**

**Outcome:** Postponed Indefinitely

**HB19-1058-Income Tax Benefits for Family Leave**

**Outcome:** Postponed Indefinitely

**HB19-1076-Clean Indoor Air Act Add E-cigarettes Remove Exceptions**

**Outcome:** Sent to Governor

**HB19-1086-Plumbing Inspections Ensure Compliance**

**Outcome:** Sent to Governor

**HB19-1117-Regulation of Professions and Occupations Reform**

**Outcome:** Postponed Indefinitely

**HB19-1135-Clarify Income Tax Credit for Retrofitting a Home**

**Outcome:** Governor Signed 4/12

**HB19-1189-Wage Garnishment Reform**

**Outcome:** Waiting to be sent to Governor

**HB19-1227-Prevailing Wage Working Group In Department of Personnel and Administration**

**Outcome:** Died on the Calendar

**HB19-1257-Voter Approval to Retain Revenue for Education & Transportation**

**Outcome:** Waiting to be sent to Governor

**HB19-1258-Allocate Voter-approved Revenue for Education & Transportation**

**Outcome:** Sent to Governor

**HB19-1260-Building Energy Codes**

**Outcome:** Sent to Governor

**HB19-1283-Disclosure of Insurance Liability Coverage**

**Outcome:** Waiting to be sent to Governor

**HB19-1289-Consumer Protection Act**

**Outcome:** Waiting to be sent to Governor

**HB19-1293-Government Youth Apprenticeship Program Stipends**

**Outcome:** Postponed Indefinitely

**HB19-1294-Transfer Apprenticeship Credit to College Credit**

**Outcome:** Sent to Governor

**HB19-1319-Incentive Developers Facilitate Affordable Housing**

**Outcome:** Waiting to be sent to Governor

**HB19-1322-Expand Supply Affordable Housing**

**Outcome:** Waiting to be sent to Governor

**SB19-024-Taxes paid by Electronic Funds Transfer**

**Outcome:** Governor Signed 3/11

**SB19-101-Prerequisites for Construction of Managed Lanes**

**Outcome:** Postponed Indefinitely

**SB19-130-Sales Tax Administration**

**Outcome:** Postponed Indefinitely

**SB19-131-Exempt Certain Businesses from Destination Sourcing Rule**

**Outcome:** Postponed Indefinitely

**SB19-135-State Procurement Disparity Study**

**Outcome:** Sent to Governor

**SB19-138-Bond Requirements for Public Projects Using Private Financing**

**Outcome:** Governor Signed 4/16

**SB19-169-Project Management Competencies for Certain Contracts**

**Outcome:** Sent to Governor

**SB19-171-Apprenticeship and Vocational Technical Training**

**Outcome:** Sent to Governor

**SB19-226-Voluntary Housing Agreements Unincorporated Areas**

**Outcome:** Postponed Indefinitely

**SB19-239- Address Impacts of Transportation Changes**

**Outcome:** Waiting to be sent to Governor

**SB19-262-General Fund Transfer to Highway Users Tax Fund**

**Outcome:** Waiting to be sent to Governor

**SB19-263-Delay Referral of TRANs Transportation Revenue Anticipation Notes Ballot Issue to 2020**

**Outcome:** Waiting to be sent to Governor

Link to ABCRM 2019 bill tracker: <https://coloradocapitolwatch.com/bill-tracker-votes/0/5187/2019/0/>