

Under the Dome, Week 15

Highlights of the Week

You can feel the urgency in the air at the capitol as one hundred members of the general assembly push towards adjournment of the 2016 legislative session. Committees in both the House and Senate were stacked with bills that still need to move through the process. The “kill” committees – House and Senate State Veterans and Military Affairs – faced 10+ bill agendas where the majority of the bills faced death on a party line vote. And yet with only a week and a half to go, bills are still being introduced daily.

After almost a month of waiting, the House finally took up debate on legislation to enterprise the hospital provider fee (HB 1420) and its companion bill which would allocate any additional revenues that come in during the December Revenue Forecast to transportation, severance tax backfill, education, and higher education (HB 1450). The debate on both bills lasted four hours. The Speaker along with the Democrat members of the Joint Budget Committee took the lead in presenting and defending both bills. The House Minority Leader Brian DelGrosso along with Representative Joshi (a former physician who has long hated the hospital provider fee), and Representative Jon Becker (former Republican member of the Joint Budget Committee) took the lead fighting against the bills. During the debate, Durango Republican Representative Brown offered an amendment on HB 1450, which was adopted, to make sure that the SB 228 general fund transfers to the HUTF and Capital Construction Fund occur as intended and that money into the severance tax funds is also spent as set out in statute. Representative Rankin sponsored an amendment that will require the state to study how it funds Medicaid and how Medicaid costs can be contained. The amendment was also adopted.

These concessions helped gain the support of a handful of Republican House members on the fence. When the final vote for HB 1420 and HB 1450 was taken Friday there was bipartisan support for both. HB 1420, to enterprise the HPF, passed on a vote of 39-26 with Republican Representatives Don Coram, Bob Rankin, Kit Roupe, and Dan Thurlow voting yes. HB 1450, to allocate any funds freed up under the HPF, received more Republican support and passed 43-22 with Republican Representatives J Paul Brown, Don Coram, Tim Dore, Kevin Priola, Bob Rankin, Kit Roupe, Dan Thurlow, Yeulin Willett, and Jim Wilson all voting in favor. A coalition of over a hundred business leaders and organizations, hospitals, education groups, higher education institutions, construction advocates and others have worked tirelessly for months to shore up bipartisan support. Both bills now head to the Senate where their fate is unknown.

While the House worked until nearly midnight on Thursday, the Senate opted to work late Friday afternoon to clear their calendar. Last week, the Senate Business Committee passed SB 183 which aimed to clarify that the PUC’s authority over 911 calls. The legislation was a direct response to PUC rulemaking that expanded the PUC’s authority. The need for SB 183 diminished when, at the urging of the Governor, the PUC agreed to close the docket in question. Senate Sponsors Majority Leader Mark Scheffel and Senator Andy Kerr retooled the bill so it is now a taskforce that will meet to discuss next generation 911 emergency services. Taskforce participants include wireless, land line and VOIP telecommunications

providers, and representatives from the public safety community. The sponsors agreed to add an advocate for seniors to the taskforce. The bill passed the Senate floor Friday and is headed to the House.

The joint Legislative Council Committee met on Friday to determine what other interim committees would meet over the summer and fall months. They gave preliminary approval to the following: Colorado Department of Transportation accountability committee, Title 12 review committee (Professions & Occupations), study of the modification of the statewide transportation commission membership, marijuana legalization cost-benefit analysis committee, federal Every Student Succeeds Act (ESSA) implementation committee, and a committee to study communication between HCPF and Medicaid. These committees will meet in addition to the standing committees that meet each interim.

Pieces of the 2016 workforce development package worked their way through the Senate this week. The Senate Education committee considered both HB 1289 and HB 1291 on Thursday. HB 1289 by Senators Garcia and Crowder creates the Career Development Success Pilot Program in the Colorado Department of Education (CDE). The program is designed to provide financial incentives for participating districts and charter schools to encourage high school students to enroll in and successfully complete qualified industry-certificate programs, internship or pre-apprenticeship programs, and advanced placement courses. Chambers of commerce throughout Colorado, school districts, the construction industry and STEM school programs came out to support the bill. HB 1291 requires the state board of education to adopt standards for computer science and technology to encourage modern technology in K-12 curriculum. Both bills passed on 5-4 votes with Senators Marble, Holbert, Woods, and Neville voting in opposition. The bills are next headed to the Senate Appropriations Committee. Money was set aside during the budget process to cover the \$1.5 million cost associated with the two bills.

The last of the anti-oil and gas bills were killed off in the Senate Agriculture committee this week. Following what was a fairly short hearing compared to the House hearing, both HB 1310 and HB 1430 were defeated. HB 1310 would have held oil and gas operators strictly liable for an incident such as an earthquake that results in property damage or injuries to an individual, died with only one supportive vote (Senator Matt Jones). HB 1430 by Senator Hodge aimed to require that an oil and gas operator register with both the Colorado Oil and Gas Conservation Commission (COGCC), and with the local government in whose jurisdiction the operator has either an approved state drilling permit, or an application for a new well. The bill died on a party line vote. Although bills targeting the energy industry appear to be over at the capitol for now, two anti-industry ballot initiatives received official approval from the title board - #78 will require 2,500 ft. setbacks and #75 will increase local control over oil and gas operations. Both initiatives have until August 8th to submit 98,492 valid signatures to the Secretary of State's Office. If the signatures are verified both initiatives will be placed on the November 2016 ballot.

Bills of the Week

Special districts This week, a last minute bill was introduced to address the over-reaching Landmark decision. The purpose of this bill is to clarify that the time period has run for challenging an election based upon who voted in any election held prior to April 21, 2016 and that the time period for the upcoming May 2016 elections will expire 10 days after the election results have been certified to the Designated Election Official ("DEO"). The definition of an eligible elector has been set forth in the statutes and has been consistently interpreted by special district practitioners, thus it is appropriate to

cut off challenges based on the election qualifications of the voters in such elections in this way. SB 207 is sponsored by the President and Majority Leader of the Senate and the Speaker and Majority Leader of the House.

Presidential Primaries The debate on whether Colorado should hold presidential primaries became incredibly heated during Thursday evening's House floor consideration. HB 1454 by Representatives Moreno and Dore would reinstate a presidential primary in Colorado beginning in 2020. Before it was repealed in 2003, Colorado did host a presidential primary. The most controversial provision of the legislation would allow for unaffiliated voters to declare an affiliation for the primary only, so they would be able to participate. About one third of Colorado voters are unaffiliated, so it's a question of significant impact. After nearly four hours of debate the bill was approved on a voice vote, but the legislation was not included in the list of bills taken up for a final, recorded vote on Friday.

Residential Energy Sources Sales and Use Tax Exemption Colorado's electricity providers introduced HB 1457 by Representative Garnett and Wilson this week. The bill clarifies that the state sales and use tax exemption for residential uses of electricity, coal, wood, gas, fuel oil, and coke applies when energy sources are resold or sold to persons who are not occupants of the residence. These energy sources are exempt from taxation when sold for the purpose of powering residential fixtures and appliances. Under current law, the exemption applies only to energy sources sold to occupants of residences, and only when the energy sources will not be resold. The bill applies the exemption to all sales of energy sources for residential use, exempting from taxation energy sources that are purchased for a multifamily residential property and resold to individual resident households. The bill is on a fast track – it was introduced on Wednesday and approved by the full House on a vote of 65-0 on Friday.