

CoSEA 2023 Colorado End of Session Report

The Session by the numbers (as of 5/08/2023)

617 Bills/Resolutions/Memorials Introduced

311 House Bills

306 Senate Bills

260 Bills Signed, Sent to Governor, Speaker or President Signed

135 Bills Killed

If we had to use one word to describe the 2023 Legislative Session, it would be challenging. Post-2022 election, the 65-member State House had 31 new representatives on both sides of the aisle. The 35-member Senate had 10 new senators who previously served in the House, along with two brand-new members to the legislature. With the blue wave that hit Colorado in the 2022 election, the House Republicans lost a large number of the more senior members of their caucus, and lost their Minority Leader Hugh McKean (R-Loveland) to a heart attack right before the election, creating a huge gap in both the spirit of the Capitol and experience for the caucus heading into the session. The House and Senate Democrats, with their larger majorities – a super-majority in the House - grappled with intra-party conflicts during the session.

The session officially began on Monday, January 9, 2022 and adjourned sine die May 8, 2022, with the House adjourning sine die at 9:45 p.m. and the Senate adjourning at 10 p.m., two hours ahead of the constitutional deadline.

The backdrop of the session was a record number of new legislators, an influx of activist-legislators on both sides of the aisle, and aggressive legislative and gubernatorial agendas.

Deceptively, the 1st Session of the 74th General Assembly started very slowly. In a usual fashion, the session began with the SMART Act Hearings, in which in which departments and agencies provided briefings to joint legislative committees of reference. Typically, the session would pick up in February and March after the SMART Act hearings; however, legislative activity struggled to pick up until April. The pace picked up quickly until House Republicans began to filibuster and have bills read at length. The tactic slowed down legislative activity again in the House.

One of the more unusual outcomes of the session was the significant leverage Republicans had in a year with such dramatic minority margins. That leverage was a result of the aforementioned tactics that created a backlog of bills in the waning days of the session. The final days of the session were highlighted by debate surrounding the property tax relief package and negotiations over the failed land use bill.

Interim Committees

There were only two Interim Committees approved by the Legislative Council:

[Colorado's Child Welfare System](#), Sponsored by Representative Michaelson-Jenet (D-Commerce City)
[Aligning Definitions of Recidivism When Used as a Measurement of Criminal Justice Related Program Success or Failure](#), Sponsored by Senator Rodriguez (D-Denver)

Additionally, there are a number of interim committees and task forces that will take place during the summer and fall as a result of legislation passed during the session.

The Hot Topics

Some of the more controversial bills brought forward this session included:

[SB23-303: Reduce Property Taxes And Voter-approved Revenue Change](#)

[HB23-1311: Identical Temporary TABOR Refund](#)

[SB23-213: Land Use](#)

[SB23-172: Protecting Opportunities And Workers' Rights Act](#)

[HB23-1294: Pollution Control Measures](#)

[HB23-1171: Just Cause Requirement Eviction Of Residential Tenant](#)

The Budget

The full budget package, which includes more than just the long appropriations bill (SB 23-214), added up to \$41.4 billion from all fund sources, a 4.2 percent increase. The grand total for General Fund is \$15.42 billion, a 14 percent increase. Projected higher Medicaid costs, 5 percent raises for state employees, a 3 percent increase in provider rates and inflationary costs drove most of the increased spending.

Property Tax Legislation

Two of the more controversial bills this session were SB23-303, Reduce Property Taxes And Voter-approved Revenue Change, and HB23-1311, Identical Temporary Tabor Refund. Both bills were introduced in the last week and a half the session and were complex in nature. Various groups voiced concerns over using TABOR refunds to provide property tax relief, the negative impact this would have on renters in the state, distinguishing property tax based on primary vs secondary residence, among other issues. SB23-303 included a referred measure, Proposition HH, which must pass in order for the related policies to take effect. HB23-1311 was introduced on Saturday, May 6th and linked equalized TABOR refunds with the passage of Proposition HH from SB23-303. Both bills passed the legislature on the final day of the session, while SB23-303 was the center of a House Republican walk out on its final votes.

Looking Ahead

The interim looks to be very busy in 2023. In addition to the newly-created and enacted interim committees and task forces, there are a number of standing interim committees that will start meeting in mid- to late-summer. Additionally, odd years are fiscal ballot initiative years. Expect to see Proposition HH (TABOR/Property Tax) on the ballot, as a result of SB23-303. There have been a

number of other initiatives filed including those for property tax valuation, reducing property tax assessment rates, allowing the state to retain excess revenue, a housing fee, and others.

What can we expect heading into the 2nd Regular Session of the 74th General Assembly? Expect to see:

- Revisiting an unfinished progressive agenda on a host of topics
- Conflict between progressives and moderates in the House Democratic caucus regarding leadership and policy priorities
- Governor Polis to shift into presidential campaign mode if Biden's approval numbers remain low

Priority Legislation

HB23-1017, Electronic Sales and Use Tax Simplification System: CoSEA supported this legislation, which came from the Sales and Use Tax Simplification (SUTS) Task Force and sought improvements to make it easier for businesses to remit sales taxes in Colorado. HB23-1017 passed both the House and Senate and awaits the Governor's signature.

HB23-1277, Reporting Adjustments to Taxable Income: CoSEA monitored this legislation, which provided pass-through return simplification by consolidating the composite return and withholding options and clarifying the calculation of the required payment; it restored the one-month lag for the federal return deadline for C Corporations by changing the state due date to May 15, with a November 15 extension deadline; and provided additional time for reporting adjustments and allowed pass-through entities to handle adjustments at the entity level on behalf of their owners. HB23-1277 passed both the House and Senate and awaits the Governor's signature.

Bill Tracker: <https://app.coloradocapitolwatch.com/bill-tracker-votes/0/6525/2023/0/>