

Colorado Legislative Update - CoSEA March 22, 2024

LEGISLATIVE UPDATE

As of Friday, 567 bills had been introduced, 381 in the House and 186 in the Senate. Friday was the 73rd day of the 120-day session. Look for total bills to break through the 600-bill level once the massive budget package is introduced in the House.

Other Updates:

- [HB24-1041](#), which streamlines the sales and use tax system, has passed both the House and Senate and awaits the Governor's signature.
- SB24-025, Update Local Government Sales and Use Tax Collection, passed out of the Senate by a vote of 35 to 0. It has been introduced in the House and will be heard in the House Finance Committee on April 4th. The bill requires local governments to notify the department of revenue of changes in taxes, to designate liaisons with the department, establishes a resolution process for disputes, and creates a hold harmless provision for errors as a result of any errors with the department's GIS database data, among other provisions.
- Last week, the [Property Tax Commission](#), which was created by last November's special session, issued [11 recommendations for possible legislation](#). Two proposals of note are extension of the tax changes approved in November and creation of an "adjustable cap" on property tax increases.
 - Note: Any property tax changes approved this session could reduce the revenues received by school districts, creating another headache for budget writers because they would have to adjust school funding plans for next year.

More details on the property tax recommendations can be found in these articles:

- Sum & Substance - <https://tssc.colorado.com/10-point-property-tax-commission-recommendation-includes-flexible-tax-revenue-cap/>
- Post - <https://www.denverpost.com/2024/03/15/colorado-property-tax-commission-recommendations-ballot-measures/>

HIGHLIGHTS FROM UNDER THE DOME

The longest legislative event of the week was the marathon Tuesday-into-Wednesday House Judiciary Committee hearing on the proposed assault weapons ban, [HB24-1292](#). A similar measure did not make it out of committee last year, but now the measure is sitting on the House's long second reading calendar. We can expect a long floor debate when it comes up. It could pass on the House floor, but its prospects are cloudier in the Senate and with Governor Jared Polis, if it gets that far. Gun storage safety was debated and passed on the House floor for second reading Friday morning as members considered [HB24-1348](#).

Air quality is a top Democratic priority. Two controversial bills that would cut off oil and gas drilling during "ozone season" ([SB24-165](#)) and expand air-quality enforcement ([SB24-166](#)) passed the Senate Transportation and Energy

Committee Wednesday. They go next to Senate Finance, so it is still unclear when they may hit the floor. The Senate also finally debated and further amended SB24-081, the PFAS bill on Friday morning.

There was also action this week on two other top 2024 issues, affordable housing and land use.

- The Senate on Tuesday passed [HB24-1007](#), which would ban local governments from imposing residential occupancy limits, with exceptions. Senate Republicans debated long and hard against the bill.
- A construction defects measure intended to help spur new construction, [SB24-106](#), passed the Senate Local Government and Housing Committee Thursday. Three Democrats opposed the bill, but chair Senator Tony Exum and three Republicans allied to pass it.
- House Transportation, Housing and Local Government passed [HB24-1308](#) on Tuesday, which would streamline some state affordable housing programs.

One intriguing but little-noticed event happened Monday when Henry Sobanet briefed the Joint Budget Committee regarding a budget idea - to take the state's sizable General Fund surplus, estimated to be \$2.35 billion in FY2024-25, and invest portions in the Public Employees Retirement Association and the state's colleges and universities. PERA would use earnings to reduce its unfunded liability and colleges would apply earnings to building maintenance. There would be safeguards to ensure the legislature could access reserve funds, if needed. Such a structure would save General Fund revenue that could be used for other purposes.

Sobanet is an unfamiliar name to newer legislators, but he is one of Colorado's premier budget experts. He is currently chief financial officer of the Colorado State University System and twice served as director of the Office of State Planning and Budgeting, working for both Democratic and Republican governors.

Tallying the bills

The House and Senate calendars have lengthy bill lists; however, more bills were introduced this week including:

- **Consumer Protection for Ticket Buyers** – The bipartisan [HB24-1378](#) seeks to extend consumer protections and crack down on abuse by dealers in concert tickets.
- **Protection of Wetlands** – [HB24-1379](#) proposes ways for the state to regulate dredge and fill activities in state waters. A recent U.S. Supreme Court decision hamstrung federal regulation of these issues.
- **Debt Collections** – [HB24-1380](#) proposes tighter regulation of debt collectors.
- **Immigrant Driving Licenses** – [SB24-182](#) seems to make it easier for non-citizens to get Colorado drivers licenses.
- **Boosting Passenger Rail** – Sponsored by Senate President Steve Fenberg and House Speaker Julie McCluskie, [SB24-184](#) beefs up the responsibilities of the High-Performance Transportation Enterprise, including the power to levy fees to finance its work.
- **"Forced Pooling"** – [SB24-185](#) proposes to reign in the practice, which allows mineral rights owners to ensure access to those rights via surface.

OVER HALFWAY THERE

Now that lawmakers are into the **second half of their 120-day game**, it's worth taking a quick look at what's been accomplished in the first half.

Sen. Bob Gardner, R-Colorado Springs, a man known for his skillful filibustering technique, summed it up for his colleagues last week, saying, "It's all uphill from here." Below is an overview of issue status by topic:

Education funding – There is no question that lawmakers will eliminate the widely disliked Budget Stabilization Factor for K-12 schools. But still to be determined are funding for special education, revenue for the BEST school construction grants program, emergency aid for school districts impacted by

immigrant students and to what extent lawmakers will push for enactment of any of the funding formula reforms proposed by an expert panel in January.

Environment – Various and mostly Democratic sponsors have introduced a number of bills related to environmental justice (HBs [1338](#) and [1339](#)), modifications for air quality permitting ([HB24-1330](#)), broadening the powers of the Energy and Carbon Management Commission ([HB24-1346](#)), pipeline safety ([HB24-1357](#)), repealing tax exemptions for stripper wells ([HB24-1367](#)) and restrictions on oil and gas drilling ([SB24-165](#)). Most are still waiting for their first committee hearings, so this is a big issue that's yet to get moving. Senate Democratic leadership has signaled the drilling ban won't go anywhere.

Firearms control – This wasn't necessarily expected to be a major issue this session, but it has turned out to be. Measures to require training for concealed carry permits ([HB24-1174](#)) and expand the power of the Colorado Bureau of Investigation to investigate firearms crimes ([SB24-003](#)) already have sparked long floor debates in both chambers. A proposed assault weapons ban ([HB24-1292](#)) isn't expected to pass. The most sweeping measure, a proposal to ban carrying of guns in most public places ([SB24-131](#)), has not yet been heard.

Housing & Land Use – More than 40 bills related to this issue have been introduced. Several seek to revive parts of Gov. Jared Polis' massive – and unsuccessful – 2023 proposal to reduce local governments' control of land use. Important measures include a ban on residential occupancy limits ([HB24-1007](#)), promotion of accessory dwelling units ([HB24-1152](#) and [SB24-054](#)), easing of local government parking requirements ([HB24-1304](#)), transit-oriented housing development ([HB24-1313](#)) and construction defects ([SB24-106](#)), plus measures to improve land-use planning, several renters' rights bills and proposals to limit the powers of HOAs. Bills on this subject seem to be moving a bit more quickly than measures on other issues.

Rough Stats on Bills

Here are some stats on bills from early last week, so exact numbers have likely changed. But this gives you an idea of where things stand.

- **Introduced** - 567 bills combined in House and Senate (expect a few dozen more, particularly when the FY2024-25 budget package is introduced, expected on March 26th at this point)
- **Completed** - 43 bills have been signed by the governor or become law (almost all of these were "supplementals," the midyear budget adjustments)
- **Dead** - 44 bills have been postponed indefinitely
- **Still pending** – About 470 bills. Of those:
 - Approximately 143 bills are still awaiting their first committee hearings in their chamber of origin
 - Approximately 322 bills have made some progress
 - Approximately 40 Senate bills have moved to the House, and at least 68 House bills have moved to the Senate
 - At least 90 bills are backed up in the House and Senate appropriations committees (last tallied by legislative staff Feb. 26)

THIS WEEK AT THE JBC

A contender for the second longest legislative event this week may have been the Joint Budget Committee's nearly 12-hour meeting Thursday into Friday. There were long hours of backroom negotiations and some substantial flare-ups between members.

The Joint Budget Committee finally "closed" the 2024-25 long appropriations bill at 1:52 a.m. Friday after a four-day struggle to finish the work it started more than four months ago. The panel (and its staff) overcame the

biggest challenge it faced – erasing a funding shortfall that was spotlighted by the sobering March 15 revenue forecasts. The committee trimmed some spending plans, dipped into some cash funds and used other time-honored accounting mechanisms to get the budget back in the black.

The final form of the budget package included additional aid for rural hospitals and colleges, adjustment of Marijuana Tax Cash Fund spending, funding for higher education, a \$25 million placeholder for legislative bills, and about \$84 million in other placeholders. The committee had to trim its 2.5% community provider rate increase back to 2% and significantly reduced anesthesia provider rates.

The committee's down-to-the-wire finish was the latest date a JBC has wrapped up in anyone's memory, as measured by when the long bill was to be introduced. The FY2024-25 budget bills and an estimated 40-some companion measures are supposed to be introduced in the House on Monday. The weary JBC staff and the legislative print shop likely had a busy weekend.

One more spending note: The Legislative Council staff tracks the price tags (i.e. fiscal notes) of pending bills. They're only able to do periodic updates; here is the [March 18 report](#).

The CoSEA Public Policy Committee meets regularly throughout the legislative session and takes positions on legislation on behalf of CoSEA. If you have an interest in serving on the Public Policy Committee, please email governmentrelations@cosea.org.

To see what other legislation CoSEA is following, check out the bill tracker linked below:

<https://www.statebillinfo.com/SBI/index.cfm?fuseaction=Public.Dossier&id=34275&pk=486&style=pinstripe>