

Colorado Legislative Update - CoSEA February 02, 2024

Business As Usual

The legislature settled into a more normal schedule as they wrapped up the final SMART Act hearing on Monday. Committees met on a normal schedule and bills finally started working their way through the legislative process.

Considering weekends, holidays, and a snow day, the General Assembly has only conducted business on 16 working days thus far. With the introduction of the supplemental budget bills, there are now 320 introduced bills. Since the budget starts in the House this year, the lower chamber has the most bills with 215 to the Senate's 105. There were 33 bills introduced on Groundhog Day, which were primarily budget supplementals.

Polis Signs First Law of 2024

The first bill of the session became law on the last day of January, when Governor Polis signed [HB24-1084 Repeal & Reenact Earned Income Tax Credit Increase](#), which was sponsored by Representatives Willford and Young and Senators Kolker and Fields, all Democrats. This law repeals and reenacts, in its entirety, HB23B-1002, which increases the Earned Income Tax Credit (EITC) from 25% to 50%.

Polis Advances Housing Agenda

Governor Polis is making another attempt at an aggressive housing agenda this session after losing his omnibus proposal on land use and affordable housing in the final days of the 2023 session. Five housing-related bills have been introduced. Tuesday, the House Transportation, Housing and Local Government committee approved, on a party-line 8-3 vote, HB24-1007, which would restrict local governments from adopting ordinances that limit occupancy for unrelated individuals.

HB24-1152 will allow accessory dwelling units (ADU's) or granny flats that can be built on existing property. This legislation has bi-partisan support with Rep. Ron Weinberg, R-Loveland, as a co-sponsor with Rep Judy Amabile, D-Boulder. HB24-1098 seeks to require "just cause" evictions of residential tenants. HB24-1157 prohibits landlords from using algorithmic devices to set rental rates.

Still to be introduced on the housing front are measures on construction defects, transit-oriented communities, funding for historic adaptive use, parking reform, and community revitalization.

Cost of Living is Top Issue

The top issue facing Colorado residents is the cost-of-living as stated from a survey conducted by the American Politics Research Lab at CU. In the annual [Colorado Political Climate Survey](#), 80% of voters say they are either "concerned" or "very concerned" about the rising cost of living. Voters disagree on almost all other issues from trust in the integrity of national elections, job approval ratings for the state and nation's leaders, gun laws, climate change, and abortion.

Governor Polis has a 49% job approval to Biden's 42%. US Senator Hickenlooper and Bennet are close with a 43% and a 41% job approval. Coloradans do not like Congress, which has just an 11% approval. Supreme Court rates higher at 43% with the Colorado State Legislature scoring a 49%.

Trust in Government is low with less than 20% saying they either "always" or "most of the time" trust the federal government to do what is in the public's best interests. Less than 25% think the national economy is in "excellent" or "good" condition but that increases to approximately 33% for Colorado's economy. Overall, Coloradans remained concerned about climate change, with over half reporting they are "very concerned" or "concerned" about the issue. Only half of independents feel that way and less than a third of Republicans do, but a large majority of Democrats rank it high.

Legislative Update

The House Finance Committee heard two bills of interest to CoSEA this week. The first bill was HB24-1041, Streamline Filing Certain Tax Returns, sponsored by Reps. Kipp & Taggart and Sens. Bridges & Van Winkle and HB24-1050, Simplify Processes for Certain Local Government Taxes, sponsored by Reps. Taggart & Kipp and Sens. Bridges & Van Winkle.

HB24-1041 increases the threshold for when taxpayers may make quarterly returns and payments, creates thresholds for which local governments not using the Sales and Use Tax System (SUTS) may collect those taxes creating more ease for the taxpayer and requires all local taxing jurisdictions to begin using SUTS by July 1, 2025. Local taxing jurisdictions that do not begin using SUTS by July 1, 2025, will be precluded from participating in the streamlined process for collecting sales and use tax from retailers that have a state standard retail license and either do not have a physical presence within the local taxing jurisdiction or have only incidental presence. There were several amendments added to the bill. It was then passed out of committee by a vote of 11 to 0.

HB24-1050 requires local taxing jurisdictions that impose a local lodging tax or a sales or use tax on building or construction materials that integrate such taxes into building permits to file with the executive director of the department of a copy of the resolution or ordinance. For local lodging taxes, the bill requires local taxing jurisdictions to report the rate and calculation of the tax. For the applicable sales or use tax, the bill requires local taxation jurisdictions to report the rate and calculation, what information is included on building permits, the timing for remittance of the tax, and whether the tax is imposed on asphalt equipment, storage of equipment, or services. Annually by July 1, 2025 the executive director must publish the information in the local taxing jurisdiction's reports relating to the local lodging tax and applicable sales or use tax. The bill expands the scope of the sales and use tax simplification task force to include local lodging tax systems and require that in the 2024 interim, the task force receive testimony and proposals related to the feasibility and implementation of an electronic system for the collection and remittance of local lodging taxes in the same manner or in a manner similar to the electronic sales and use tax simplification system. This bill also passed as amended by a vote of 11 to 0.

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>