Legislative Report for 2020 Legislative Session

In this Issue

(Click the link to skip to the steering committee of your choice)

General Government

Health and Human Services

Justice and Public Safety

Land Use and Natural Resources

Tax and Finance

Tourism, Resorts and Economic Development

Transportation and Telecommunications

General Government

HB20-1029, Allow County Officers to Accept Lower Salary

HB 1029 would allow any county elected official to elect to receive a lower salary than what is currently specified in state statute. The bill allows the elected official to further alter his or her salary following that first decision, provided that the salary amount does not exceed what is set in statute. The bill was amended on the House floor last week to make this salary reduction option available only to elected officials in counties of category III-VI. As amended, the bill passed the House by a wide margin. It has now been introduced in the Senate and assigned to the Senate Local Government Committee.

Position: Support Sponsors: Rep. Pelton, Sen. Hisey Lobbyist: Eric Bergman

HB20-1073, Prevent Gerrymandering of County Commissioner Districts

HB 1073 would take the political gerrymandering protections established in the state constitution by Amendments Y and Z and attempt to apply them to county commissioner districts in those counties where at least one commissioner is not elected by the voters of the whole county. The bill would only be applicable to counties with populations greater than 70,000 that elect to move to a five-member commission or ones that have a home rule charter. For those counties subject to the legislation, the creation and staffing of an independent commission to oversee the drawing of

commissioner districts is required. Once drawn, the commissioner districts must face judicial review. The fiscal note on the bill estimates it would cost counties up to \$135,000 each to comply. CCI has been meeting with the bill sponsors and representatives from the affected counties and efforts are underway to draft amendments to address some of the counties' concerns. The bill is awaiting second reading on the House floor.

Position: Oppose Sponsors: Reps. Kennedy & Larson Lobbyist: Eric Bergman

HB20-1081, Multilingual Ballot Access

HB 1081 would require the Secretary of State (SOS) and certain counties to provide multilingual ballot access. The SOS would be required to have translators available by phone to help electors translate ballot language and to translate all state races and state ballot questions for the counties. Additionally, counties that have at least 2,000 citizens (or 2.5 percent of the total population) who speak a minority language would be required to prepare an in-person minority language ballot that would be available upon request at voting service centers without any state financial assistance. According to the fiscal note, the bill would place this unfunded mandate on approximately 20 counties. The bill was amended in committee to push out the SOS phone translator function to 2022 and clarify that counties do not have to hire translators in the clerks' offices (in other words, the services could be contracted out). This amendment will reduce, but not eliminate, the local fiscal impact of the legislation. The bill will be heard on Friday, Feb. 21, in House Appropriations.

Position: Oppose Sponsors: Rep. Caraveo, Sen. Gonzales Lobbyist: Eric Bergman

HB20-1089, Employee Protection Lawful Off-duty Activities

HB 1089 would prohibit an employer from terminating an employee for the employee's off-duty activities that are lawful under state law, even if those activities are not lawful under federal law. The goal of the legislation is to basically allow employees to use marijuana during non-work hours without fear of termination. While well-meaning, the legislation is at odds with Article XVIII of the Colorado Constitution, which specifically allows employers to have drug-free workplace policies. Moreover, many county employees possess commercial driver's licenses (CDLs) which can be revoked for failing a drug test. Until a scientific test is developed that can differentiate between actual impairment from THC and the mere presence of THC in the bloodstream from past use, it will be difficult – if not impossible - for employers to allow afterwork use of marijuana. The bill will be heard in House Business Affairs and Labor on Wednesday, Feb. 19, at 1:30 p.m.

Position: Oppose Sponsor: Rep. Melton Lobbyist: Eric Bergman

HB20-1093, County Authority to License Businesses

As introduced, HB 1093 would grant a board of county commissioners the authority to license and regulate any business located or business activity occurring within the unincorporated area of the county, including short-term lodging rentals or advertising for such rentals. This authority is virtually identical to the authority currently enjoyed by every municipality in Colorado. Following a number of discussions between the sponsors and opponents of the legislation, the sponsors amended the bill in committee to narrow the licensing authority to **just** short-term rentals. The bill passed out of the House last week on a 44-19 vote and it has now been introduced in the Senate and assigned to the Senate Local Government Committee.

HB 1093 is a CCI Legislative Priority for 2020. CCI has drafted a fact sheet on the bill and be found by <u>clicking here</u>.

Position: CCI Legislation - Support Sponsors: Reps. McCluskie & Wilson, Sens. Donovan & Rankin Lobbyist: Eric Bergman

HB20-1281, Change Salary Categorizations for Certain Counties

HB 1281 would change the salary subcategory designations for Alamosa and Yuma counties. Alamosa County would move to Category III-B and Yuma County would move to Category IV-C. The bill will be heard in the House Transportation and Local Government Committee on Tuesday, March 3.

Position: Support Sponsors: Reps. Pelton & Valdez Lobbyist: Eric Bergman

SB20-035, Kiosk Program Provider Vehicle and Identity Services

There are currently a number of county pilot programs using automated kiosks to issue driver's licenses, vehicle registrations and other services. SB 35 would make this cost-saving measure available to all county clerks' offices. The bill passed out of the Senate State Affairs Committee and is currently awaiting a hearing in Senate Appropriations.

Position: Support Sponsors: Sen. Scott Lobbyist: Eric Bergman

Health and Human Services

HB20-1012 Child Welfare Program Children Developmental Disabilities

HB 1012, a bill initiated by Colorado's Children's Hospital, modifies provisions of a bill that passed in 2018 that addressed, in part, the needs of children with intellectual and developmental disabilities.

At that time, the legislature established and funded a new ten-bed residential child care facility (RCCF) to support children and youth with co-occurring I/DD and mental health conditions who do not meet criteria for an inpatient hospitalization but are not yet safe to be in the community.

Even with this investment, the demand for this service outpaces the availability of beds. At any given time, the state estimates that there are 8-10 children served in hospital emergency rooms or being placed in costly and disruptive out-of-state care. The Children's Hospital is trying to address situations whereby Medicaid eligible children with I/DD languish in hospital beds waiting for treatment *without having these children unnecessarily enter the child welfare system just to receive these services*.

HB 1012 requires the CO Department of Human Services (CDHS) to provide a report that highlights the average length of wait time for children and youth on the wait list, aggregated information about the child's or youth's expected placement following discharge and other key data points. This is intended to document the need for additional beds – not just for kids in the child welfare system but for all children on Medicaid who may need these services.

The bill also requires CDHS to develop criteria for managing the waitlist. Internally, CDHS staff already manages the waitlist by considering factors such as the likelihood that a child might be placed out of state for care, the severity of the child's treatment needs, and whether or not an alternative placement might exist. HB 1012 requires CDHS to work with counties and other interested parties in reviewing and modifying these criteria, if need be. Three (out of the 10) beds will continue to have prioritized access for children in the custody of the county/state.

HB 1012 was amended and unanimously passed by the House Public Health Care & Human Services Committee. CCI's membership took a monitor position on HB 1012 because counties would like to see the state fund more beds for this vulnerable population. The bill is waiting to be heard – likely after the budget has passed (late March) – in the House Appropriations Committee.

Position: Monitor Sponsors: Reps. Young & Landgraf, Sens. Todd & Gardner Lobbyist: Gini Pingenot

HB20-1052, Privacy Protections for Human Services Workers

Under CRS 18-9-313, it is unlawful for information to be made available about caseworkers and law enforcement personnel. HB 1052 extends protections under this statute to include all human services workers. An example of some of the protected professions under this expanded definition are employees of juvenile detention centers, county employees (including county attorneys) and human services contractors.

This legislation is necessary because human services employees are concerned about their personal information being available on the Internet and clients using it for malicious purposes. The immediate family (spouse, children and parents) of human services workers would also be protected under the bill. Human services workers may submit a written request to a state or local government official to request their information be protected if they feel they and/or their family are in danger.

The bill passed out of the House on a unanimous third reading vote and has been introduced in the Senate, where it has been assigned to the Senate Judiciary Committee. The fact sheet for this bill can be found <u>by clicking here</u>.

Position: Support Sponsors: Reps. Duran & Exum, Sens. Donovan & Hisey Lobbyist: Kyley Burress

HB20-1071, Driving Instruction for Foster Children

HB 1071 establishes a children's driver education grant program under the Department of Human Services for the purposes of reimbursing counties for costs of driving school. Last session's HB19-1023 allowed foster children in counties between the ages of 15-18 to obtain a driver's license. Counties, however, had to pay for the cost associated with driving school and education. HB 1071 will reimburse those county costs. The bill also includes that a county that contracts with a private driving school will not be liable for injury or accident.

The bill requires that the Department of Human Services establish rules for the grant program by or before December 20, 2020. It is likely that all counties will be eligible for the grant. The bill was passed unanimously last week by the House Transportation and Local Government Committee. It is now awaiting a hearing in House Appropriations.

Position: Support Sponsors: Reps. Carver & Singer, Sens. Gardner & Lee Lobbyist: Kyley Burress

HB20-1100, Pass-Through Child Support Payments

For the last several years, the state general fund has reimbursed counties and the federal government for child support payments that are passed directly to TANF clients. This policy has increased the monthly payments these families receive.

At the inception of this program in 2017, the state general fund obligation for this policy was \$3 million. It is now close to \$5 million in part because there are more pass-through eligible cases and the average payment size is greater.

The Colorado Department of Human Services is initiating HB 1100 to modify the original bill (SB15-012) that put this policy into place. SB15-012 stated that if counties were not fully reimbursed for the pass-through, the policy would stop. This protection has helped counites fund their child support programs and offer employment services, education and training to families in need.

As amended, HB 1100 requires the state to appropriate an amount of money that is at least 90 percent of the county's total reimbursement amount that is passed through to custodial parents, after the full federal share has been paid. This amount will be determined based on a December 1 estimate. Given these amendments and others that will be forthcoming on second reading in the house, CCI modified its position to support. Staff will continue to work with CDHS to increase the 90% total reimbursement to a higher percent.

HB 1100 will be heard on second reading in the House on Tuesday, February 18.

Position: Support – continue to work for full reimbursement Sponsors: Rep. Froelich, Sen. Crowder Lobbyist: Gini Pingenot

HB20-1138, Public Real Property Index

HB 1138 requires each state agency, state institution of higher education and local governments to annually submit to the office of the state architect a list of all usable real property owned by or under the control of these public entities. The annual list must include the address of the property, the size of the property, how the property is zoned, contact information for the public owner of the property, a plan, if available, for the use, development or sale of the property and a description that includes the condition of the property.

This bill was initiated by EPIC – Executives Partnering to Invest in Children. EPIC is seeking to identify properties that could be used as a potential childcare center. And while the desire for more childcare centers is the goal, the inventory of properties could serve other purposes too.

Counties are sympathetic to the high cost of childcare in Colorado. As the provider of safety net services to Coloradoans in need, counties understand the linkage between safe, quality childcare and economically thriving families. HB 1138, however, is unnecessary and an unfunded mandate. Many counties have easy-to-navigate GIS systems where much of this information is already housed making it easy for anyone in the public to access. While there are plenty of examples, two that come to mind are Summit County's and Montrose County's GIS websites: http://gis.summit.countyco.gov/Map/ and https://www.montrosecounty.net/103/GIS-Mapping

Additionally, commissioners partner regularly with non-profits in their community and work with them to find solutions to their challenges – including addressing their property/facility needs.

HB 1138 will be heard in the Capital Development Committee on Tuesday, February 18 and then again in the House Transportation and Local Government Committee on Wednesday, February 19.

Position: Oppose Sponsors: Reps. Coleman & Larson, Sens. Bridges & Gardner Lobbyist: Gini Pingenot

HB20-1147, Reasonable Independence for Children in Activities

HB 1147 is being initiated by Let Grow, a national organization that supports "free-range parenting." As introduced, HB 1147 modifies the definition of child abuse and neglect and states that activities like independent outdoor play and walking to and from school is not indicative of child neglect.

Counties flagged concerns with HB 1147 because it modifies the definition of 'neglected or dependent child' (CRS 19-3-102). This is an area of law that is exceptionally nuanced due in part to years of case law. The sponsors have been receptive to this feedback and are equally cautious about

unintended consequences. As such, they have been working diligently on an amendment to address concerns that have been raised by county human services attorneys.

HB 1147 will be amended on second reading in the House with a 'strike below' amendment to modify a different part of statute. The amendment will state that activities like traveling to and from school and engaging in outdoor play – given the child's maturity, condition and abilities – is not considered neglect.

Position: Monitor Sponsors: Reps. Buckner & Ransom Lobbyist: Gini Pingenot

HB20-1197, 2-1-1 Statewide Human Services Referral System

HB 1197 requires and includes an appropriation of \$200,000 to the Department of Human Services to expand 2-1-1 services across the state. 2-1-1 connects people in need with community services ranging from assistance in paying rental and utility bills to food and clothing banks.

The proponents of the bill will clarify, via an amendment, that nothing in the bill implicates the Colorado Child Abuse and Neglect hotline. With that clarification, CCI's membership offered their support.

HB 1197 will be heard on Wednesday, February 19 in the House Public Health Care and Human Services Committee.

Position: Support with Amendment Sponsors: Reps. Snyder & Rich, Sen. Bridges Lobbyist: Gini Pingenot

HB20-1237, Medicaid Managed Care Assignment for Child Welfare

HB 1237 codifies in statute the state's intended policy to keep children in child welfare and juvenile delinquency in the Regional Accountable Entity (RAE) in which they were originally enrolled. This will help address delays in service, breaks in service and unnecessary hardships for vulnerable children.

Many children involved in the child welfare system are eligible for Medicaid which provides physical and behavioral health services. Once enrolled into Medicaid, a child is assigned to a Regional Accountability Entity (RAE) based on the physical location of the child's primary care physician. Many children are enrolled in Medicaid prior to their involvement with child welfare and juvenile delinquency.

However, if the child is placed in a different county, which is common for high need children, the child may change to a new primary care physician. If the primary care physician is in a different RAE, sometimes the child's RAE changes which can result in delays in getting services to the child that were already approved under the former RAE.

Given the relative infancy of the RAEs, there was confusion which led to counties being encouraged to switch RAEs. HB 1237 clears up this confusion for counties, RAEs and providers so that vulnerable children maintain services and do not risk delays in services.

You can find CCI's factsheet on HB 1237 here.

Position: CCI Bill - Support Sponsors: Reps. Young & Saine, Sens. Moreno & Sonnenberg Lobbyist: Gini Pingenot

HB20-1284 Secure Transportation Behavioral Health Crisis

HB 1284 creates a new type of secure transportation option, different than traditional ambulance services, for individuals experiencing a behavioral health crisis. The licensing and permitting authority for this new service will reside with the board of county commissioners. Commissioners can establish a fee to reflect the direct and indirect costs incurred by the county in licensing such service. Entities that wish to provide this service must meet – or exceed - the equipment and training and operating procedures established by the State Board of Health.

HB 1284 will be heard on Friday, February 21 in the House Public Health Care and Human Services Committee.

Position: Support Sponsors: Reps. Kraft-Tharp & McCluskie, Sens. Bridges & Smallwood Lobbyist: Gini Pingenot

SB20-029, Cost of Living Adjustment for Colorado Works

SB 29 increases the basic cash assistance (BCA) grant that Temporary Aid to Needy Families (TANF) recipients receive. Currently, a family with one parent and two children receives \$508/month. TANF recipients uses these dollars to cover their basic needs including diapers, clothes, toiletries, etc.

The Children's Campaign has been very receptive to county feedback and developed an amendment in response to our concerns. SB 29 was amended in committee last week to 1) increase the BCA grant in SFY 2020-2021 by 5 percent; 2) set the cost of living increase at 1.5 percent; 3) explicitly state that county TANF reserves are not to be used to meet this commitment; 4) require that the JBC review the policy and its sustainability annually; and 5) define a sustainable state TANF reserve at \$34 million. Given these amendments, commissioners were pleased to modify their original position and are now in support of the bill.

Position: Support Sponsors: Sens. Fields & Moreno, Reps. Coleman & Duran Lobbyist: Gini Pingenot

Justice and Public Safety

<u>SB20-070</u>, Traffic Offenses Classification and Penalties

SB 70 is CCI legislation and has two purposes. The first is to raise the fines for traffic infractions (such as driving without a license) as traffic enforcement codes haven't been updated since the 1970s. The bill would also decriminalize certain traffic offenses (such as driving without insurance) in order to lessen unnecessary court time. The money generated by the traffic fine increases would go back into the county where the violation occurred, where then this money can be used for the purposes of traffic safety, law enforcement, and road construction.

Secondly, under current statute, the surcharges on these fines go into VALE (victims assistance and law enforcement) grants as well as the CVC (crime victims' compensation) Program. The increase in fines (as well as the surcharge) in the bill would generate additional funds for the purposes of serving more victims. The bill was heard in the Senate Transportation and Energy Committee on Thursday, Feb. 13, where testimony was heard before the bill was laid over for additional work. The fact sheet for this bill can be found <u>by clicking here</u>.

Position: CCI Legislation - Support Sponsors: Sen. Coram, Rep. Catlin Lobbyist: Kyley Burress

<u>SB20-130</u>, Backcountry Search and Rescue

Backcountry search and rescue in Colorado started in the 1940s in response to the thousands of Coloradans and out-of-state visitors who take part in outdoor recreation in our state. SB 130 establishes a rescue-study training and physical pilot program. The Department of Natural Resources is directed to develop a recommendation on how to address the challenges around backcountry search and rescue. The bill will create a search and rescue study to determine how the state can provide better resources to local governments. The bill has been assigned to the Senate Agriculture and Natural Resources Committee.

Position: Support Sponsors: Sens. Donovan and Rankin, Reps. McCluskie and Wilson Lobbyist: Kyley Burress

<u>SB20-161</u>, Pretrial Release

This bill requires that pretrial complete a risk assessment within 24 hours for all defendants that have been admitted to a detention facility. SB 161 also prohibits pretrial programs from charging defendants a supervision fee. Examples of supervisions required by a detention facility are GPS, electronic alcohol monitoring, urine and drug analysis. The bill does establish a pretrial services fund but it is unclear how much would be available in the fund and whether the fund would cover the cost of an ongoing program or if it is for the startup costs of implementing the policy.

Position: Oppose unless amended Sponsors: Sens. Lee and Gardener, Reps. Herod and Soper Lobbyist: Kyley Burress

HB 20-1017, Substance Use Disorder Treatment in Criminal Justice System

HB 1017 requires that municipal and county jails, multijurisdictional jails, the state Department of Human Services, and the state Department of Corrections have available one agonist and one antagonist for the purpose of treating an individual with a substance use disorder. These facilities are to provide treatment to an individual for the duration of their commitment or incarceration. A few examples of an agonist would include heroin, oxycodone, methadone, and morphine. An example of antagonists would include naltrexone and naloxone.

This bill also requires that a safe station be made available for an individual to dispose of a controlled substance. A "safe station" is defined in the bill as a municipal police station or county sheriff's office, but the term "controlled substance" is not defined in the bill. Under the legislation, a person who disposes of a controlled substance is not subject to arrest or prosecution.

CCI is opposed to the legislation unless it is amended to include resources to counties to provide these services. The bill passed the House Judiciary Committee on Wednesday, Feb. 12.

Position: Oppose unless amended Sponsors: Reps. Herod & Kennedy, Sens. Donovan & Priola. Lobbyist: Kyley Burress

HB20-1142, Hazard Mitigation Grant Program

Currently there is no long-term, consistent source of funds to mitigate hazards exposure in Colorado. HB 1142 has two purposes: to establish an enterprise under the Department of Public Safety and to create a grant program for hazard mitigation.

The enterprise is to function like a government-run business, where a fee is to be collected from insurers and used for the purpose of educating property owners in high-risk areas on the importance of having insurance and having a mitigation plan.

The grant program is to be established so federal requirements can be met in order to collect FEMA dollars for the purpose of hazard mitigation. Another purpose of the grant is to reduce impacts from future disasters and to decrease losses by encouraging building codes and land use policies that mitigate risk.

CCI had initial concerns about this bill and is seeking amendments that would lead to direct flow of money from the agency to the county, instead of an application program. Further clarifications are also needed in the bill around the definition of what a hazard is and what these mitigation programs might look like. The House Energy and Environment Committee took testimony on the bill last week and then laid it over for action so that amendments can be discussed and finalized.

Position: Support with amendments Sponsors: Reps. Cutter & Soper Lobbyist: Kyley Burress

HB 20-1150, Repeal House Bill 19-1263 (Penalties for Drug Possession)

HB 1150 repeals language in last year's HB19-1263 which made changes relating to the offense level for the possession of certain controlled substances. HB 1263 (which was signed into law) decriminalized single-use drug possession for schedule I and II substances. Examples of substances that fall under schedule I and II are heroin, fentanyl, and cocaine. A person in possession of a small amount (one gram or less) of schedule I or II substance would be charged with a misdemeanor instead of a felony.

The purpose of HB 19-126 was to stop arresting and jailing individuals, thereby reducing overcrowding in our prisons and saving the taxpayers money. However, this forces county taxpayers and county jails to take on the cost as misdemeanor offenses can be served in county jails.

HB 1150 would change the possession of schedule I and II controlled substances from a misdemeanor back to a felony. The bill will be heard in House Judiciary on Thursday, Feb. 27, upon adjournment.

Position: Monitor Sponsors: Rep. McKean Lobbyist: Kyley Burress

Land Use and Natural Resources

SB20-147, County Impacts from Municipal Annexation

SB 147 would have made a number of modifications to the Municipal Annexation Act of 1965, including 1) the requirement for a comprehensive annexation plan adopted two years in advance, 2) authorization to the BOCC to establish contiguity by resolution adopting an intergovernmental agreement (IGA), 3) authorization to the BOCC to file lawsuit if the municipality does not comply with terms of an IGA, and 4) changes to the conditions that establish contiguity.

This bill was an effort to give counties further representation and influence on annexations. The bill was considered by the Senate Local Government Committee on Thursday, Feb 13, where it was postponed indefinitely by a 5-0 vote. County Commissioner Mark Waller (El Paso) brought this issue to CCI at the February steering committee and looks forward to potentially bringing the issue forward through CCI's 2021 legislative process.

Position: N/A Sponsor: Sen. Gardner Lobbyist: Daphne Gervais

HB20-1004, Assistance Landowner Wildfire Mitigation

HB 1004 is an interim committee bill from the Wildfire Matters Review Committee. The bill creates the Wildfire Mitigation Resources and Best Practices Grant Program to be administered by DOLA's Division of Local Government. Grant money (a general fund amount subject to available appropriations) is intended for outreach to landowners to inform them of available resources and

best practices for wildfire mitigation. Eligible recipients include an agency of local government, a county, a municipality, a special district, a tribal agency or program, a faith-based organization, or a nonprofit/not-for-profit organization that is registered and in good standing with the Secretary of the State's Office. Grants are only awarded to applicants conducting outreach in high wildfire hazard areas, and applications are prioritized based on the potential impact of the proposed outreach.

The bill originally extended the increased wildfire mitigation income tax deduction that allows a landowner to claim 100 percent (rather than the current 50 percent) of the costs they incur in performing wildfire mitigation measures. An amendment passed in committee that allows a 50 percent tax deduction claim until 2021 but creates a 25 percent income tax credit until 2025. This effort was pursued because the tax deduction was capped around ~\$100 per landowner and would be lapsed for a year due to TABOR restrictions. The tax credit can take effect immediately, and has ~\$600 cap. The amendment also further defines landowners as individual homeowners. Another amendment is in the works that would move this grant program from DOLA to the Colorado State Forest Service.

The bill was heard in the House Rural Affairs and Agriculture Committee where these aforementioned amendments were added during action on the bill. As amended, the bill passed the committee unanimously and was referred to the House Finance Committee, where it was considered last week. The Finance Committee laid over the bill for additional amendments (including mean-testing to limit the eligibility of the wealthiest taxpayers and to address the overlap year during which applicants would be able to claim both the tax deduction and credit). The committee will take the bill up again on Monday, Feb. 24.

Position: Support Sponsor: Reps. Cutter & Will, Sen. Lee Lobbyist: Daphne Gervais

HB20-1057, Modify Wildfire Risk Mitigation Grant Program

HB 1057 came out of the Wildfire Matters Review Interim Committee and makes modifications to the Wildfire Mitigation grant program under the Forest Restoration and Wildfire Risk Mitigation Act. Currently, grant applicants are required to provide a 50 percent match on all grant-funded projects. The bill lessens this match requirement to 25 percent for projects in areas with fewer economic resources, for which the Colorado State Forest Service (CSFS) is directed to establish satisfying criteria. CSFS must also establish policy by which a project will satisfy match fund requirements. HB 1057 modifies the Forest Restoration and Wildfire Risk Mitigation Grant Program, administered by the Department of Higher Education (DHE), by allowing more grant funding to projects located in areas with fewer economic resources; expanding the list of eligible recipients to include fire protection districts and nonprofit organizations; and extending the program 2029. Over the interim period, the bill sponsors reached out to CCI for feedback related to grant program application criteria, gauging where "pressure-points" may be discouraging participation in applying. In response to the sponsors' inquiry, CCI compiled a list of counties that had engaged in the program and collaborated with Commissioners from those counties to provide feedback.

The bill passed the House Rural Affairs & Agriculture Committee and has since passed second reading on the House floor with two amendments. The first amendment modifies a requirement to an encouragement that grant-funded projects include stakeholders and "appropriate federal, state,

county, and municipal government representatives in the design, implementation, and monitoring of the project". The second amendment specifies what satisfies as "in-kind contribution" for the purposes of matching funding, and encourages the CSFS to amend policies to enable distribution of grant funds by March to allow grant projects to commence before prime wildfire season in June.

The bill is calendared for final passage in the House on Tuesday, Feb. 18.

Position: Support Sponsor: Reps. Carver & McCluskie, Sens. Coram & Fenberg Lobbyist: Daphne Gervais

HB20-1094, Repeal Fee Cap On-site Wastewater Treatment Systems

HB 1094 is a CCI-initiated bill that repeals the fee cap to allow local boards of health to set fees for on-site wastewater treatment system (OWTS) permits. The bill strikes the existing \$1000 statutory cap on permit fees to allow local public health agencies to recover the actual costs of their OWTS services. CCI is partnering with the Colorado Association of Local Public Health Officials (CALPHO) to advocate for this bill.

The bill passed the House on a 50-13 vote on Wednesday, Feb. 12, and will be considered by the Senate Agriculture & Natural Resources Committee on Thursday, Feb. 20.

Position: CCI Bill – Support Sponsor: Reps. Catlin & Arndt, Sens. Ginal & Coram Lobbyist: Daphne Gervais

HB20-1095, Local Government Water Supply Elements in Master Plans

HB 1095 maintains the option for counties to include water supply elements in their master plans but adds a requirement that this element include conservation policies determined by the county. The bill authorizes local governments to include goals specified in the state water plan, and to condition development approvals on the implementation of the county's conservation policies. Local governments may choose to include a water supply element (which would describe the general location and extent of a suitable supply of water), but if they do, additional requirements must be met: the planning commission must consult with entities that supply water to the county, and the element must identify water supplies and facilities that can meet the needs of the public and infrastructure that the planning process anticipates.

While CCI appreciates the cooperation and collaboration with the bill sponsor and the American Planning Association (APA) in maintaining permissive language in this year's version of the bill, CCI opposes the bill, largely because the bill does not allow counties to do anything they cannot already do with their master plans. Counties appreciate maintaining flexibility in what these advisory documents include, and water supply elements are among the components that can look very different across the state. The bill passed the House and has now been calendared for a hearing by the Senate Agriculture & Natural Resources Committee on Thursday, Feb. 20.

Position: Oppose Sponsor: Rep. Arndt, Sen. Bridges Lobbyist: Daphne Gervais

HB20-1126, Local Control Approvals Oil and Gas Applications

Current law grants the director of the Colorado Oil and Gas Conservation Commission (COGCC) the authority to delay the final approval of an oil and gas drilling permit application by requiring additional consultation with the local government or analyses on the impacts to public health and environmental welfare. HB 1126 repeals this authority and specifies that if a local government has local permitting authority and makes use of 1041 powers to approve an oil & gas application, the COGCC must approve the drilling permit application. CCI landed on an oppose position, partly because energy-producing counties should be more involved in the development of this kind of legislation, but also because the bill is arguably both unconstitutional and a misinterpretation of 1041 powers.

The bill was calendared for a hearing on Monday, Feb. 10, in the House Energy & Environment Committee, but has been delayed until March 2 while the bill sponsors work through amendments. One proposed amendment would basically give the COGCC some additional time by saying approval of permits does not need to occur until 30 days after the application is determined to be complete. If a local government exercising its land use authority requires a permit to develop oil and natural gas and approves a permit application, the COGCC Director would still need to approve it, consistent with the local determination, if the local entity either sent a referral to the COGCC and the COGCC either shared "its analysis and recommendation," or failed to do so within 28 days of the referral being sent out. CCI's members did not see that this amendment resolved the aforementioned concerns.

Position: Oppose Sponsor: Reps. Saine & Buck, Sens. Marble & Cooke Lobbyist: Daphne Gervais

HB20-1129, Battery-charged Electric Fences

HB 1129 defines battery-charged fences, allows the county to deem whether inspection of these fences is necessary, prohibits the setting of inspection fees, and denies local governments the authority to prohibit these fences in all but exclusively residential zones. To classify as a battery-charged fence, the fence must be: connected to an alarm system, have an energizer that delivers a maximum twelve-volt current, be located on property not zoned exclusively for residential use, surrounded by a nonelectric perimeter fence or wall (that must be at least five feet high), no more than ten feet or two feet above the perimeter, and marked with warning signs.

CCI and the Colorado Municipal League (CML) met with the bill sponsor to share concerns about limitations on land use and zoning authority. The sponsor agreed to eliminate the local government preemptions in the bill and is also considering the concerns CCI shared about the statutory definition it would create. CCI has also reached out to fire rescue representatives who have concerns about limitations to first responders that could pose a safety risk through the legislation. This concern has been shared with the bill sponsor and committee members, all of whom have been receptive to these concerns. The bill was originally calendared for a hearing on Feb. 5 before the House Transportation & Local Government Committee, but the hearing has been delayed until Tuesday, Feb. 25, while the sponsors work on some amendments.

Position: Oppose Sponsor: Reps. Froelich & Van Winkle Lobbyist: Daphne Gervais

HB20-1133, Land Use Entitlements and Municipal Disconnection

HB 1133 is being brought by Jefferson County, and it seeks to iron out the process by which a tract of land disconnects (or "de-annexes") from a municipality, becoming part of the unincorporated area of the county again. It amends the considerations for a landowner desiring to disconnect from a municipality in a few ways. First, the bill states that disconnected land would become subject to the applicable county's zoning resolution, map, and any other land development regulations within 90 days of the disconnection. Second, it would prohibit a landowner from disconnecting until vested property rights have been terminated or expire. Third, it voids any county zoning resolution that automatically and uniformly zones all future disconnected land. Fourth, it clarifies that once the county receives notice of the disconnection from the municipality and the ordinance has been filed, the county may – through its zoning resolution, zoning plan, or other land development regulations– allow the newly incorporated land to obtain necessary land entitlements. Fifth, it declares that the county may elect not to issue building or occupancy permits to the land before disconnection is filed and complete. Finally, it permits a county to subdivide the disconnected land once the ordinance has been filed with the county clerk and recorder, and relevant zoning has been enacted.

CCI voted to support this legislation as it is seen as resolving potential conflicts that counties and municipalities encounter during disconnection processes, and as authorizing counties to manage the land in the same way as annexed land is treated by a municipality. The bill was considered by the House Transportation and Local Government Committee last week and was referred to the House floor on a unanimous vote. The bill subsequently passed third reading on the House floor, and will be heading to the Senate Local Government Committee.

Position: Support Sponsor: Reps. Kraft-Tharp & McKean, Sen. Tate Lobbyist: Daphne Gervais

HB20-1161, Private Activity Bond Allocation

The private activity bond program funds privately developed projects. The bonds are tax exempt and the amount of the bonds issued are limited by the IRS. The statewide balance is allocated among all issuing authorities, and currently DOLA's executive director makes all of the allocations from the statewide balance with the advice of the private activity bond allocation committee. To streamline and coordinate this process, HB 1161 eliminates the bond allocation committee that currently reviews and makes recommendations to DOLA and requires the state housing board to conduct the review and make recommendations. In addition, the bill eliminates a cap on the amount of the direct allocation fee paid to DOLA by entities that issue private activity bonds or make a mortgage credit certificate election, and eliminates the DOLA Director's authority to promulgate rules that govern private activity bond allocation.

CCI raised a concern to the sponsor that since private activity bonds may be allocated to many different kinds of projects, transferring responsibility to the State Housing Board might mean that

preference is given only to housing projects. The sponsor was receptive to this concern and is looking further into it. The bill is calendared for final passage in the House on Tuesday, Feb. 18.

Position: Monitor Sponsor: Rep. Bird, Sens. Winter & Tate Lobbyist: Daphne Gervais

HB20-1163, Management Single-Use Plastic Products

HB 1163 would prohibit stores and retail food establishments from providing single-use plastic carryout bags, single-use plastic stirrers, single-use plastic straws, and Styrofoam products ("single-use products") to customers at the point of sale after July 2021. The Colorado Department of Health and Environment (CDPHE) would enforce the prohibition. The prohibition would not apply to inventory purchased before July 1, 2021, and used on or before December 31, 2021. The store or retail food establishment could provide recyclable paper carryout bags at a charge of at least 10 cents per customer, which the store or establishment can retain in full unless a local government's ordinance or resolution says otherwise. A local government is preempted from enacting an ordinance, resolution, rule, or charter provision that is less stringent than the statewide prohibition. CCI landed on an oppose position because the membership prefers the model in SB20-010 that allows any local government to opt into regulating plastics, as opposed to a statewide ban. At our recent steering committee, CCI members discussed a proposed amendment that would require a retailer to remit 60 percent of any paper bag charge to the local government where the store or retail food establishment presides. While the additional revenue would be a helpful tool, it is the statewide approach that creates the primary concern for members.

The bill is calendared for a hearing on Monday, Feb. 24, in the House Energy & Environment Committee.

Position: Oppose Sponsor: Reps. Valdez A. and Sirota, Sen. Gonzales Lobbyist: Daphne Gervais

HB20-1233, Basic Life Functions in Public Spaces

HB 1233 prohibits state and local governments from restricting any person from 1) conducting basic life functions in a public space, or (2) occupying a motor vehicle. This prohibition is invalid if the government entity can offer alternative adequate shelter and the person denies it, and only stands if the vehicle being occupied is legally parked on public property or private property with permission. Adequate shelter is defined as any indoor place where a person can conduct basic life functions without restricted hours of operation or lack of storage for personal belongings. Basic life functions include sitting, standing, leaning, kneeling, sleeping, lying down, eating, and sheltering oneself in a nonobstructive manner. A motor vehicle would include camper trailers, commercial vehicles, and motor homes.

CCI voted to oppose this bill, in part due to property rights and visitor-deterrent concerns. Commissioners see that while prisons are not the right place for homeless individuals either, there is a better solution than what this bill would provide. In the city of Denver, where homelessness is a prime issue, residents recently voted to uphold the camping ban. It is clear that there is a need to be proactive in seeking solutions, but the provisions of HB 1233 could interfere with existing local ordinances, such as overnight camping bans – and CCI does not see this as moving in the right direction to solve this statewide issue.

The bill is calendared for a hearing on Wednesday, Feb 26, in the House Transportation and Local Government Committee.

Position: Oppose Sponsor: Reps. Melton & Benavidez Lobbyist: Daphne Gervais

Tax and Finance

HB20-1001, Nicotine Product Regulation

HB 1001 makes several changes to statutes covering cigarettes, tobacco products and nicotine products. Specifically it:

- Raises the statewide minimum age of sale from 18 to 21 (on 12/20/2019, President Trump signed a bill into law setting the age of sale for tobacco products- effective immediately – to 21);
- 2.) Requires every retailer selling nicotine products to have a state license;
- 3.) Requires the Colorado Department of Revenue (CDOR) to coordinate with counties and other local governments who are already licensing retailers pursuant to HB19-1033;
- 4.) Prohibits new retail locations where these products are sold from being located within 500 feet of a school; and
- 5.) Prohibits delivery of cigarettes, tobacco products or nicotine products to a consumer (cigars are not subject to this delivery prohibition).

Flavor bans are not included in this bill and it is not clear whether or not a bill will be introduced this session on that matter.

In December, CCI hosted a call with Rep. Mullica and the three counties – Eagle, Pitkin and Summit - who received voter approval in 2019 to regulate the possession and purchasing of these products and assess a special tax on them. Counties flagged the importance of coordinating compliance checks and investigations with CDOR and have been included in the drafting of the bill.

HB 1001 passed the House Health and Insurance Committee last week and will be heard in the House Finance Committee on Monday, March 2.

Position: Support Sponsors: Reps. Mullica & Larson, Sens. Bridges & Priola Lobbyist: Gini Pingenot

HB20-1022, Sales and Use Tax Simplification Task Force

HB 1022 extends the Sales and Use Tax Simplification Task Force for five years and modifies the task force's duties. Some of the new responsibilities of the task force will include considering

whether or not audits of retailers could be made more uniform between the state and home rule municipalities, whether state and local tax licenses and business licenses could be streamlined, and the impact of the reduced vendor fee which was implemented in HB19-1245. The task force would also receive updates on the development and implementation of the sales tax GIS database (which was funded via SB19-006) and examine the business impact of the destination sourcing rules.

HB 1023 will be heard in the House Appropriations Committee on Friday, February 21.

Position: Support Sponsors: Reps. Kraft-Tharp & Van Winkle, Sens. Williams & Tate Lobbyist: Gini Pingenot

HB20-1023, State Address Data for Sales and Use Tax Collection

HB 1023 is another bill stemming from the Sales and Use Tax Simplification Task Force. In anticipation of the sales tax GIS database going live later this year, HB 1023 states that vendors who use the database to determine the jurisdiction where sales tax is owed and how much sales tax applies to a purchase, will be held harmless for erroneous sales tax remittances if the data the vendor relied on was wrong in the GIS database itself. A similar 'hold harmless' provision has existed for years with the five 'address locator' sites that are currently available to vendors.

Given county experience with state IT systems in the past, HB 1023 sponsors modified their bill in the fall to specify that the hold harmless provision would not be effective until the sales tax GIS database was online, tested and verified by the CO Department of Revenue to be operational, supported and available for use. This wording is intended to avoid the roll out of a system that is not fully ready for use.

HB 1023 will be heard in the Senate Business Affairs and Labor committee on Wednesday, February 19.

Position: Support Sponsors: Reps. Kraft-Tharp & Van Winkle, Sens. Williams & Tate Lobbyist: Gini Pingenot

HB20-1059 Valuation of Energy Storage Equipment

HB 1059 grants a preferential property tax treatment to energy storage equipment. Specifically, the bill uses the 'cost' approach to valuing energy storage batteries (that currently do not exist in Colorado).

Counties are concerned about HB 1059's impact to their property tax base. Counties and cities can choose locally whether or not to exempt storage equipment from the business personal property tax. Many renewable energy developers know this and work collaboratively with communities on win-win solutions that fiscally help the community and the developer.

CCI is opposed to HB 1059 because locally elected officials are best equipped to weigh the service needs of their community vs. developer requests for property tax breaks. Local governments have

many successful examples of working with renewable energy developers in their communities and these models hold promise for other areas of the state.

HB 1059 will be heard on Monday, February 24, in the House Energy & Environment Committee.

Position: Oppose Sponsors: Reps. Jackson & Bird, Sens. Winter & Tate Lobbyist: Gini Pingenot

HB20-1083 Nursing Home Definition for Residential Property Tax

HB 1083 defines nursing homes, for property tax purposes, as <u>'residential'</u>, regardless of the patient's length of stay.

Currently, facilities that provide short term convalescent care and rehabilitation services, where patrons visit the facility periodically or temporarily reside there for less than 30 days, are classified as <u>non-residential</u> (29 percent assessment rate). Facilities that offer long term nursing, rest and assisted living services, where patrons reside on a longer term basis of more than 30 days are classified as <u>residential</u> (7.15 percent assessment rate).

The Division of Property Taxation has identified 15 properties that are currently classified as commercial (29 percent) or mixed use (7.15 percent/29 percent). These properties exist in Adams, Boulder, Delta, Denver, El Paso, Jefferson, Rio Blanco and Weld Counties. These counties – and their associated local governments - would be directly impacted by HB 1083.

There has been discussion about an amendment that removes broad language that would impact facilities that provide convalescent care or rehabilitation services such as physical and occupational therapy that operate <u>without a license from CDPHE</u>. Removing this language would limit the impact of HB 1083 to the few counties identified above.

The sponsors are working to address a \$1 million school finance backfill cost that stems from the bill.

Position: Monitor Sponsors: Reps. Kraft-Tharp & Van Winkle, Sen. Holbert Lobbyist: Gini Pingenot

HB20-1115, Sales Tax Exemption for Farm Fencing Material

HB 1115 creates a sales tax exemption for farm fencing material. This would include barbed wire, smooth wire, fencing staples, "T" posts and wire clips, prefabricated welded fence panels, electric fencing posts, solar panels for electric fences and much more.

As introduced, HB 1115 would impact the local sales tax base. The bill sponsors, however, have agreed to include the local option language CCI has requested. Currently, there are 16 optional sales tax exemptions that boards of county commissioners can chose to adopt or not. Should HB 1115 be adopted, fencing material will be the 17th optional exemption local governments can choose from.

HB 1115 will be heard on Monday, February 24 in the House Finance Committee.

Position: Support if amended Sponsors: Reps. Catlin & McLachlan, Sen. Coram Lobbyist: Gini Pingenot

HB20-1124, Disaster Emergency Transfers from County General Fund

HB 1124 extends the timeframe in which counties – for the sole purpose of addressing roads and bridges destroyed by natural disasters – can transfer county general funds into the road and bridge fund. This limited flexibility was first authorized following the 2013 floods. At that time, the General Assembly and local governments alike thought these recovery projects could be completed by 2021.

While the vast majority of 2013 flood projects have been completed, there are a few outstanding projects that are either under construction, waiting for FEMA review or are in the close-out process. HB 1124 states that this limited transfer authority begins eight years after the date of the Governor's Final Declaration of an Emergency for the Disaster, including all extensions to the Declaration.

HB 1124 has passed the house and is now waiting to be heard in the Senate Local Government Committee.

Position: Support Sponsors: Reps. McKean & Snyder, Sen. Gardner Lobbyist: Gini Pingenot

SB20-067, Vehicle Specific Ownership Tax Actual Price

SB 67 would have allowed the actual sale price to be used to calculate the Specific Ownership Tax (SOT) rather than a percentage of the MSRP. This bill would have reduced SOT revenue that supports local government services. Specifically, counties, cities and special districts would have seen a collective revenue decline of \$18.3 million in FY 2020-21, \$49.6 million in FY 2021-22 and \$73.2 million in FY 2022-23. Schools would also have seen a big hit - which would have had to be backfilled by the state general fund. SB 67 was postponed indefinitely on Tuesday, February 4.

Position: Oppose Sponsors: Sen. Crowder Lobbyist: Gini Pingenot

<u>SB20-109</u>, Short-term Rental Property Tax

SB 109 would have defined short-term rental units for property taxes, reclassified certain properties from residential to non-residential property and increased their assessment value starting in 2022. Specifically, a short-term rental unit that is rented for less than 30 consecutive days and is occupied by the owners for less than 30 days per year, would have been subject to the non-residential assessment rate of 29 percent.

According to the fiscal note, the bill could have resulted in \$101 million in additional local funding. This includes \$25 million for schools and \$76 million for counties, cities, special districts and junior

colleges. Additionally, reclassifying short term rental units as non-residential would put upward pressure on the residential assessment rate (7.15 percent). The RAR cannot be increased without voter approval and it is impossible to speculate how this change would impact the 2023 and 2024 RAR.

SB 109 was postponed indefinitely on Tuesday, Feb. 11.

Position: Monitor Sponsors: Sen. Gardner Lobbyist: Gini Pingenot

SB20-139 County Loans for Public Infrastructure Projects

SB 139 allows a board of county commissioners to authorize loans to governmental entities for infrastructure projects. This optional authority would allow boards of county commissioners to authorize county treasurers to make a loan to a governmental entity in the county that undertakes infrastructure projects in the county. The bill specifies limitations to this authority, including a requirement that the loan recipient pay interest on the loan equal to or greater than the rate of return earned on all county financial investments for the preceding 12 months.

While some counties agreed that SB 139 would provide a new tool to do things like help Local Improvement Districts (LIDs) and Public Improvement Districts (PIDs) build roads, help schools replace old, energy inefficient boilers, and much more, others expressed concerns about counties acting like banks. Ultimately, CCI took a monitor position on SB 139.

SB 139 will be heard on Tuesday, February 18 in the Senate Local Government Committee.

Position: Monitor Sponsors: Sen. Foote Lobbyist: Gini Pingenot

HB20-1287, Colorado Rights Act

HB 1287 allows a person who believes their constitutional rights have been violated to bring a civil action for the violation. Specifically, HB 1287 targets a US Supreme Court doctrine known as 'qualified immunity' which helps shield government employees from liability when they are acting within clearly established law. The doctrine does not protect government officials who are plainly incompetent or knowingly violate someone's rights.

HB 1287 would force Colorado governments to funnel millions of taxpayer dollars toward legal fees, settlements, and judgments. The bill does not propose new funding, meaning that funds state and local governments use to respond to new litigation and money for courts to handle the onslaught of new state court cases would be revenue otherwise used for other critical services, like education, law enforcement, transportation, behavioral health and substance abuse treatment reforms, and social services. Additionally, by providing for plaintiff's attorney's fees in most circumstances while leaving defendant governments and their employees to pay their own fees except in the case of frivolous

claims, it will incentivize plaintiffs' attorneys to flood the courts with new litigation aimed at enriching the attorneys and their clients.

HB 1287 also undermines the balance already set by state statute. Unlimited liability from lawsuits against the state and its political subdivisions could disrupt essential public services and functions. This is why the state adopted the Colorado Governmental Immunity Act ("CGIA"), which limits the circumstances in which Colorado governments and their employees may be sued and creates liability caps in circumstances where they can be sued. The CGIA created an important balance in Colorado between the interests of citizens seeking relief from governmental abuses of power and the public interest of maintaining an efficient and fiscally responsible government. HB 1287 would destroy this delicate balance. Creative plaintiff's attorneys would characterize their claims as Colorado constitutional claims and bypass the CGIA.

For these reasons and others, CCI's membership voted to oppose HB 1287.

Position: Oppose Sponsors: Rep. Soper, Sen. Marble & Lee Lobbyist: Gini Pingenot

Tourism, Resorts and Economic Development

SB20-002, Rural Economic Development Initiative (REDI) Grant Program

SB20-002 would bolster the existing Rural Economic Development Initiative (REDI) grant program. The purpose is to provide grants for projects that create new jobs through new or existing employers, or for projects that help foster diverse and resilient local economies in rural communities (applies to counties with a population of fewer than 50,000 residents). The Department of Local Affairs (DOLA), in collaboration with the Office of Economic Development & International Trade (OEDIT), currently administers the REDI grant program. Local governments, as well as organizations or individuals working in partnership with a local government, are eligible to receive REDI grants. Recipients would be required to provide matching funds, with the amount of the match to be decided by DOLA). A local government may partner with entities including intergovernmental agencies, councils of government, housing authorities, beginning farmers, the Southern Ute Indian Tribe, the Ute Mountain Ute Tribe, nonprofit economic development organizations, and private employers. In partnering, the local government would serve as the grant administrator.

DOLA must prioritize projects that create new jobs and consider whether the project would create unfair competition among existing establishments. Among other provisions, SB 2 creates criteria that DOLA is required to consider when evaluating grant applications. Projects under consideration must do one or more of the following:

- 1. Encourage capital investment in a key regional industry
- 2. Increase the average wages in the project area
- 3. Evidence strong support from local governments or the local workforce agencies and boards
- 4. Encourage growth that benefits more than one rural community through collaboration
- 5. Show compatibility with relevant communities and existing economic development plans

Additionally, if DOLA determines that a rural community needs resources or assistance because it has been impacted by a significant economic event, the department may choose to use all or part of the REDI grant program appropriation for the Rural Economic Advancement of Colorado Towns (REACT) Act. The REACT act authorizes DOLA to coordinate the provision of nonmonetary state resources to assist with job creation or retention in a rural community experiencing a significant economic event, such as a plant closure or layoffs, that has a significant impact on jobs within that community.

The REDI program is already administered by DOLA, but Sen. Donovan is pursuing these changes to statute with the goal of rendering the program and its annual appropriations more robust. Recent budget amendments have been approved (this year, DOLA has requested an ongoing increase of \$257, 248 General Fund for REDI since grant requests have exceeded available funds for several cycles), but Senator Donovan believed the program strayed too far from its original intent. DOLA is concerned that the statutory changes could be too restrictive, but a recent amendment removed the most restrictive criteria that DOLA brought up.

The bill passed third reading in the Senate on a 27-6 vote and has since been assigned to the House Rural Affairs and Agriculture Committee and Appropriations. It is not yet calendared for a hearing.

Position: Support Sponsor: Sens. Donovan & Coram, Rep. McLachlan Lobbyist: Daphne Gervais

HB20-1035, Programs to Develop Housing Support Services

HB 1035 was developed over the interim period by the Treatment of Persons with Mental Health Disorders in the Criminal Justice System Committee (a joint, year-round committee). The next step forward following SB17-021 – which established re-entry services to released offenders with substance use disorders and/or mental health challenges – this year's proposed legislation aims to increase capacity for supportive housing services to reduce recidivism. Supportive housing programs provide services intended to allow a person with behavioral, mental health, or substance use disorders secure and retain stable housing. These programs combine affordable housing with access to supportive services tailored to an individual's needs, including, for example:

- In-reach and outreach
- Housing search and counseling support
- Vocational or occupational training
- Clinical services
- Support with daily living activities

HB 1035 proposes to do several things. First, it would create a pre-development grant program to assist entities developing supportive housing interventions. Funded by the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund, grants can be used to cover costs associated with the development and implementation of these programs (i.e. building new or additional staff capacity). Grants are targeted to communities that have a shortage of behavioral and mental health care providers and services, or to communities that are currently unable to access federal and state housing and supportive service funds through training, technical

assistance, and grant funding. Eligible recipients would include agencies of local government, special districts, tribal agencies or programs, faith-based organizations, and non-profits. Administered by DOLA's Division of Housing, the Department would be required to prioritize applicants that would use the grant to serve rural or frontier communities, or those that plan to provide services to persons with severe and persistent mental illness. The legislation would also require DOLA to provide hands-on technical assistance to grant recipients.

Additional provisions would create a second grant program: the Supportive Housing Grant Program. Intended to help fund homelessness prevention projects and to cover costs of supportive housing services currently ineligible for reimbursement under Medicaid, these grant dollars also aim to develop programs intended to prevent homelessness among mentally ill individuals who have contact with the criminal justice system. Administered by the Department of Health Care Policy and Financing (HCPF), the bill would require DHCP to identify additional providers and services that may be eligible for reimbursement under Medicaid and request waivers.

The fiscal note estimates that \$3.0 million is needed for both grant programs (\$750,000 to the predevelopment grant program, and \$2.25 million to the supportive housing services and homelessness prevention grant program). The actual amount appropriated is at the discretion of the General Assembly.

In addition to the two grant programs, HB1035 would require DOLA to expand statewide training and technical assistance to communities that develop supportive housing interventions. Examples of communities to receive this assistance include homeless service providers, law enforcement agencies, first responders, reentry programs, municipal court programs, etc. These efforts target communities that experience barriers in accessing state and federal funds, in using relevant data systems, and in developing, implementing, and evaluating supportive housing services. Finally, the bill would require DOLA to develop a plan to increase participation in regional homeless data systems, to improve data reporting and housing-related needs assessments. To increase participation in regional homeless data systems, DOLA will hire contractors and consultants at a cost of \$212,750 to work directly with providers and local governments.

HB1035 passed the House Transportation and Local Government committee on a party-line vote. Concerns at the committee were related to costs, the limited target of individuals (must have contact to the criminal justice system), and the effectiveness of the proposed programs.

Position: Monitor Sponsor: Rep. Singer, Sen. Fields Lobbyist: Daphne Gervais

HB20-1196, Mobile Home Park Act Updates

A 2015 analysis of Colorado's Manufactured Home Community (MHC) laws revealed the varying level of protection MHC homeowners have in different circumstances and scenarios. HB1196 amends the Mobile Home Park Act to increase homeowners' rights, targeting common conflicts for which current law provides low to no homeowner protection: retaliation, random evictions, arbitrary rules, utility bill transparency, and inoperable utilities.

HB1196 defines incidents of retaliation and consequences for engaging in it (for example, if a park owner increases rent or decreases services in a selective, nonuniform, or excessive manner). The bill would also ensure that homeowners are not evicted for minor rule violations, and that they are not made subject to unreasonable rules. Additional provisions would require equity and transparency to billing. For example, the bill would require park management to provide each home owner a monthly water bill showing the amount owed by the home owner, the total amount owed by all the home owners in the park, and the methodologies used to determine the amount billed to each home owner. Finally, the bill would ensure that, in circumstances where residents are denied necessary water or other critical utilities due to park owner negligence, the park owner provides reimbursement for alternative lodging to residents.

To provide some insight on the scope of the bill, here are some examples of what the bill would amend:

- Permissible reasons for which the management can terminate a homeowner's tenancy
- Notice requirements associated with a termination
- Management's duties concerning maintenance and repair of a park (water lines, sewage, and other utilities)
- Utility bill information and distribution requirements

Among other updates to the language, format, and definitions, HB 1196 clarifies the periods of time by which park owners must provide notices of tenancy termination or a right to cure to residents. The bill specifies that any local ordinance can trump these provisions of the bill and set an alternate deadline by when a park owner must provide a homeowner notice. In addition, the bill specifies that a landlord must receive approval from the local government before enacting any change of use of his/her mobile home community.

CCI's membership voted to monitor this legislation, largely to address possible impacts on park owners. While our members understand and are motivated to address the need for increased homeowner protection, we want to ensure that changes are done collaboratively in a manner that works for park owners. We would not want provisions of the bill to discourage engagement in the MHC business model, but believe that there is a great opportunity to increase homeowner rights in a way that improves the relationship between park owners and residents, rather than potentially fracturing it.

HB1196 will be considered by the House Transportation & Local Government Committee on Wednesday, Feb. 19.

Position: Monitor and seek amendments Sponsor: Reps. Hooton & McCluskie, Sens. Fenberg & Lee Lobbyist: Daphne Gervais

HB20-1201, Mobile Home Park Residents Opportunity to Purchase

HB1201 facilitates resident purchase and ownership of mobile home communities. Inspired by evidence showing that resident-owned communities receive fewer complaints and have more stability, the bill would increase the opportunity for residents to purchase their mobile home park by 1) requiring notice to residents when a park owner prepares to sell, 2) providing time for residents to determine if they wish to make an offer and to prepare said offer, and 3) requiring that the park

owner consider the offer. The bill gives homeowners 90 days to make an offer to purchase and arrange financing and specifies that a purchase can be made by an association representing at least 51 percent of the homeowners. Additionally, the bill specifies that a group of homeowners may assign their purchase right to a local or state government, tribal government, housing authority, or nonprofit with expertise related to housing, or to an agency of the state. Provisions would prevent the landlord from making a final, unconditional acceptance of any offer for the sale or transfer of the park without first having either considered an offer made by homeowners.

CCI's members voted to support this legislation because several member counties have had difficulties in helping homeowners to purchase parks. The legislation would empower residents to collaborate with their local governments and to take ownership of their own community. Even so, HB 1201 would require a landlord to give at least 12 months written notice of a change of use or pending sale to home owners, the county or municipality, the division of housing in DOLA, and to each home owners' association, residents' association, or other body that represents residents of the park. Commissioners expressed some concern over the 12-month time period and its potential implications on financially burdened park owners, so we will be gauging the possibility of shortening that time frame throughout our conversations on this bill.

HB1201 will be considered by the House Transportation & Local Government Committee on Wednesday, Feb. 19.

Position: Support Sponsor: Reps. Hooton & Gonzales-Gutierrez, Sens. Moreno & Ginal Lobbyist: Daphne Gervais

Transportation and Telecommunications

<u>SB20-128</u>, Generation and Transmission Cooperative Easement Broadband

SB 128 would amend last year's SB19-107 by expanding the definition of what kinds of entities may lease "dark fiber" to providers to assist in broadband service provision in rural areas of the state. The bill expands the definition to include electric generation and transmission cooperative associations (such as Tri-State) in order to make additional unused fiber available around the state. The inclusion of Tri-State is critically important to broadband efforts in Southwest Colorado. The bill will be heard in the Senate Local Government Committee on Tuesday, Feb. 18.

Position: Support Sponsors: Sen. Coram, Reps. Arndt & Catlin Lobbyist: Eric Bergman

HB20-1137, Local Government Determination of Unserved Status on Broadband Grants

HB 1137 would guarantee more local input on the need for broadband funding in areas of the state that lack high-speed Internet. The bill requires a local government entity (county, municipality, school district, etc.) to collect and review any relevant speed data, make a determination on the "unserved status" of a community and then submit a written certification of this unserved status as part of the application process for the state's Broadband Fund Program. The bill was amended in

committee at the request of CCI and CML to make these local government submittals permissive instead of mandatory. As amended, the bill was passed by the House Business Affairs and Labor Committee last week on a 10-1 vote and now heads to Appropriations.

Position: Support Sponsors: Reps. McCluskie and Soper, Sen. Donovan Lobbyist: Eric Bergman

HB20-1173, 811 Locate Exemption for County Road Maintenance

HB 1173 would allow county road and bridge departments to conduct basic maintenance on unpaved county roads without having to call Colorado 811 for utility locates, provided that the maintenance doesn't lower the grade of the road or disturb more than six inches of soil. The bill is a CCI legislative priority and reflects a compromise that was reached between CCI, Colorado 811, Colorado Contractors Association, Xcel Energy and the Colorado Association of Road Supervisors and Engineers (CARSE). Twenty-nine other states have a similar exemption for road maintenance. The bill was passed unanimously last week by the House Transportation and Local Government Committee. CCI thanks County Commissioners Roger Partridge (Douglas), Hilary Cooper (San Miguel) and Norm Steen (Teller) for their testimony in committee. The bill is now awaiting a hearing on the House floor. CCI has prepared a fact sheet on HB 1173 and it can be found <u>by clicking here</u>.

Position: CCI Legislation - Support Sponsors: Reps. Saine & Baisley, Sens. Winter & Smallwood Lobbyist: Eric Bergman