

## 2017 Legislative Session



# 2017 Final Report

## 2017 Session Summary

The final gavel fell on the 2017 legislative session on May 10<sup>th</sup>. With 681 bills introduced, 371 bills passed, and 253 bills postponed indefinitely, this session saw a wide range of policy. With the new Trump administration creating a new political landscape and 30 freshman members taking seats in both houses, the 2017 session kicked off promising big changes. With bills ranging from tampon and Olympic gold medal taxes to repealing the state's use of the death penalty and multimillion-dollar transportation ballot initiatives, the legislators certainly wasted no time pushing both pet projects and highly partisan issues. There were some **key issues** that leadership in both houses wanted to address when the session started,

**681 Bills Introduced**

**371 Bills Sent to Governor**

**253 Bills Postponed Indefinitely**

such as:

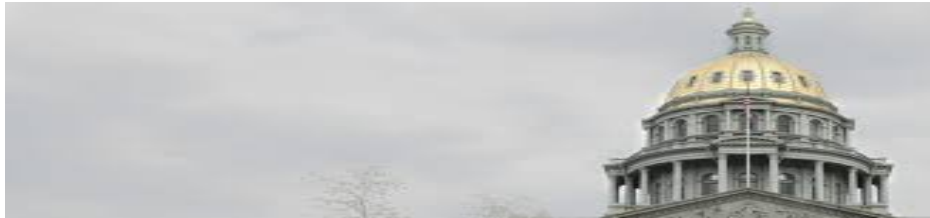
- Transportation
- Construction Defects
- Affordable Housing
- Education Funding
- Hospital Provider Fee

And, as always, with TABOR limits and our unique tax structure in place, the state's balanced budget was a constant influence, and often a significant barrier for lawmakers.

The state's infrastructure and transit needs have quickly become one of the most pressing and contentious policy areas for the state legislature. A steadily increasing

state population combined with crumbling roads and bridges has lead to lengthy transit times, dangerous road conditions, and what many consider "crisis level" disrepair of our

state's infrastructure. Governor



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Hickenlooper identified transportation as one of the key issues he wanted to address early in the session, indicating he was tired of the legislatures gridlock when he said “If talk alone could fill potholes, we’d have the best roads in the country”. The Governor didn’t initially offer any funding mechanisms for the \$9 billion estimated to fix the infrastructure, but the member’s overall focus was on a hike in the sales and use tax. Ultimately, with strong sponsors such as the Senate President and the Speaker of the House and both chairs of the transportation committees, **HB-1242** was introduced. This bill offered a **ballot question** submitted to the voters that would **raise the sales and use tax for the next 20 years**. The money generated would be **allocated between CDOT, local, governments, and multimodal transportation** initiatives, with **375 million going to CDOT annually**. The remaining funds would be split between the local governments and multimodal transportation, with **70% of the funds going to local governments and 30% going to multimodal transportation**.

Although HB-1242 gained significant bipartisan support and passed on a final vote of 41-24 in the House, bill sponsors knew that the legislation would face significant challenges in the fiscally conservative Senate. The bill limped out of the Senate transportation committee, with bill sponsor and

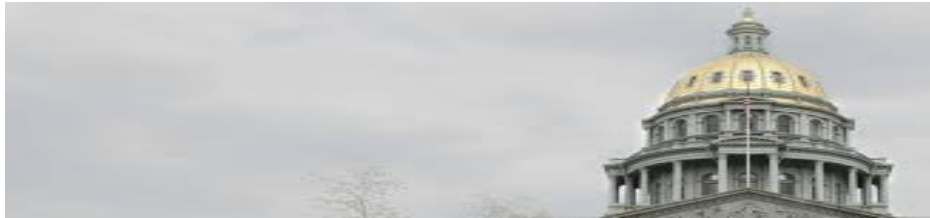
committee chair Randy Baumgardner crossing party lines to vote it through. HB-1242 met its fate late in the session in the Senate finance committee where it was lost on a vote of 3-2. The loss of this legislation was considered a blow to many of the members and stakeholders who had worked on the legislation through a lengthy stakeholder process, and there were a number of transportation bills, such as the all-Republican sponsored **SB-303** and the cooperative approach, **HB-1362** introduced shortly after in response. These bills weren’t the compromise that decision makers were ultimately looking for, however, and they were both postponed indefinitely.

Luckily, the state’s infrastructure funding issues were addressed in a non-transportation centered bill. **SB-267** was introduced under the broad title “**Sustainability of Rural Colorado**” with the initial intention of returning the funding to rural hospitals that had been stripped in order to balance the state budget. This legislation worked to achieve a few main goals:

- Repealed SB-256**, which initially cut hospital funding
- Turned the **hospital provider fee into an enterprise**
- Designated **\$150 million to transportation**

### Transportation Bills:

- HB-1242**
- SB-303**
- HB-1362**



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-Protected **senior homestead exemption by making it a rebate mechanism**

-**Finance rural schools**

-Offers a **business tax credit**

Although this legislation touches on a number of different policy areas, it was passed with bipartisan support in both houses. The legislation was seen as a “grand compromise” in which both sides of the political aisle achieved some of their political goals while accomplishing the purpose of saving rural hospital funding and changing the structure of the hospital provider fee.

The **construction defects** issue was back again this session, to

Construction Defects Bills:  
-SB-157  
-HB-1279

equal despair and delight. After the issue failed to resolve itself in anything but gridlock in the 2016

legislative session, stakeholders from all sides of the issue entered the 2017 session with determination to pass legislation and stimulate the stagnant construction sector. With stakeholders ranging from HOAs and homeowners to trial lawyers and the builders/contractors themselves, there were many, and often conflicting, opinions on how to fix the construction defects issue. Over the course of the session, a total of **six bills** were introduced to attempt to address the construction defects problem, suggesting strategies such as informed consent, arbitration, and builders right to repair, but two bills

in particular gained significant momentum. **SB-157** took an **informed consent approach** in which HOAs and homeowners were mandated to work together to ensure **that all parties understood the terms of the suit**, including potential **timeframes** and **monetary commitments** before actually committing to getting involved in litigation. This approach was strongly **supported by homeowners and HOAs but the builders and some local municipalities stood in opposition**. The local governments claimed that this law would be a conflict of interests because it stood in direct **opposition** with their **statutes that they currently had in place**, and the builders claimed that the legislation **would not actually incentivize builders to reenter the market**. Ultimately the members of the Senate Business committee agreed with the opposition and the bill was **lost on a vote of 3-2**.

**HB-1279** was another **informed consent bill**, but it took additional steps to get the **builders involved** in the process. Instead of simply having the discussion revolve around the HOA and the homeowners, this legislation also required that the **builders have the opportunity to present their side** of the case, and should they chose to, **offer to remedy the defect**. The bill then mandates that there be a **90 day voting period** in which the HOA would **accept votes for or against proceeding with the lawsuit**. These



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extra measures laid out in the bill included interested parties from both sides of the issue, which gathered significant **bipartisan support**. HB-1279 **passed the House unanimously** on the final vote, and passed the **Senate on a vote of 33-2**.

With the new Trump administration coming to power, there were a lot of questions leading into the session about the new federal laws that may be put in place, and their effect on Colorado. This inspired the crafting of legislation to protect certain state level rights from federal government overreach, and two bills reflected these efforts. **HB-1230**, sponsored by Representative Salazar, aimed to **protect all Colorado residents** from being prosecuted by the federal government **based on their race, ethnicity, national origin, immigration status, or religious affiliation**. By prohibiting state level authorities from assisting any federal agencies in the arrest, detainment, or other prosecution, this bill aimed to protect Colorado residents and uphold our own existing statutes. The bill fell under harsh criticism, however, and was **labeled as a bill to protect undocumented immigrants**. There was also a fear of the repercussions passing this type of legislation could bring, such as being **labeled a “sanctuary state” and even losing federal funding**. The bill was

ultimately **postponed indefinitely** in the Senate judiciary committee on a **vote of 3-2**.

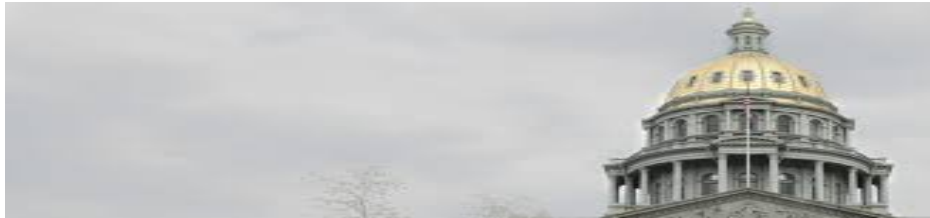
Taking a cue from HB-1230, **HB-1331** aimed to protect Colorado from federal government overreach, but this time, the argument focused more around the **protection of rights specifically outlined in the Colorado constitution**. The general assumption behind this bill was the protection of recreational marijuana, which raised similar concerns with bill opposition that were found with HB-1230. Ultimately, when the bill was heard in Senate judiciary the committee members tried to modify it so much with amendments that the bill sponsor, **Senator Tim Neville**, felt that the true message of the bill had been lost and **chose to kill his own legislation**.

Although this session saw a number of new policy choices, there were some usual characters that made reappearances this session, such as the freedoms and options available to business owners based

on their values. **SB-283** and **HB-1013** aimed to protect these rights. Both these pieces of legislation aimed to redefine what it meant to participate in discriminatory business practices, and

worked to **allow business owners to refuse products and services based on their religious beliefs**. The commonly referenced anecdote for this legislation is allowing a bakery or wedding dress boutique to

**Federal Gov. Overreach Bills:**  
**-HB-1230**  
**-HB-1331**



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refuse service to a same sex couple. These pieces of legislation faced similar hurdles as previous sessions, however, and critics claimed that the bill was less about the free practice of religion and more a thinly veiled attempt to allow the discrimination of the LGBTQ community, claiming that it may lead to a slippery slope of further discrimination if it were to pass into law. Both these pieces of legislation met their fate in the House, where they were both postponed indefinitely.

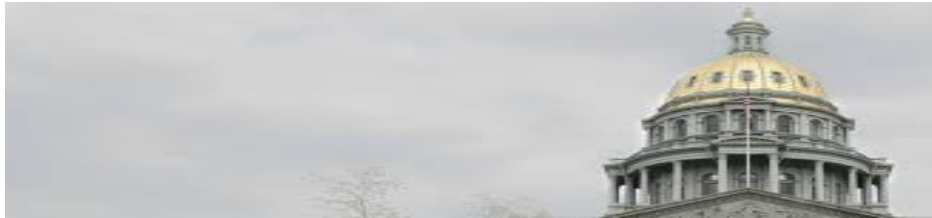
There was an interesting piece of legislation introduced towards the end of the session that, at first, left some confused by the purpose of the bill. **HB-1268** worked to change the **maximum penalty for class two misdemeanors from a year to 364 days**. This one day may seem insignificant, but it carried weighty consequences for immigrants. According to immigration law, if any immigrant, regardless of their status, is convicted of a crime and sentenced to a year in jail, they are immediately subject to deportation. This is incredibly important when considering how much of Colorado's workforce is made up of immigrants. Class two misdemeanors are crimes such as shoplifting and failure to appear on a warrant, violent crimes do not fall under the class two misdemeanor category. The bill had party line support as it passed through the Democrat majority House, but faced challenges once in the conservative

Senate. Like many others, the legislation was labeled as a protection for undocumented immigrants, and it **failed in Senate state affairs on a vote of 3-2**.

While the speed and efficiency of government processes are frequently joked about, it is not often that bills are tied up in the legislative process for months at a time, but that was just the case with **HB-1002**. The bill was introduced on the first day of session, and due to partisan conflicts, was held up in committees for months before finally being heard for its final reading on the last day of session. This extension of an income tax credit **works to support low income, working parents**. The credit would provide roughly **\$500 per child to families earning less than \$25,000 per year**. Although tax credits are often struck down by the fiscally conservative Senate, the benefits of allowing working parents to provide childcare for their families and reenter the workforce with this credit allowed this legislation to gain bipartisan support.

**Bills of Interest:**  
**-HB-1268**  
**-HB-1002**

As always, it is difficult to consider any legislative session without mention of the state budget. Due to Colorado's TABOR laws and unique tax structure, the state must pass a balanced state budget each year. Crafting the budget is a long process in which the Joint Budget



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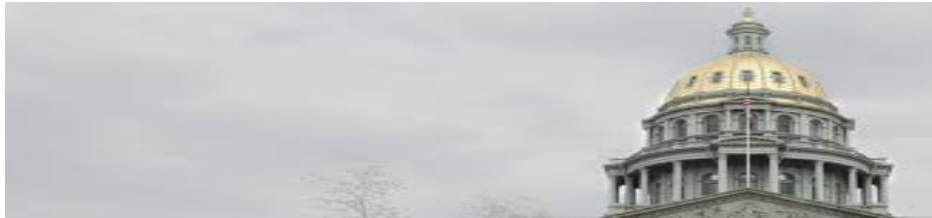
Committee members hear and review budget proposals from state departments and allocate funds to various programs. The Senate was the first chamber to work on the budget bill, and by the second day of considerations, things had gotten so contentious they had to stay until midnight to finish their work.

Important budget items included transportation funding, marijuana taxes, education funding, and how to fund the rural hospitals. In a state where every dollar counts, these multimillion-dollar programs are forced to compete with one another, leaving many programs underfunded. Finally, after considering 42 amendments, the Senate passed the budget over to the house where they faced similar challenges. With so much at stake, this year's budget proposal took weeks to finalize, and was delayed in the Joint Budget Committee for a significant amount of time before finally reaching the Governor's desk.

Now that the 2017 session has wrapped up, legislators and stakeholders have already begun looking forward to next year. Similar topics, such as transportation and construction defects that didn't achieve their desired resolution are likely to be hotly contested policy issues, as will marijuana tax dollars and a wide range of social topics. With the Trump administration still stretching their legs and passing their own policies, it is likely that Colorado legislators will continue to

work to protect Colorado voter's interests while also working to adhere to federal policy. We look forward to working with you next session and seeing what is to come!





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### Hispanic Chamber of Commerce Bills of Interest 2017

**HB1242 New Transportation Funding** – **Support-** Postponed Indefinitely

**HB1002 Child Care Income Tax Credit** – **Support-** Passed, awaiting Governor's signature

**HB1279 Construction Defects Actions Notice Vote Approval** – **Support-** Passed, awaiting Governor's signature

**SB283 Clarify Discrimination and Right to Disagree-**  
**Oppose-** Postponed Indefinitely

**HB1268 Change Maximum Penalty One Year to 364 Days-**  
**Support-** Postponed Indefinitely

**HB1230 Protect Colorado Citizens From Federal Government Overreach-** **Support-** Postponed Indefinitely

**HB1331 Protect Colorado Constitutional Rights-** **Support-**  
Postponed Indefinitely

**SB157 Construction Defects Actions Vote Approval-**  
**Support-** Postponed Indefinitely

**HB1013 Free Exercise of Religion-** **Oppose-** Postponed Indefinitely