

CCI LEGISLATIVE REPORT

COLORADO COUNTIES, INC

APRIL 25, 2011

CCI Meeting Reminder

June 6-8, 2011

CCI Summer Conference

Eagle County, CO

To register and see a tentative agenda visit www.ccionline.org.

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Interim Activities Coming into Focus

On Tuesday, April 19, the General Assembly's Legislative Council Committee met to consider and approve which interim committees would meet this summer and fall. In accordance with CRS 2-3-303.3 the Legislative Council Committee meets each session to review and prioritize "...bills and joint resolutions that create or authorize any studies to be conducted during the interim or that allocate any additional legislative staff resources during the interim."

The Legislative Council Committee ultimately approved five of the twelve interim committee/task force bills before them on April 19. Three of the five require state resources and will rely on Legislative Council staff for support. Those include the following:

1.) **SB11-111, Educational Success Task Force (King, K., Massey)**

SB11-111 creates the 'Educational Success Task Force' and charges it with examining the use of intervention education services, like counseling and tutoring, to ensure students graduate from high school demonstrating postsecondary and workforce readiness.

2.) **SB11-133, Discipline in Public Schools (Hudak, Newell, Nikkel)**

SB11-133 creates a task force to study and assess Colorado's zero tolerance approach to student behavior in schools.

3.) **SB11-200, Health Benefit Exchange (Boyd, Stephens)**

CCI Position: Monitor

In addition to creating a non-profit organization charged with establishing and operating a competitive health insurance exchange in Colorado, SB11-200 creates a 10-member 'Legislative Health Benefit Exchange Implementation Review Committee' to guide the implementation of the exchange.

The remaining two task forces that were approved do not rely on state resources. Those include:

1.) **SB11-045, Streamline Electrical Powerline Siting (Johnston, Levy)**

CCI Position: Oppose

SB11-045 creates a 17 member task force to study Colorado's existing statutory and regulatory framework for siting and permitting electric transmission facilities.

2.) **SB11-050, Value of Condemned Conservation Easements (Roberts, Gerou)**

CCI position: Support

SB11-050 creates a 12 member task force to study the valuation of condemned property that is subject to a conservation easement.

While all five of the above bills have received Legislative Council's blessing to move forward, they still must pass both chambers of the legislature. As noted above, CCI's members have a position on three of the five committees/task forces that have been approved to move forward. Assuming all three pass, CCI's members and staff plan to be very engaged in the conversations surrounding these areas over the interim.

It is possible that additional committees and task forces may still be approved in the remaining weeks of the session. If this occurs, CCI will notify readers in a future edition of *Legislative Report*.

General Government (GG)

HB11-1140, Secure Communities Compliance (Balmer, Harvey)

CCI Position: Oppose

HB11-1140 would have penalized those counties not complying with the federal Secure Communities Initiative by prohibiting them from receiving cigarette and severance tax revenues from the state. CCI's opposition to the bill was based on the fact that while the vast majority of communities in Colorado are attempting to comply with the requirements of the Secure Communities Initiative, the financial cost of such compliance is proving difficult for many rural counties. The bill was postponed indefinitely in the Senate State, Veterans & Military Affairs Committee on Monday, April 18.

HB11-1211, Restrictions on Travel Expenses (Pace, Tochtrop)

CCI Position: Monitor

This legislation came about as a result of some very extravagant travel arrangements made by Pinnacol Assurance last summer during a golf outing to Pebble Beach, California. The resulting bill, HB11-1211, aims to place restrictions on travel expenditures for a whole host of public entities, including local governments. As drafted, the legislation prohibits local government officials or staff from making travel expenditures, which are defined as lodging and meals, in excess of two times the maximum allowable federal per diem. A coalition of local government associations including CCI, CML, SDA (Special District Association) and CASB (Colorado Association of School Boards) attempted to have local governments removed from the legislation, arguing that there is already a high level of transparency and accountability at the local level in Colorado. Efforts at removing counties and other local governments from the bill have been unsuccessful.

When the bill was heard in Senate Judiciary, an amendment was offered to amend the bill to lower the allowable travel cap from two times the federal per diem to one and a half times the federal per diem. This was a significant concern for CCI, as it could present some serious hardships for commissioners and county staff. This is especially true in the more rural areas where hotel availability is sometimes an issue particularly during periods of severe weather.

CCI worked with Senator Linda Newell and Senate sponsor Lois Tochtrop to craft language that at least provides some relief in instances where circumstances might prevent locals from complying with the new travel cap. The bill has been further amended to provide an exemption for "extenuating circumstances" that are beyond the control of local governments. CCI thanks Sen. Tochtrop and Sen. Newell for their willingness to try and address local government concerns with both the bill and the proposed amendments. The bill is now awaiting second reading before the full Senate.

SB11-186, Alternative Bonding Programs (Morse/Waller)

CCI Position: Support

SB11-186 is enabling legislation that provides the ability for judicial districts to enact an alternative bonding program that could help fund pretrial services programs. The bill could provide a viable alternative to defendants who do not have access to money or collateral to post bond through existing options. The bill is being supported by the Commission on Criminal and Juvenile Justice. SB11-186 was passed by the Senate Appropriations Committee on a 5-2 vote on Thursday, April 21. It is now awaiting second reading on the Senate floor.

Questions or Comments? Contact Eric Bergman at 303.861.4076 or ebergman@ccionline.org or Pat Ratliff at 303.668.0264 or patratliff.associates@gmail.com.

Health & Human Services (HHS)

SB11-124, Transfers of County TANF Reserves (Hodge, Gerou)

CCI Position: Support

SB11-124, a CCI initiated bill, modifies the process by which TANF reserves are capped and shared with other counties and provides increasing flexibility for counties to use their TANF funds prior to the implementation of the cap process. The bill passed House Appropriations on Tuesday, April 19, and passed House second reading on Thursday, April 21. SB11-124 should be heard on third reading and final passage on Monday, April 25.

Since the bill has had no house amendments it will go directly to the Governor's office for action. This has been an exciting and rewarding process, with many of CCI's members and their lobbyists talking with their legislators and urging their support. CCI appreciates our member's help and support and thanks the Joint Budget Committee for sponsoring this important legislation.

HB11-1181, Concerning the Child Fatality Review Team (Kefalas, Newell)

CCI Position: Support

HB11-1181 modifies and improves the process used by the state child fatality review team. Additionally, the bill creates much clearer and more appropriate definitions to better assess a child's involvement with a department prior to death. The bill also sets forth the child fatality team's membership, duties, and reporting requirements.

This has been a highly collaborative process, with excellent involvement from the Colorado Department of Human Services (CDHS) and the counties, and we congratulate the sponsors on the bill signing with Governor Hickenlooper on Wednesday, April 20, 2011.

Questions or Comments? Contact Gini Pingnot at 720.255.8941, gpingnot@ccionline.org or Pat Ratliff at 303.668.0264 or plr45@aol.com.

Land Use & Natural Resources (LUNR)

HB11-1199, Limiting Local Solar Permit Fees, (B. Gardner, Mitchell)

CCI Position: Oppose

Under current law, there is a cap on the amount a local government can charge for permitting solar installations. This bill extends the current fee cap and expands the services covered under the cap to include plan and site review. HB11-1199 mandates that local governments subsidize the solar energy industry.

During testimony in the Senate Business, Labor and Technology Committee, proponents claimed that permit fees can be as high as \$40,000. This is illegal, however, since current law caps the fee at \$500 for residential installations and \$1,000 for nonresidential installations. What is more likely the case is testimony failed to distinguish what part of this '\$40,000 fee' is attributable to municipal and county excise and use taxes vs. permit fees. These voter approved taxes are assessed based on the valuation of each installation and they are clearly different than a local government's permitting fees.

CCI's members remain opposed to HB11-1199 and believe that Colorado could better encourage the solar energy industry with financial incentives as opposed to capping the permit fee.

Questions or Comments? Contact Andy Karsian at 303.883.9381 or akarsian@ccionline.org.

Public Lands (PL)

HB11-1218, Federal Mineral Lease District, (Baumgardner, White)

CCI Position: Support

HB11-1218 passed third readings in the Senate on Thursday, April 21. The bill made it through the entire process with only three votes against it. The bill now awaits the Governor's signature and an official opinion from the Department of Interior. CCI asked Interior for an opinion to ensure that Colorado and the counties are using federal mineral lease funding properly and that sanctions or repayment will not occur in the future. It is possible that Interior will return a negative opinion of the bill.

CCI thanks the sponsors and the Legislature for passing this important bill that allows millions of dollars of PILT money to remain in the counties for future years.

Questions or Comments? Contact Andy Karsian at 303.883.9381 or akarsian@ccionline.org.

Taxation & Finance (TF)

HB11-1255, Colorado Alternative Energy Park Act (DelGrosso, Schwartz)

CCI Position: Monitor

HB11-1255 would have allowed counties and cities to create Alternative Energy Business Parks within their communities. As amended, the bill would have allowed local governments to 'opt in' and decide, at the application phase, whether or not they wanted to contribute financially to the park's vitality.

HB11-1255 died on second reading in the house on Wednesday, March 20.

HB11-1141, Economic Stimulus Business Personal Property Tax Exemption (Holbert, Scheffel)
CCI Position: Oppose

HB11-1141 exempts all personal property purchased in 2012 and 2013 from property taxes for the life of the property. Legislative Council estimates that this exemption will create a school finance backfill obligation of \$37.5 million in FY 2013-2014 and \$76.8 million in FY 2014-2015. Collectively, local governments would see a reduction in their property tax revenues of up to \$93.4 million in FY 2013-2014 and \$109.2 million in FY 2014-2015.

On a 34 to 31 vote, HB11-1141 passed the house on third reading on Monday, April 18. It has been scheduled for a hearing in the Senate State, Veterans and Military Affairs Committee on Monday, May 2nd. Senators that have agreed to co-sponsor the bill include Senators Harvey, Cadman, Grantham, King K., King S., Lambert, Lundberg, Mitchell and Renfroe.

HB11-1146, Definition of Agriculture Land for Property Taxation (Massey, Steadman)
CCI Position: Support

On Thursday, April 21, HB11-1146 passed third reading in the Senate on a 22 to 12 bipartisan vote.

As amended HB11-1146 defines ‘integral to an agricultural operation’ as a residential improvement that is occupied by an individual who either regularly conducts, supervises or administers material aspects of the agricultural operation or is occupied by the spouse or a parent, grandparent, sibling or child of the individual. The bill also allows local governments that have not sufficiently ‘de-bruced’ to either seek voter approval to retain any additional revenue or adjust its mill levy to eliminate any net property tax revenue gain that might result from the implementation of HB11-1146.

Questions or Comments? Contact Gini Pingnot at 720-255-8941, gpingenot@ccionline.org or Bill Clayton at 303.884.7618, bill@lombardclayton.com.

Transportation & Telecommunications (TT)

HB11-1264, OHV Licensing and Access (Priola)
CCI Position: Oppose

This measure would set up a process for the titling, licensing, registering and insuring off-highway vehicles (OHVs) in the state. More importantly, the bill would allow licensed and registered OHV riders to operate their vehicles on **any** unpaved road in the county. It would also allow operation of OHVs on any paved road with a speed limit under 45 mph, unless a county specifically prohibits such access. Counties currently have the ability to decide locally where OHVs can be operated safely within the county road system. This legislation would effectively tie commissioners’ hands with respect to OHV access on literally thousands of miles of dirt roads in the unincorporated areas of the state.

The bill was passed by the House Appropriations Committee on Tuesday, April 19, but was re-referred back to the House Transportation Committee for additional consideration. A strike-below amendment was placed on the bill during its second hearing in the Transportation Committee on Thursday, April 21. The strike-below amendment exempts OHV registration fees from FASTER. It also maintains the “local government override” language that allows OHVs to operate on any unpaved county road in

Colorado. The amended bill passed on an 8-5 vote and is now headed to the House floor for a vote on second reading.

Given that there are only a couple of weeks left in this legislative session, it is likely that HB11-1264 will be heard on second reading in the House sometime this week. County commissioners are urged to contact their representatives and ask for a “no” vote on HB11-1264 unless amended to restore local control on all county roads.

Questions or Comments? Contact Eric Bergman at 303.861.4076 or ebergman@ccionline.org or Tony Lombard at 303.884.9113 or tony@lombardclayton.com.