

# CCI LEGISLATIVE REPORT

COLORADO COUNTIES, INC

JANUARY 23, 2012

## CCI Meeting Reminder

All steering committee meetings are held at CCI.

### Thursday, February 9

- 9:00 – 11 a.m.  
General Government
- 11:00 – 12:00 p.m.  
Tourism, Resorts & Economic Development
- 12:30 – 2:00 p.m.  
Taxation & Finance
- 2:00 – 3:30 p.m.  
Transportation & Telecommunications

### Friday, February 10

- 9:00 – 11 a.m.  
Health & Human Services
- 11:00 – 12:00 p.m.  
Agriculture, Wildlife & Rural Affairs
- 12:30 – 2:00 p.m.  
Land Use & Natural Resources
- 2:00 – 3:30 p.m.  
Public Lands

For access to other *Legislative Reports* go to: [www.ccionline.org](http://www.ccionline.org).

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## Fasten Your Seatbelts, It's Going to be a Bumpy Session!

On Wednesday, January 11, the gavel sounded, signaling the start of the Second Regular Session of the 68<sup>th</sup> Colorado General Assembly. The first day of the session featured traditional speeches from leadership in the House and Senate, followed by the Governor's annual State of the State speech on January 12. The speeches were noteworthy in that both sides of the aisle called for bipartisan cooperation – a tall order given the lingering hard feelings over the recent legislative district reapportionment and the fact that it's an election year. The focus for both parties in 2012 will be economic development and job creation.

Over the next four months, the 100 members of the Colorado General Assembly will debate a wide range of issues with direct bearing on county government, including business personal property tax, transportation funding, the conduct and costs of elections, oil and gas regulation, off-highway vehicle use on county roads, and human services programs and funding. Legislators must also pass a state budget bill (dubbed "The Long Bill") and address continuing revenue shortfalls.

Throughout the legislative session, CCI's eight steering committees will be meeting to discuss and take positions on bills that matter to local government. The *CCI Legislative Report* will be issued weekly to provide an update on the disposition of bills that counties are tracking, and to provide additional information on topical issues that are being debated at the Capitol. If you have questions about a specific piece of legislation or general legislative process, please do not hesitate to contact CCI staff at 303.861.4076.

CCI would like to congratulate Rep. Deb Gardner on her recent appointment to the Boulder County Board of Commissioners! Rep. Gardner will depart her House seat later this month in order to be sworn in as county commissioner. Rep. Gardner replaces Commissioner Ben Pearlman, who has stepped down to accept the position of Boulder County Attorney. CCI thanks Commissioner Pearlman for his years of service, and looks forward to working with him in his new capacity.

## **General Government (GG)**

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### **HB12-1082, Prevailing Compensation on Public Works (Morse)**

**CCI Position: Oppose**

HB12-1082 would require contractors in Colorado to pay Davis-Bacon wages to employees on public works projects in excess of \$100,000. Commissioners have voiced concerns that these higher wages and benefits would drive up construction costs for all levels of government at a time when budgets are being cut and grant funds are scarce.

*Questions or Comments? Contact Eric Bergman at 303.861.4076 or [ebergman@ccionline.org](mailto:ebergman@ccionline.org) or Pat Ratliff at 303.668.0264 or [patratliff.associates@gmail.com](mailto:patratliff.associates@gmail.com).*

## **Health & Human Services (HHS)**

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### **SB12-011, Concerning the Differential Response Pilot Program for Child Abuse or Neglect Cases of Low or Moderate Risk (Spence, Summers)**

**CCI Position: Support**

SB12-011 is a CCI bill that expands the number of counties that may apply to participate in the Differential Response pilot program. The original Differential Response bill, HB10-1226, created the pilot program and allowed five counties to participate in the experimental pilot program of a national program of handling low and moderate-risk child abuse and neglect cases. The program avoids the investigatory approach to these low-risk cases, permitting the pilot counties to take a much less confrontational approach to working with families and children involved in the child welfare system. The pilot program has been underway for at least two years in Colorado and more than ten years nationwide.

The bill allows the Colorado Department of Human Services (CDHS) and other coalition members to approve additional counties' participation in the program. Given the positive results so far, this expansion will greatly enhance the tools available to these counties, as well as the favorable outcomes being experienced in the original five counties. CCI strongly supports this legislation and is pleased to report that the bill had its first hearing in Senate Health and Human Services on Wednesday, January 18, and passed unanimously to the Senate floor for second reading. CCI appreciates the thoughtful and knowledgeable discussion by the Senate committee and the county and state witnesses.

### **HB12-1046, Concerning Requiring Drug Testing as a Condition of Eligibility for the Colorado Works Program (Sonnenberg, Brophy)**

**CCI Position: Oppose**

HB12-1046 is legislation that would require TANF recipients to submit drug tests for controlled substances as a condition of receiving services. As part of this proposed new eligibility requirement, an applicant with a positive drug test would be prohibited to applying for TANF for one calendar year.

CCI has reviewed the literature on drug testing for TANF eligibility, including at least one court case in Michigan that found the requirement for testing to be unconstitutional. CCI will continue to examine the practices in other states and court systems as this idea is examined.

*Questions or Comments? Contact Gini Pingnot at 720.255.8941, [gpingnot@ccionline.org](mailto:gpingnot@ccionline.org) or Pat Ratliff at 303.668.0264 or [plr45@aol.com](mailto:plr45@aol.com).*

## **Land Use & Natural Resources (LUNR)**

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### **SB12-088, Preemption of Local Land Use Authority (Harvey)**

#### **CCI Position: Oppose**

The first of many bills to address the oil and gas industry in Colorado was introduced last week. Sen. Harvey's (R-Douglas County) bill is designed to radically negate existing local government land use authority by declaring oil and gas regulation a matter of statewide concern. This bill expressly preempts **all** local regulation of "oil and gas operations" allowing local governments and their constituents no power and no voice, even though case law in Colorado maintains counties and municipalities have land use powers to regulate areas of local and state concern.

Conversations between industry, the state and local governments made significant headway over the summer. However, in the last few months, the straw man argument that local governments stand in the way of oil and gas development has been repeated by the industry and the state. This is unfortunate, disingenuous and short-sighted. CCI is unaware of any new county regulations that place significant burdens, or operational conflicts, upon the oil and gas industry. A few counties and municipalities have legally placed a moratorium on oil and gas exploration while the elected officials address the alarming concerns raised by their constituents about water quality and setbacks. This bill represents an opportunistic power grab that shoves constituent representation aside and puts the Oil and Gas Commission in charge of all aspects of regulation in the state of Colorado.

*Questions or Comments? Contact Andy Karsian at 303.883.9381 or [akarsian@ccionline.org](mailto:akarsian@ccionline.org).*

## **Public Lands (PL)**

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### **SB12-031, Federal Mineral Districts (White, Bradford)**

#### **CCI Position: Support**

Last year the General Assembly almost unanimously passed HB11-1218, which allowed counties to create mineral lease districts. The purpose of federal mineral lease districts is to maximize the amount of federal oil and gas impact dollars coming into Colorado. Over the interim, the US Department of Interior provided CCI with informal feedback on how to strengthen the state law. SB12-031 is the cleanup bill that incorporates the Department's feedback.

Eight counties created districts in 2011. These districts accept the direct distribution federal mineral lease money that would otherwise have gone to the county. By accepting and distributing the money, the county is able to avoid a deduction on their annual Payment In Lieu of Taxes (PILT) payment. SB12-031 allows the districts to be entirely independent of the counties and clarifies administrative authorities allowed, such as maintaining a reserve account.

CCI hopes SB12-031 will enjoy swift passage through both houses so the final Act may be submitted with the State Auditor's federal lands payment report to the Department of Interior in February.

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

## **Taxation & Finance (TF)**

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### **HB12-1029 Economic Stimulus Personal Property Tax Exemption (Holbert, Scheffel)**

#### **CCI Position: Oppose**

HB12-1029 has two main provisions. First, it exempts all business personal property purchased in 2013 from personal property taxes in 2013 and all subsequent years. Secondly, it exempts personal property owned by a public utility from personal property taxes. Attached to this week's *Legislative Report* is a table showing the estimated revenue attributable to personal property in 2010 for municipalities, counties, junior colleges, schools and special districts.

### **HB12-1037 Classify Certain Agricultural Products as Wholesale (Becker)**

#### **CCI Position: Oppose**

HB12-1037 classifies certain agricultural items – such as pesticides, agricultural compounds and semen - as wholesale sales rather than retail sales. The effect of doing so causes these items to be exempt from sales tax.

HB12-1037 has no effect on the state's sales tax base but will impact the local sales tax base. (Last year's HB11-005 exempted these items from the state's sales tax.)

Under current law, counties are authorized to exempt the sale of pesticides from the county sales tax. It should be noted that boards of county commissioners can make this decision without first having to seek voter approval.

CCI's members oppose HB12-1037 because it usurps local control. HB12-1037 will be heard in the Agriculture, Livestock and Natural Resources Committee on Monday, January 30.

### **SB12-052 Local and Statewide Assessed Property Tax Exemption (Scheffel, Priola)**

#### **CCI Position: Oppose**

SB12-052 has two main provisions. First, it increases the personal property tax exemption allowed in statute from \$7,000 to \$14,000 for the 2013 and 2014 property tax years. After 2014, the \$14,000 exemption amount would be adjusted biennially for inflation. This change will allow personal property with an actual value of \$14,000 and under to be exempt from personal property taxes. Secondly, SB12-052 creates a new formula to determine the personal property tax liability of state-assessed public utilities for the next 10 years. The formula creates a 'valuation cap' that is calculated by adding the actual value of the utilities' operating property and plant plus 2% in years 2013, 2014, 2015, 2016 and 2017 or 1% in years 2018, 2019, 2020, 2021 and 2022. Any value above this cap is considered attributable to business personal property and is thus exempt from personal property taxes.

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

## Transportation & Telecommunications (TT)

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### **HB12-1014, Modify Late Vehicle Registration Fee (Baumgardner)**

#### **CCI Position: Oppose**

HB12-1014 would greatly reduce the late vehicle registration fees enacted under FASTER in 2009, and remove the discretion of the county clerk to waive or reduce the late fee for an idled commercial or farm vehicle. Legislative Council projects a \$12 million loss in HUTF revenues in 2013 if this bill passes, with the county share being \$2.6 million.

### **HB12-1021, Coordinated Transportation Planning by CDOT (Vaad)**

#### **CCI Position: Oppose**

HB12-1021 would eliminate the Statewide Transportation Advisory Committee (STAC) and require CDOT staff to conduct all transportation planning for areas outside of the Metropolitan Planning Organization (MPO) regions. CCI believes that the STAC is essential to equitable statewide infrastructure planning and investment decisions, and wants to preserve a local government voice in these planning and investment decisions.

### **HB12-1066, OHV Licensing and Access (Priola)**

#### **CCI Position: Oppose**

This measure would set up a new requirement for the titling, licensing, registering and insuring of off-highway vehicles (OHVs) in the state. More importantly, however, the bill would allow licensed and registered OHV riders to operate their vehicles on **any** road in the non-urban counties of the state with a speed limit of 45 mph or less. 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 roads in the unincorporated areas of the state.

*Questions or Comments? Contact Eric Bergman at 303.861.4076 or [ebergman@ccionline.org](mailto:ebergman@ccionline.org) or Tony Lombard at 303.884.9113 or [tony@lombardclayton.com](mailto:tony@lombardclayton.com).*