

Legislative Report

CCI Meeting Reminder

All steering committee meetings are held at CCI.

Friday, March 20

9:00 – 10:30 a.m.

Public Lands

10:30 – 12:00 p.m.

Agriculture, Wildlife & Rural Affairs

12:30 – 2:00 p.m.

Land Use & Natural Resources

2:00 – 3:30 p.m.

Health & Human Services

Friday, April 17

9:00 – 10:30 a.m.

Tourism, Resorts & Economic Development

10:30 – 12:00 p.m.

General Government

12:30 – 2:00 p.m.

Taxation & Finance

2:00 – 3:30 p.m.

Transportation & Telecommunications

For access to other *Legislative Reports* go to: www.ccionline.org.

800 Grant St., Suite 500
Denver, CO 80203
Ph) 303.861.4076
Fax) 303.861.2818
www.ccionline.org

Colorado Commissioners Bring County Concerns to Capitol Hill

The National Association of Counties (NACo) held its 2009 Legislative Conference in Washington, D.C. last week and a number of Colorado's county commissioners took advantage of the opportunity to learn the latest on the federal stimulus package, consider county issues pending before Congress and visit with Colorado's congressional delegation regarding issues of importance to Colorado. In addition, some of the county attendees had an opportunity for a face to face visit with the new Secretary of the Interior, Ken Salazar.

Colorado brought three resolutions to the conference, all of which were endorsed by counties nationwide. One asks the federal government to take the lead on compiling and integrating disparate land parcel data from state and local entities. A nationally integrated land parcel data set has a wide variety of positive implications and can be used in emergency planning and response, planning and development and property tax assessment. Another of Colorado's resolutions seeks Congressional action to clarify that energy efficiency and renewable energy improvement are a legitimate governmental purpose under the Internal Revenue Code. Expanding the definition of "governmental purpose" in this way would allow these types of projects to be eligible for federal tax-exempt bonds. Finally, Colorado's commissioners successfully advanced a resolution calling for the creation of a federal Emergency Fire Fund to supplement other fire fighting funding and preserve funds appropriated for USFS operating needs.

On Wednesday, March 11th, commissioners met face-to-face with each of Colorado's Congressional Delegates. Commissioners highlighted five priority issues in their meetings: 1.) Reauthorization of the federal transportation funding bill, 2.) Promotion of

renewable energy research and incentives, 3.) Support for the payment in lieu of taxes (PILT) program, 4.) Initiatives to help restore Colorado's forest health and 5.) Efforts to ensure affordable housing opportunities.

Regarding transportation, commissioners emphasized to congressional delegates the importance of relying on the Statewide Transportation Improvement Plan (STIP) and the projects identified therein when discussing the next rendition of SAFETEA-LU. Commissioners explained that CDOT's collaborative approach to identifying state and local transportation projects works well and that Colorado's congressional members should avoid earmarks for pet projects that are not identified in the STIP. They also warned Colorado's congressional delegation about the push from eastern states to dedicate federal funds to roads and bridges based on the age of the infrastructure. Given the fact that the transportation infrastructure on the east coast is inherently older than that in the western part of the United States, Colorado's commissioners argued that federal transportation funding should target growing population centers and the quality of the infrastructure.

Regarding renewable energy, commissioners highlighted their success in passing the NACo resolution that would help incentivize energy efficiency and renewable energy efforts (noted above). Many congressional members spoke about the Obama Administration's efforts to develop a "smart grid," a modernized electricity network that relies on digital technology to deliver electricity from suppliers to consumers.

Regarding PILT, commissioners expressed their thanks to those members who voted last October to fully fund this program. Commissioners explained that PILT funding helps support a variety of services on public lands ranging from firefighting and police protection to search and rescue operations.

Regarding forest health, commissioners emphasized the growing number of diseased and infected trees and explained that the power grids and transmission lines traversing these areas are very vulnerable to falling trees and/or forest fires. Additionally, commissioners asked that recovery funding for forest thinning projects be channeled quickly to federal lands in an effort to address dangerous fuel loads prior to the start of this year's fire season.

Regarding affordable housing, commissioners explained that the lack of workforce housing is a strain not only on families but also on a community's infrastructure. Commissioners asked for flexibility in adjusting the area median income (AMI) thresholds for their communities and argued that while most programs offer assistance to those at 30% AMI, those who find themselves in the 50% AMI bracket are often the most underserved by existing housing resources.

Throughout their conversations with Colorado's Congressional Delegates, commissioners stressed the importance of partnering with local governments and their opposition to unfunded mandates. They also asked congressional members to be mindful of existing agency rules and regulations that may conflict with the expedited spending requirements outlined under the stimulus package.

Agriculture, Wildlife & Rural Affairs (AWRA)

Sunset Reviews for Agriculture Programs

Many agriculture programs' sunset dates are expiring this year and a slew of bills are moving through the process to extend the sunsets for these programs. Below is a list of the programs to be legislatively extended.

SB09-113, Sunset Measurement Standards in the Department of Agriculture (Brophy, Sonnenberg) – This bill will implement recommendations on the issuance of licenses and certificates relating to measurement standards, allows the Department of Agriculture to promulgate rules clarifying certain measurement practices and licensing and extends the departments authority to issue licenses and certificates until 2018.

SB09-114, Sunset Farm Products Commodity Warehouse (Kester, Sonnenberg) – This bill extends the sunset for the Department of Agriculture's regulation of farm products and commodity warehouses until 2020. It also requires standardized license fees, allows small volume dealers to buy commodities and allows the department to inspect property and records outside of strict business hours.

SB09-115, Sunset Livestock Market Regulation (Brophy, Curry) - This bill extends the sunset for the Department of Agriculture's regulation of public livestock markets by the state board of stock inspection commissioners until 2019.

SB09-116, Sunset Colorado Seed Act (Hodge, Looper) – This bill continues the Colorado Seed Act, which protects against the agriculture industry from defective seed, to year 2020.

SB09-127, Sunset Egg Regulation (Schwartz, Fischer) – This bill extends egg quality regulation until 2012.

SB09-151, Sunset Licensing Livestock Slaughterers (Isgar, Curry) – Allows the Department of Agriculture's licensing power of slaughterers of livestock to expire and places the responsibilities under the purview of the state board of stock inspection commissioners.

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

General Government (GG)

SB09-149, County Home Rule Charter Commissions (Boyd, Kerr J.) **CCI Position: Support**

Counties have a statutory option to adopt a home rule charter. This allows the county to adopt changes to its administrative structure. The option may make sense for counties with large populations in unincorporated areas of the county. Under current law there must be a special election proposal held to determine whether a home rule charter commission should be established and who should be on the commission who will then come up with the official home rule charter. This is an expensive and time consuming process. This bill would allow the board of county commissioners to appoint this charter commission. The public has multiple opportunities to influence the process and participate in public meetings and give input on the proposed charter during the entire process.

This bill continues to protect the process of becoming a home rule county while streamlining some of the bureaucratic hurdles. Additionally, language has been added in to ensure diversity, political and otherwise, on the charter commission.

SB-09-149 is scheduled to be heard in the House Local Government Committee this Tuesday, March 17.

SB09-180, Collective Bargaining by Employees of Public Safety Agencies (Tochtrop, Casso)

CCI Position: Oppose

SB09-180 is a contingent unfunded mandate on local governments. The bill calls for collective bargaining processes to be implemented in local law enforcement agencies whenever an employee organization is recognized or elected for collective bargaining. To implement this bill, Denver metro area Sheriff Departments would have to hire at least two full time employees. The fiscal impacts on rural county sheriff departments could be significant as well. The bill includes provisions for dues, fees and assessments to be deducted from employee checks and remitted to the employee organization.

Additionally, SB09-180 interferes and supersedes home rule charters for local governments by forcing a mandated process on local law enforcement agencies. CCI, County Sheriffs, many Colorado Police Chiefs and the Colorado Municipal League all strongly oppose this bill.

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

Health & Human Services (HHS)

HB09-1020, Concerning Expedited Processes for Reenrollment in Publicly Funded Medical Programs (Acree, Spence)

CCI Position: Monitor

The bill requires the Department of Health Care Policy and Financing (HCPF) to establish a process to allow for reenrollment in Medicaid and the Children's Basic Health Plan (CBHP) either over the telephone or through the internet.

For FY 2008-09, HCPF was appropriated \$5.3 million, as part of a multi-year project, to design and begin programming an interface to CBMS that would expedite the processing of applications. Additional funding in FY 2009-10 and FY 2010-11 would allow the department to create a web-based application suitable for new applicants and clients who are reapplying for benefits. The funds requested by the Department were removed by the legislature during the budget amendments to the 2008-09 budget, leaving the proposal with no current source of funds to establish the proposed system.

Changes to CBMS are required to allow clients to reenroll for Medicaid and CBHP through the internet. One-time costs of \$3.5 million are based on system changes costs from other states. The program would also require annual expenditures in the range of \$350,000. Counties believe in the purposes of the bill and support the intent to streamline and expedite re-determinations, but also recognize the difficulties inherent in a call system, because of the technical limits for transmitting necessary documents. Counties believe that internet access is a more viable approach to this proposal.

SB09-100, Concerning Amending the Definition of “Noncustodial Parent” in the “Colorado Works Program Act” to Enable a Noncustodial Parent to Receive Employment Assistance Regardless of Whether the Noncustodial Parent’s Child is Receiving Assistance Under the Colorado Works Program (Newell, Frangas)
CCI Position: Support

The bill changes the definition of "non-custodial parent" for the Colorado Works Program. This change allows a non-custodial parent to receive assistance under the program, regardless of whether his or her child is receiving assistance. Under current law, counties may decide whether or not to serve non-custodial parents through the program, using county-only funds from property taxes.

Counties have found that there are many more non-custodial parents who could benefit from these services, then pay their child support, and keep their children off of assistance. Because of the language in the law that limits TANF funds for such services, this bill modifies the restrictions to provide that a county may provide services to the non-custodial parent of marginally subsistent families, whether they are eligible for TANF at the time or not. Through this amendment we will be able to prevent more families falling onto assistance, and the counties may do this using the same services they already provide to TANF non-custodial parents with no increased costs. The bill is entirely permissive and strongly supported by CCI.

Questions or Comments? Contact Pat Ratliff at 303.668.0264 or plr45@aol.com.

Land Use & Natural Resources (LUNR)

HB09-1129, Concerning Rainwater Harvesting Pilot Programs (Looper, Romer)
CCI Position: Monitor

This bill establishes a pilot program for the collection of precipitation from rooftops for non-potable uses. The program can include up to ten new residential or mixed-use developments. The program goal is to provide the following:

- An evaluation of the technical ability to determine how much precipitation returns to the natural stream system,
- A baseline set of data and methods to measure local precipitation patterns and ground water flow information,
- An evaluation of precipitation harvesting designs,
- The point at which precipitation harvesting causes injury to water rights, and
- Data to adjudicate permanent augmentation plans.

The pilot program will be carried out by the Colorado Water Conservation Board. The board will establish criteria and guidelines for the selection of pilot program applicants and will then select applicants. Program participants must submit an annual preliminary report to the board and the state engineer that summarizes findings regarding the program's goals.

As amended, the bill will cover any losses or injury for a period of time, through full augmentation plans. This important change creates a safety net for any water users who may be impacted by the pilot. The office of the state engineer in the Department of Natural Resources will act in an advisory capacity.

HB09-1303, Concerning the Application of Engineering Criteria to Increase Efficiency in the Administration of Wells that Withdraw Ground Water in Conjunction with the Mining of Minerals and, in Connection Therewith, Integrating Wells that Withdraw Ground Water in Conjunction with the Mining of Minerals into the Prior Appropriation System and Extending the Time Schedule for Well Owners to Correct Deficiencies in Permitting and Operation (Curry, Isgar)

CCI Position: Pending

Creates a presumption that ground water removed from geologic formations in conjunction with the mining of minerals, from wells in confined sedimentary bedrock aquifers and located certain distances from any natural stream, including its alluvium, meets the statutory definition of non-tributary ground water.

This legislation arises as a result of concerns regarding “produced water” in mining operations throughout the state. The concerns include the withdrawal of the water itself, whether the water is put to beneficial use, and whether the water is a tributary to any surface water, in which case injury may apply. In short, this is a complicated piece of legislation, devised by a group of water interests and communities, seeking to clarify the complicated and interwoven worlds of natural resources extraction and water use.

The bill asserts that wells that dewater geologic formations by removing tributary ground water to facilitate or permit mining of minerals must comply with current water laws.

Questions or Comments? Contact Pat Ratliff at 303.668.0264 or plr45@aol.com.

Taxation & Finance (TF)

HB09-1269, Create New Rainy Day Account (Ferrandino)

CCI Position: Monitor

The aim of HB09-1269 is to create a 10% general fund (GF) reserve from the current 4% reserve. The bill is only effective if SB09-108 becomes law, which it now has. Effective July 1, 2009, the name of the Controlled Maintenance Trust Fund changes to the Controlled Maintenance and Rainy Day Fund, and creates the controlled maintenance and rainy day accounts within the fund and transfers those revenues. It allows the controlled maintenance account to be used in the same manner in which the controlled maintenance trust fund has been used in the past. The bill requires investment earnings from the rainy day account to be credited to the controlled maintenance account. From FY 09/10 to 16/17, the first \$100M of SB 97-1 is distributed to the HUTF and additional amounts are credited to the rainy day account until the account reaches 6% of GF appropriations. If the account then equals 6% of appropriations, any remaining SB 97-1 diversion will be credited to the HUTF. From FY 17/18, the Rainy Day Account will be first to receive SB 97-1 diversions until reaching 6% of GF appropriation, then any excess goes to the HUTF under SB97-1.

Beginning FY 10/11 if Legislative Council forecasts indicate insufficient funds to allow GF appropriations to grow at least 6%, the GA transfer from the Rainy Day to the GF fund to 6% growth and maintain a 4% reserve. The GA may also use the revenue to pay up to \$100M of debt service for TRANS bonds. The GA may also use, by 2/3 vote, the revenue to address an emergency.

HCR-1002, Create State Savings and Trust Fund (Gardner, C.)

CCI Position: Pending

As a referred measure, HCR-1002 amends the Colorado constitution to create the Savings and Trust Fund (Fund) beginning FY 2010/2011. Interest and income remain in the fund. Subject only to constitutional limitations, HCR-1002 allows the General Assembly (GA) to make appropriations to the fund from any source. The GA, by majority vote of each chamber, may appropriate from the Fund if due to insufficient revenues, General Fund appropriations are less than the prior year General Fund (GF) appropriation plus the prior year appropriation limit. HCR-1002 allows the GA to appropriate from the Fund for any purpose by two-thirds vote. If appropriations are made in either majority or two-thirds function, the GA must replenish the fund in future years by appropriation to the Fund of the excesses over prior year GF appropriations and five-sixths of the maximum growth allowable (gap between appropriations limit and actual GF appropriation). HCR-1002 specifies that all moneys credited to the fund are included in state fiscal year spending for the state fiscal year in which they are credited to the fund.

SB09-233, Mixed-use Properties and Property Tax (Schwartz, Liston)

CCI Position: Monitor

This bill would specify that only if at least 25% of gross finished building area of a residential dwelling unit is used as an in-home business can, the residential dwelling unit be considered a mixed-use property. SB09-233 allows taxpayers in an enhanced rural enterprise zone to postpone the payment of a portion of their property tax liability attributable to their residence being classified as a mixed-use property for tax years 2009 and 2010. In the third property tax year, SB09-233 allows the property tax liability attributable to their residence that was postponed to be paid in five annual installments. The bill also requires the notice of valuation to separately state the actual value of the residential and nonresidential uses as determined by the assessor.

Questions or Comments? Contact Chris Mendez at 720.352.7326 or cmendez@ccionline.org.

Tourism, Resorts & Economic Development (TRED)

SB09-41, Private Activity Bond Ceiling Allocation (Romer, Vigil)

CCI Position: Support

SB09-41, which authorizes the Department of Local Affairs (DOLA) to charge an administrative fee to entities that receive direct allocations of bonding authority as part of the Private Activity Bond Ceiling Allocation Act, has passed the General Assembly and is now awaiting the Governor's signature. As passed, it allows population estimates prepared by the state demographer to be used in making allocations. It also replaces the old "application fee," payable by applicants for a portion of the statewide balance (after direct allocations to state and local issuing authorities are made), with a "direct allocation fee" and a "statewide balance application fee." The direct allocation fee is capped and may reimburse no more than 30% of DOLA's costs in administering the program. The statewide balance application fee is set by DOLA and may not exceed the amount required to maintain the permissible reserve for the Division of Housing at three times the prior year's spending level.

SB 09-234, Enterprise Zone Recommendations (Mitchell, Rice)

CCI Position: Support

SB09-234 directs the Economic Development Commission, with the assistance of the Office of Economic Development, to make a report to the General Assembly by December 31, 2009, concerning modification of enterprise zone boundaries and tax credits, the benefits and drawbacks of creating a statewide enterprise zone, industries that would benefit from a statewide enterprise zone and that would benefit the state, and the potential for mitigating revenue impacts associated with any recommendations made by the commission. Under current law, there are 16 enterprise zones, 31 counties designated as enhanced rural enterprise zones and one rural technology enterprise zone that covers the entire state with certain excluded areas.

Questions or Comments? Contact Chip Taylor at 303.861.4076 x 231 or jtaylor@ccionline.org.

Transportation & Telecommunications (TT)

SB09-222, Concerning Sign Standards for Automatic Vehicle Identification Devices (Lundberg, Vaad)

CCI Position: Support

SB09-222, as amended by the Senate, states that if a local government utilizes automatic traffic identification warning signs must be placed not fewer than 200 feet and no more than 500 feet from the traffic signal and such signage must have lettering at least four inches high for upper case or two and 9/10 inches for lower case letters.

The bill is now scheduled for the House Transportation and Energy Committee this Tuesday, March 17th.

Questions or Comments? Contact Chris Mendez at 720.352.7326 or cmendez@ccionline.org.

Need to contact your legislator?

Want a pink book? The pink book comes out yearly and will provide all of the information you need to contact legislators. Contact the Legislative Services office at 303-866-3055 and they can mail you a book. Each book is \$3.